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## AIPAC Applauds House Passage of Iran Refined Petroleum Sanctions Act

AIPAC strongly applauds today's overwhelming, bipartisan and momentous House passage of the Iran Refined Petroleum Sanctions Act, legislation that seeks to reinforce American diplomacy by dramatically increasing economic pressure on Iran to stop its illicit pursuit of nuclear weapons. The bill passed by a vote of 412-12.

Iran's possession of a nuclear weapons capability would be a devastating blow to America's national security interests. The United States and our allies must do everything we can to use crippling diplomatic and economic pressure to peaceably prevent Iran from acquiring nuclear weapons and avoid confronting more distressing alternatives.

Led by House Foreign Affairs Committee Chairman Howard Berman and Ranking Member Ileana Ros-Lehtinen, and cosponsored by more than 75 percent of the House of Representatives (350) and the Senate (76), this measure sends a strong message to Iran, and to our friends in the international community, that the United States has the will to act to prevent Iran from acquiring a nuclear weapons capability.

If Iran continues to defy the international community and five U.N. Security Council resolutions by continuing to enrich uranium, refusing unfettered nuclear inspections and covering-up the extent of its nuclear program, IRPSA provides the President an explicit Congressional mandate to act decisively in enforcing the consequences of Tehran's unfortunate choice.

Since Iran imports up to 40 percent of its refined petroleum, curtailing its ability to purchase gas and diesel fuel could have a severe impact on the Iranian economy, forcing the regime to confront a real choice: continue its illicit nuclear program and risk economic ruin or suspend their nuclear program and open the door to relief from sanctions.

During the 2008 presidential campaign, then-Senator Barack Obama backed efforts to target Iran's refined petroleum vulnerability, saying, "If we can prevent them from importing the gasoline that they need ... that starts changing their cost-benefit analysis. That starts putting the squeeze on them."

AIPAC strongly supports companion legislation in the Senate cosponsored by Banking Chairman Chris Dodd and Ranking Member Richard Shelby that encompasses the Senate version of the IRPSA (S.908 – cosponsored by 76 Senators), as well as the Iran Sanctions Enabling Act (S.1065), overwhelmingly passed by the House in October by a vote of 414 to 6. The Dodd-Shelby bill also contains provisions clamping down on sanctions-busting activity known as transshipment.

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 maintain or expand its domestic refining capabilities, including:**

- Providing ships or shipping services to deliver refined petroleum to Iran
  - Providing insurance or reinsurance for such activity; Financing or brokering such activity
  - Providing goods, services, technology, information, or support, or to maintain or expand Iran's refining capacity
  - The value of such support must exceed \$200,000 or a combined total of \$500,000 in any 12-month period
- **Companies found to be in violation will effectively be barred from doing business in the United States by:**
    - Prohibiting the entities from carrying out any financial transactions in U.S. dollars
    - Barring any U.S. person or financial institution from carrying out any transaction involving a sanctioned entity
    - Freezing any assets the entities may have under the jurisdiction of the United States
    - Prohibiting sanctioned entities from receiving U.S. government contracts
  - **Restricts U.S. nuclear cooperation** agreements with countries whose citizens or companies provide Iran with equipment and materials that help advance its nuclear capabilities.
  - States it is the **policy of the United States to impose sanctions on the Central Bank of Iran (CBI)**, any Iranian financial institution engaged in proliferation or terrorist activities and any entities conducting financial transactions with those institutions.
  - **Applies sanctions to the subsidiaries** and parent companies of entities found to be violating the Iran Sanctions Act. Extends the Iran Sanctions Act through 2016.
  - **Requires the president to initiate an investigation of possible sanctions violations** upon receipt of credible information that a violation has occurred and to make a determination whether a violation occurred **within 180 days** of beginning the investigation.
  - **Requires the president to report within 90 days** and every six months thereafter regarding any person who has:
    - **Acted as an agent, alias, front, instrumentality, representative, official, or affiliate of the Islamic Revolutionary Guard Corps**
    - **Provided material support or conducted any commercial or financial transactions with the Islamic Revolutionary Guard Corps**
    - Provided Iran with refined petroleum or engaged in activity that could contribute to Iran's ability to import refined petroleum resources
    - Sold, leased, or provided to Iran any goods, services, or technology that would allow Iran to maintain or expand its domestic production of refined petroleum resources

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