

111TH CONGRESS  
1ST SESSION

# H. R. 2194

To amend the Iran Sanctions Act of 1996 to enhance United States diplomatic efforts with respect to Iran by expanding economic sanctions against Iran.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 2009

Mr. BERMAN (for himself, Ms. ROS-LEHTINEN, Mr. ACKERMAN, Mr. BURTON of Indiana, Mr. SHERMAN, Mr. ROYCE, Mr. ANDREWS, and Mr. KIRK) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, Oversight and Government Reform, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Iran Sanctions Act of 1996 to enhance United States diplomatic efforts with respect to Iran by expanding economic sanctions against Iran.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Iran Refined Petro-  
5 leum Sanctions Act of 2009”.

1 **SEC. 2. FINDINGS; SENSE OF CONGRESS.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) The illicit nuclear activities of the Govern-  
4 ment of Iran—combined with its development of un-  
5 conventional weapons and ballistic missiles, and sup-  
6 port for international terrorism—represent a serious  
7 threat to the security of the United States and U.S.  
8 allies in Europe, the Middle East, and around the  
9 world.

10 (2) The United States and other responsible na-  
11 tions have a vital interest in working together to  
12 prevent the Government of Iran from acquiring a  
13 nuclear weapons capability.

14 (3) The International Atomic Energy Agency  
15 has repeatedly called attention to Iran’s unlawful  
16 nuclear activities, and, as a result, the United Na-  
17 tions Security Council has adopted a range of sanc-  
18 tions designed to encourage the Government of Iran  
19 to cease those activities and comply with its obliga-  
20 tions under the Treaty on the Non-Proliferation of  
21 Nuclear Weapons (commonly known as the “Nuclear  
22 Non-Proliferation Treaty”).

23 (4) As a presidential candidate, then-Senator  
24 Obama stated that additional sanctions, especially  
25 those targeting Iran’s dependence on imported re-

1 refined petroleum, may help to persuade the Govern-  
2 ment of Iran to abandon its illicit nuclear activities.

3 (5) On October 7, 2008, then-Senator Obama  
4 stated, “Iran right now imports gasoline, even  
5 though it’s an oil producer, because its oil infra-  
6 structure has broken down. If we can prevent them  
7 from importing the gasoline that they need and the  
8 refined petroleum products, that starts changing  
9 their cost-benefit analysis. That starts putting the  
10 squeeze on them.”.

11 (6) On June 4, 2008, then-Senator Obama  
12 stated, “We should work with Europe, Japan, and  
13 the Gulf states to find every avenue outside the U.N.  
14 to isolate the Iranian regime—from cutting off loan  
15 guarantees and expanding financial sanctions, to  
16 banning the export of refined petroleum to Iran.”.

17 (7) Major European allies, including the United  
18 Kingdom, France, and Germany, have advocated  
19 that sanctions be significantly toughened should  
20 international diplomatic efforts fail to achieve  
21 verifiable suspension of Iran’s uranium enrichment  
22 program and an end to its nuclear weapons program  
23 and other illicit nuclear activities.

24 (8) The serious and urgent nature of the threat  
25 from Iran demands that the United States work to-

1       gether with U.S. allies to do everything possible—  
2       diplomatically, politically, and economically—to pre-  
3       vent Iran from acquiring a nuclear weapons capa-  
4       bility.

5       (b) SENSE OF CONGRESS.—It is the sense of the  
6 Congress that—

7           (1) international diplomatic efforts to address  
8       Iran’s illicit nuclear efforts, unconventional and bal-  
9       listic missile development programs, and support for  
10      international terrorism are more likely to be effective  
11      if the President is empowered with the explicit au-  
12      thority to impose additional sanctions on the Gov-  
13      ernment of Iran;

14          (2) the concerns of the United States regarding  
15      Iran are strictly the result of the actions of the Gov-  
16      ernment of Iran; and

17          (3) the people of the United States—

18            (A) have feelings of friendship for the peo-  
19      ple of Iran;

20            (B) regret that developments in recent dec-  
21      ades have created impediments to that friend-  
22      ship; and

23            (C) hold the people of Iran, their culture,  
24      and their ancient and rich history in the highest  
25      esteem.

1 (c) STATEMENT OF POLICY.—It should be the policy  
2 of the United States to—

3 (1) support international diplomatic efforts to  
4 end Iran’s uranium enrichment program and its nu-  
5 clear weapons program;

6 (2) encourage foreign governments to direct  
7 state-owned entities to cease all investment in, and  
8 support of, Iran’s energy sector and all exports of  
9 refined petroleum products to Iran;

10 (3) encourage foreign governments to require  
11 private entities based in their territories to cease all  
12 investment in, and support of, Iran’s energy sector  
13 and all exports of refined petroleum products to  
14 Iran;

15 (4) impose sanctions on the Central Bank of  
16 Iran and any other Iranian bank or financial institu-  
17 tion engaged in proliferation activities or support of  
18 terrorist groups; and

19 (5) work with the allies of the United States to  
20 take appropriate measures to protect the inter-  
21 national financial system from deceptive and illicit  
22 practices by Iranian banks and financial institutions  
23 involved in proliferation activities or support of ter-  
24 rorist groups.

