

BILL SUMMARY

June 2012

The Iran Threat Reduction Act of 2011 (H.R. 1905)

The Iran Threat Reduction Act of 2011 (ITRA), passed in the House on Dec. 14, 2011, by an overwhelming 410-11 vote, adds significant new sanctions to our diplomatic arsenal while there is still time to press Iran to abandon its illicit nuclear and repressive activities. The bill was introduced by House Foreign Affairs Committee Chairwoman Ileana Ros-Lehtinen (R-FL) and Ranking Member Howard Berman (D-CA).

The legislation would impose tough new sanctions on Iran's Islamic Revolutionary Guard Corps (IRGC), which not only is the major instrument of regime repression in Iran, but also controls Iran's nuclear program and much of the economy. The legislation would, for the first time, also enshrine in law that it is U.S. policy to prevent Iran from obtaining nuclear weapons, escalate the level of sanctions against the regime's human rights violators, and sharply tighten the enforcement of existing sanctions law.

A similar version of the legislation, the Iran Sanctions, Accountability, and Human Rights Act (with the same bill number H.R. 1905), passed the Senate by voice vote on May 21, 2012. The bill was introduced by Senate Banking Committee Chairman Tim Johnson (D-SD) and Ranking Member Richard Shelby (R-AL).

Now that the House and Senate have passed their respective versions of the legislation, lawmakers are working to reconcile the two bills in order to produce a single text for a final vote.

Select Key Provisions:

Legislates that it is U.S. Policy to Prevent a Nuclear Armed Iran

- For the first time in law, states that it is U.S. policy to prevent Iran from acquiring or developing a nuclear weapons capability.

Increases Sanctions on Human Rights Violators

- Puts the United States firmly on the side of those seeking democratic rights in Iran by tightening sanctions on government officials complicit in human rights abuses.
- Authorizes funding for human rights promotion in Iran.

Imposes Tougher Sanctions on the IRGC

- Imposes sanctions on foreign firms that conduct transactions with the IRGC, including in the energy sector.

Increases Sanctions on Firms Dealing with Iran's Energy Sector

- Tightens current U.S. sanctions on investments in Iran's energy sector, including the refined petroleum industry.
- Clearly defines when the president shall initiate an investigation of a foreign entity for violating U.S. sanctions for doing business in Iran's energy sector.
- Urges the president to develop a diplomatic initiative to assist countries in reducing their dependence on Iranian oil.

Mandates New Disclosure Requirements

- Requires companies to disclose certain business activities in or with Iran to the Securities and Exchange Commission.

Requires a Report on the Central Bank of Iran

- Requires a report on the Central Bank of Iran's activities in facilitating Iran's proliferation and terrorist activity.

Requires Positive Certifications from U.S. Banks

- Requires U.S. banks conducting business with non-U.S. banks to certify that those banks do not facilitate financial transactions with sanctioned Iranian banks.