



# PRESS RELEASE

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## **AIPAC APPLAUDS PASSAGE OF TOUGHEST EVER IRAN SANCTIONS**

### **Urges President Obama to Fully and Immediately Implement**

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AIPAC applauds the passage of biting new Iran sanctions legislation by overwhelming majorities in the House and Senate and urges its immediate and full implementation. The Comprehensive Iran Sanctions, Accountability and Divestment Act (CISAD) is the toughest Iran sanctions bill ever to emerge from Congress and provides the best hope that political and economic measures can peacefully persuade Iran to end its illicit nuclear program before it is too late. The vote was 99-0 in the Senate and 408-8 in the House with one voting present.

Iran is the world's leading state sponsor of terrorism, and it continues its efforts to export its revolution. The Islamic Republic's acquisition of a nuclear weapons capability would pose a grave and direct threat to the national security of the United States and our allies in the Middle East, Europe and Asia. A nuclear Iran would also destroy the fabric of the nuclear non-proliferation regime and deeply undermine global stability.

AIPAC salutes Senate Banking Committee Chairman Chris Dodd (D-CT) and Ranking Senator Richard Shelby (R-AL), as well as House Foreign Affairs Committee Chairman Howard Berman (D-CA) and Ranking Member Ileana Ros-Lehtinen (R-FL), for their leadership in crafting and passing this historic legislation. (See KEY PROVISIONS below)

AIPAC also expresses deep gratitude to Senate Majority Leader Harry Reid (D-NV), Senate Republican Leader Mitch McConnell (R-KY), House Majority Leader Steny Hoyer (D-MD) and House Republican Whip Eric Cantor (R-VA) for their extraordinary effort in shepherding this legislation to completion. AIPAC also recognizes the impressive leadership efforts of Senators Evan Bayh (D-IN), Joe Lieberman (I-CT), and Jon Kyl (R-AZ) for their authorship of the Iran Refined Petroleum Sanctions Act in the Senate, and Banking Committee Chairman Barney Frank (D-MA), Representative Mark Kirk (R-IL), Representative Rob Andrews (D-NJ), Senator Robert Casey (D-PA) and Senator Sam Brownback (R-KA) for their authorship of the Iran Sanctions Enabling Act, which has been incorporated into CISAD.

If implemented, the legislation would dramatically raise the price Iran would pay for continuing its illicit nuclear activities. The Act expands and toughens penalties for investment in Iran's energy sector and declares that providing refined petroleum to Iran is a sanctionable offense. The bill also requires that companies getting U.S. government contracts certify, under penalty of law, that they, their parent and subsidiary companies are not doing business in Iran

The bill significantly targets the designated Iranian banking network underpinning Tehran's illicit activity. The bill requires foreign financial institutions to choose between doing business with Iran or with the United States by imposing a mandatory sanction for any bank with ties to designated entities. Given the very high volume of international financial transactions in dollars, most banks need to have access to the American banking system.

The Act also penalizes those in Iran abusing human rights; prohibits U.S. contracts with companies providing the Iranian regime with sensitive communications technology to suppress freedom of speech; supports state divestment from companies investing in the Iranian energy sector; codifies and expands the ban on imports from Iran; and prohibits the export of nuclear goods, services or technology to countries helping Iran acquire a nuclear weapons capability.

Since the 2002 exposure of Iran's nuclear program – following 18 years of lying about its efforts to the International Atomic Energy Agency – Iran has continued to conceal its military nuclear infrastructure and weapons-related programs. Iran has built thousands of advanced nuclear centrifuges, installed larger and more sophisticated enrichment cascades and covert nuclear facilities, converted tons of uranium ore into uranium hexafluoride (the gas needed to enrich uranium), and enriched enough material to make two nuclear weapons.

Overall, CISADA is designed to support the international community's effort to prevent Iran from acquiring a nuclear weapons capability. United States and all other nations must act now to impose the kind of sanctions elaborated in CISADA in addition to implementing UN Security Council sanctions in order to persuade Tehran to end its illicit nuclear work.

