

# BILL SUMMARY

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September 25, 2007

## Iran Counter-Proliferation Act of 2007 – H.R. 1400

The House on Sept. 25 passed by a vote of 397-16 the Iran Counter-Proliferation Act (ICPA), comprehensive legislation that aims to increase economic and political pressure on Iran to persuade the regime to abandon its pursuit of nuclear weapons. The legislation closes loopholes in existing sanctions law, strengthens U.S. tools to cut off funds to Iran's nuclear program and prohibits U.S. nuclear cooperation with those aiding Iran's atomic efforts. The bill also calls for Iranian President Mahmoud Ahmadinejad to be brought before the International Court of Justice for violating the Genocide Convention through his repeated calls for the destruction of Israel. The bill was cosponsored by Reps. Tom Lantos (D-CA) and Ileana Ros-Lehtinen (R-FL). A corresponding bill in the Senate (S. 970) was introduced by Sens. Gordon Smith (R-OR) and Dick Durbin (D-IL) and remains pending.

### KEY PROVISIONS:

#### **Tightens Enforcement of Existing U.S. Sanctions Law:**

- Requires the Secretary of the Treasury to report every six months on any foreign investments in Iran's energy sector since January 1, 2007, and on the administration's actions dealing with such investments.
- Requires foreign subsidiaries of U.S. companies to cease all business activities in Iran that the parent company is prohibited from engaging in under current law.
- Prevents U.S. subsidiaries of foreign oil companies that are sanctioned for investing in Iran's oil sector from receiving U.S. tax benefits for oil and gas exploration.
- Ends all Iranian imports to the United States and restricts U.S. exports to Iran to food and medicine.
- Adds the selling of oil tankers to Iran to the list of sanctionable items under the Iran Sanctions Act.
- Authorizes increased funding for U.S. agencies working to cut off Iran from the international banking system.

**Prohibits U.S. Nuclear Cooperation with Russia:**

- Requires the implementation of any U.S. nuclear cooperation agreement with Russia to be conditioned on presidential certification that Russia has ceased nuclear cooperation with Iran.

**Isolates Iran from International Financial Institutions:**

- Reduces U.S. contributions to the World Bank based on the percentage the bank gives in loans to Iran.
- Encourages the executive branch to increase use of American leverage in the international financial sector to further isolate Iran.
- Expresses disapproval of Iran's entry into the World Trade Organization until all issues related to its nuclear program are resolved.
- Encourages the administration to prohibit all Iranian state-owned banks from using the U.S. banking system.

**Limits the Terms of Future Free Trade Agreements:**

- Calls for a ban on future Free Trade Agreements with countries investing in Iran.

**Urges Terrorist Designation of Iran's Islamic Revolutionary Guards:**

- Urges the president to designate the Islamic Revolutionary Guard Corps on U.S. terror lists and requires the president to report to Congress on the steps he has taken.

**Promotes Democracy:**

- Authorizes increased funding for people-to-people contact between Americans and Iranians as a way to encourage a return to a civil and democratic society.