

PRESS RELEASE

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AIPAC APPLAUDS SENATE EFFORT TO INCREASE PRESSURE ON IRAN TO END NUKE PURSUIT

The Senate Finance Committee today approved the Iran Sanctions Act of 2008, sending a strong message that more must be done to pressure Tehran by the U.S and our allies, and that Congress intends to enact additional measures that mandate those efforts.

AIPAC applauds today's important action, led by Finance Committee Chairman Max Baucus (D-MT) and Ranking Member Charles Grassley (R-IA) and members of the Finance Committee, which aims to strengthen U.S. tools to escalate the pressure on Iran to end its dangerous nuclear activities.

Introduced by Chairman Baucus at today's hearing, the bill contains key provisions of the Iran Counter-Proliferation Act (ICPA) (S. 970), which garnered 72 cosponsors in the Senate. AIPAC also commends the efforts of ICPA's sponsors, Sens. Gordon Smith (R-OR) and Richard Durbin (D-IL), for moving this critical legislation forward. The House version of ICPA (H.R. 1400) passed by an overwhelming vote of 397-16 last September.

Sanctions have already helped isolate their economy and curtailed investment in and banking cooperation with Iran. Further international action may be able to persuade the Iranian government to comply with its international obligations. AIPAC strongly supports Congressional efforts and those of the administration and America's allies to increase pressure on the Iranian regime to end its pursuit of nuclear weapons capability. To change Iran's course, the United States and the international community must use every economic, diplomatic and political tool available.

Iran has repeatedly violated its obligations as a member of the nuclear Non-Proliferation Treaty and has continued to spurn demands of the International Atomic Energy Agency (IAEA), the international community and the U.N. Security Council that it suspend its uranium enrichment program. A nuclear-armed Iran poses a direct threat to the security of the United States and our allies and threatens to spark a dangerous nuclear arms race in an already destabilized region.

KEY PROVISIONS:

- The Iran Sanctions Act closes loopholes in existing sanctions law, mandating the imposition of U.S. sanctions against foreign companies that invest more than \$20 million in Iran's energy sector, and also extends those sanctions to include foreign subsidiaries of U.S.-owned companies and American subsidiaries of foreign-owned companies.
- The bill requires the Secretary of the Treasury to report every six months on any foreign investments in Iran's energy sector since January 1, 2008, and requires the president to make a determination on whether each investment qualifies as a sanctionable offense under the Iran Sanctions Act of 1996 and to take the required action based on those findings.
- The measure also encourages the administration to prohibit all Iranian state-owned banks from using the U.S. banking system.
- The bill also 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 or that Iran has completely, verifiably, and irreversibly dismantled all uranium enrichment-related and reprocessing-related programs.

Bill Summary

Iran Sanctions Act of 2008

The Senate Finance Committee by a vote of 19 to 2 approved comprehensive sanctions legislation that strengthens U.S. tools to escalate the pressure on Iran to cease its dangerous nuclear activities. The Iran Sanctions Act of 2008 closes loopholes in existing sanctions law, strengthens U.S. tools to cut off funds to Iran's nuclear program and would prohibit the implementation of the recent U.S.-Russian nuclear cooperation agreement until the president can certify that Russia has ended its nuclear cooperation with Iran. The bill, introduced by Finance Committee Chairman Max Baucus (D-MT), contains the key provisions of the Iran Counter Proliferation Act (ICPA) (S. 970), which garnered 72 cosponsors in the Senate. The House version of ICPA (H.R. 1400) passed by a vote of 397-16 last September.

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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, 2008, and requires the president to determine whether each such investment qualifies as a sanctionable offense under the Iran Sanctions Act of 1996 and take the required action based on those findings.
- Prohibits U.S. subsidiaries of foreign companies that are sanctioned due to their investment in Iran's energy sector from writing off energy-related depreciation costs.
- Ends all Iranian exports to the United States and restricts U.S. exports to Iran to food, medicine and certain informational material.
- Authorizes increased funding for U.S. agencies working to cut off Iran from the international banking system.
- Freezes the assets of Iranian officials and their immediate families.

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 suspended all nuclear assistance to Iran and all transfers of advanced conventional weapons and missiles to 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 and redirects the funds into international maternal and child health programs.
- Encourages the executive branch to increase use of American leverage in the international financial sector to further isolate Iran.

- Bars the United States Trade Representative or any other Federal official from taking any action that would extend preferential trade treatment to Iran, or lead to its accession to the World Trade Organization.
- Encourages the administration to prohibit all Iranian state-owned banks from using the U.S. banking system.
- Forbids any person that meets the criteria for imposing sanctions under the Iran Sanctions Act of 1996 from receiving U.S. government contracts.

Urges Action to Stop the Sale of Refined Petroleum to Iran:

- Calls on the executive branch to encourage foreign governments to cease all investment in Iran's energy sector and all imports to and exports from Iran of refined petroleum products.

Urges Divestment from Iran:

- Calls for federal and state pension plans to divest holdings from companies and entities that invest in Iran's energy sector.

Promotes Democracy:

- Directs the Broadcasting Board of Governors to devote more of its Radio Farda programming in Iran to news and analysis.

Urges Creation of an International Nuclear Fuel Bank:

- States that it is U.S. policy to support the establishment of an international nuclear fuel bank for peaceful means and conditionally authorizes \$50 million in voluntary contributions to the IAEA to support its establishment.