AIPAC urges President Obama to sign and implement this crucial legislation immediately upon its arrival on his desk.

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# BILL SUMMARY

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June 2010

## **The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010**

### **Key Provisions:**

#### **Expands Energy Sanctions**

- Imposes sanctions on foreign companies—including insurance, financing and shipping companies—that assist Iran in importing refined petroleum or maintaining/expanding Iran's domestic refining capacity.
- Closes the loophole in U.S. law that excluded from sanctions the provision of goods, services, or technology to Iran's oil and natural gas sector.
- Imposes sanctions on parent companies if their subsidiaries engage in a sanctionable activity in Iran's energy sector.
- Requires a certification from a company seeking contracts with the United States that it is not engaged in sanctionable activities in Iran's energy sector.

#### **Imposes Mandatory Financial Sanctions**

- Severely constrains U.S. banks from engaging in financial transactions with foreign banks doing business with Iran's Islamic Revolutionary Guard Corps (IRGC), sanctioned Iranian banks, or facilitating Iran's illicit nuclear program or its support for terrorism.

#### **Promotes Human Rights**

- Imposes significant financial penalties and travel restrictions on Iran's human rights abusers.
- Bans U.S. government procurement contracts for any foreign company that exports to Iran technology used to restrict the free flow of information or to disrupt, monitor, or otherwise restrict freedom of speech.

#### **Supports State Divestment**

- Provides a legal framework for U.S. states and local governments to divest their portfolios of foreign companies involved in Iran's energy sector.

#### **Bans Iranian Imports**

- Strengthens the U.S. trade embargo against Iran by codifying longstanding executive orders and limiting the goods exempted from the embargo.

### **Prohibits Licenses for Nuclear Cooperation**

- Bars the president from issuing licenses for the export of nuclear goods, services, or technology to any country with which the United States has a nuclear cooperation agreement that helps Iran develop or acquire a nuclear weapons capability.

### **Limits the Diversion of Technology**

- Requires the Director of National Intelligence to report on countries which allow their territory to be used to send illicit goods to Iran and provides for remedies to address such concerns.

The Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) of 2010 (H.R. 2194) is the most comprehensive and toughest piece of Iran sanctions legislation ever considered by Congress. The legislation imposes smart, crippling sanctions on Iran aimed at persuading the regime to end its illegal nuclear program.

CISADA is based on legislation originally introduced in the Senate (S. 2799) by Sens. Christopher Dodd (D-CT) and Ranking Member Richard Shelby (R-AL) and in the House (H.R. 2194) by Reps. Howard Berman (D-CA) and Ileana Ros-Lehtinen (R-FL). The divestment provisions in the bill are based on legislation originally introduced in the House by Reps. Barney Frank (D-MA) and Mark Kirk (R-IL) and in the Senate by Sens. Sam Brownback (R-KS) and Robert Casey (D-PA). The bills passed both chambers overwhelmingly in late 2009 and early 2010.

If implemented, the legislation would dramatically raise the price Iran would pay for continuing its illicit nuclear activities. The Act expands and toughens penalties for investment in Iran's energy sector and makes providing refined petroleum to Iran a sanctionable offense. The legislation also mandates that companies seeking U.S. government contracts must certify that they and related companies are not engaging in sanctionable activities.

By imposing a mandatory financial sanction on banned activity, the bill requires foreign financial institutions to choose between doing business with Iran or with the United States. Given the very high volume of international financial transactions in dollars, most banks need to have access to the American banking system. If such banks were to stop dealing with Iranian financial institutions, it would place in jeopardy the viability of Iran's financial system.

The Act also supports state divestment from companies investing in the Iranian energy sector; codifies and expands the ban on imports from Iran; prohibits licensing the export of nuclear goods, services or technology to countries helping Iran acquire a nuclear weapons capability; penalizes those in Iran abusing human rights; and prohibits U.S. contracts with companies providing the Iranian regime with sensitive communications technology to suppress freedom of speech.

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