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THE AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE
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BILL SUMMARY

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The Comprehensive Iran Sanctions, Accountability and Divestment Act of 2009 (S. 2799)

The Comprehensive Iran Sanctions, Accountability and Divestment Act of 2009 (S. 2799), introduced by Senate Banking Committee Chairman Christopher Dodd (D-CT) and Ranking Member Richard Shelby (R-AL), reinforces American diplomatic efforts with Iran with the threat of tougher sanctions if Tehran rejects U.S. overtures and continues to enrich uranium in defiance of the international community.

The bill, passed by the Senate by voice vote on Jan. 28, 2010, expands U.S. sanctions against Iran by requiring the president to impose penalties on companies providing refined petroleum to Iran or helping Iran expand its own refining capacity. Shipping companies that transport the refined petroleum to Iran and their insurers are also targeted by the legislation. The Dodd-Shelby legislation is based on S. 908, the Iran Refined Petroleum Sanctions Act, which enjoys broad bipartisan backing and received 76 cosponsors. IRPSA was originally introduced by Sens. Evan Bayh (D-IN) and Jon Kyl (R-AZ). The House resoundingly passed its own version of IRPSA (H.R. 2194) by a vote of 412 to 12 on Dec. 15, 2009.

The legislation also includes key elements of S. 1065, the Iran Sanctions Enabling Act, which authorizes state divestment efforts and provides a safe harbor for asset managers. S.1065 was originally introduced by Sens. Robert Casey (D-PA) and Sam Brownback (R-KS) and has 39 cosponsors. The House overwhelmingly passed its version of the bill (H.R. 1327) in a vote of 414 to 6 on Oct. 14, 2009.

In addition, the legislation includes provisions aimed at stopping the diversion of sensitive technologies to Iran.

Key Provisions:

- Requires the president to impose sanctions on any entity that provides Iran with refined petroleum resources, engages in activity that could contribute to Iran's ability to import such resources, or helps Iran to maintain or expand its domestic refining capacity. (The bill includes provisions allowing the president to waive the sanctions if he determines such a move is in the national security interests of the United States.)

- Bans U.S. government contracts with entities meeting the criteria for sanctions related to the provision of refined petroleum to Iran or entities investing more than $20 million in Iran's energy sector.

- Authorizes sanctions against companies if their subsidiaries invest in Iran's energy sector or provide Iran refined petroleum resources.

- Bans U.S. government contracts with entities exporting sensitive technology to Iran meant to be used to restrict the free flow of unbiased information or to disrupt, monitor, or otherwise restrict speech of the people of Iran.

- Codifies the U.S. import and export ban on goods to and from Iran and freezes the U.S. assets held by certain Iranians.

- Requires the president to report every six months on certain investments in Iran's energy sector and any activity related to Iran's refined petroleum imports, since January 1, 2009. The report also must include the determination of the president as to whether each investment or activity qualifies as a sanctionable offense.

- Urges the president to consider sanctions on the Central Bank of Iran and any other Iranian bank engaged in proliferation activities or support of terrorist groups.

- Expresses the sense of Congress that the United States should continue to target Iran's Revolutionary Guard Corps with economic sanctions.

- Authorizes states divestment efforts and provides a safe harbor for asset managers.

- Mandates the identification of countries of concern related to the transshipment of sensitive technologies to Iran and provides assistance to these countries to upgrade their export controls. It also subjects countries of concern to additional U.S. licensing requirements for sensitive technologies.