1 **SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF**  
2 **1996.**

3 (a) EXPANSION OF SANCTIONS.—Section 5(a) of the  
4 Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is  
5 amended to read as follows:

6 “(a) SANCTIONS WITH RESPECT TO THE DEVELOP-  
7 MENT OF PETROLEUM RESOURCES OF IRAN AND EXPOR-  
8 TATION OF REFINED PETROLEUM TO IRAN.—

9 “(1) DEVELOPMENT OF PETROLEUM RE-  
10 SOURCES OF IRAN.—

11 “(A) INVESTMENT.—Except as provided in  
12 subsection (f), the President shall impose 2 or  
13 more of the sanctions described in paragraphs  
14 (1) through (6) of section 6(a) if the President  
15 determines that a person has, with actual  
16 knowledge, on or after the date of the enact-  
17 ment of this Act, made an investment of  
18 \$20,000,000 or more (or any combination of in-  
19 vestments of at least \$5,000,000 each, which in  
20 the aggregate equals or exceeds \$20,000,000 in  
21 any 12-month period), that directly and signifi-  
22 cantly contributed to the enhancement of Iran’s  
23 ability to develop petroleum resources of Iran.

24 “(B) PRODUCTION OF REFINED PETRO-  
25 LEUM RESOURCES.—Except as provided in sub-  
26 section (f), the President shall impose the sanc-

1           tions described in section 6(b) (in addition to  
2           any sanctions imposed under subparagraph (A))  
3           if the President determines that a person has,  
4           with actual knowledge, on or after the date of  
5           the enactment of the Iran Refined Petroleum  
6           Sanctions Act of 2009, sold, leased, or provided  
7           to Iran any goods, services, technology, infor-  
8           mation, or support that would allow Iran to  
9           maintain or expand its domestic production of  
10          refined petroleum resources, including any as-  
11          sistance in refinery construction, modernization,  
12          or repair.

13           “(2) EXPORTATION OF REFINED PETROLEUM  
14          RESOURCES TO IRAN.—Except as provided in sub-  
15          section (f), the President shall impose the sanctions  
16          described in section 6(b) if the President determines  
17          that a person has, with actual knowledge, on or after  
18          the date of the enactment of the Iran Refined Petro-  
19          leum Sanctions Act of 2009, provided Iran with re-  
20          fined petroleum resources or engaged in any activity  
21          that could contribute to the enhancement of Iran’s  
22          ability to import refined petroleum resources, includ-  
23          ing—

24                   “(A) providing ships or shipping services  
25                   to deliver refined petroleum resources to Iran;

1                   “(B) underwriting or otherwise providing  
2                   insurance or reinsurance for such activity; or

3                   “(C) financing or brokering such activity.”.

4           (b) DESCRIPTION OF SANCTIONS.—Section 6 of such  
5 Act is amended—

6                   (1) by striking “The sanctions to be imposed on  
7                   a sanctioned person under section 5 are as follows:”  
8                   and inserting the following:

9                   “(a) IN GENERAL.—The sanctions to be imposed on  
10 a sanctioned person under subsections (a)(1)(A) and (b)  
11 of section 5 are as follows:”; and

12                   (2) by adding at the end the following:

13                   “(b) ADDITIONAL SANCTIONS.—The sanctions to be  
14 imposed on a sanctioned person under paragraphs (1)(B)  
15 and (2) of section 5(a) are as follows:

16                   “(1) FOREIGN EXCHANGE.—The President  
17                   shall, under such regulations as the President may  
18                   prescribe, prohibit any transactions in foreign ex-  
19                   change by the sanctioned person.

20                   “(2) BANKING TRANSACTIONS.—The President  
21                   shall, under such regulations as the President may  
22                   prescribe, prohibit any transfers of credit or pay-  
23                   ments between, by, through, or to any financial in-  
24                   stitution, to the extent that such transfers or pay-  
25                   ments involve any interest of the sanctioned person.



1           “(3) PROPERTY TRANSACTIONS.—The Presi-  
2           dent shall, under such regulations as the President  
3           may prescribe, prohibit any acquisition, holding,  
4           withholding, use, transfer, withdrawal, transpor-  
5           tation, importation, or exportation of, dealing in, or  
6           exercising any right, power, or privilege with respect  
7           to, or transactions involving, any property in which  
8           the sanctioned person has any interest by any per-  
9           son, or with respect to any property, subject to the  
10          jurisdiction of the United States.”.

11          (c) PRESIDENTIAL WAIVER.—Section 9(c)(2) of such  
12 Act is amended by amending subparagraph (C) to read  
13 as follows:

14                   “(C) an estimate of the significance of the  
15                   provision of the items described in paragraph  
16                   (1) or (2) of section 5(a) or section 5(b) to  
17                   Iran’s ability to develop its petroleum resources,  
18                   to maintain or expand its domestic production  
19                   of refined petroleum resources, to import re-  
20                   fined petroleum resources, or to develop its  
21                   weapons of mass destruction or other military  
22                   capabilities (as the case may be); and”.

23          (d) STRENGTHENING OF WAIVER AUTHORITY AND  
24 SANCTIONS IMPLEMENTATION.—

1           (1) INVESTIGATIONS.—Section 4(f) of the Iran  
2 Sanctions Act of 1996 (50 U.S.C. 1701 note) is  
3 amended—

4           (A) in paragraph (1)—

5                 (i) by striking “should initiate” and  
6 inserting “shall immediately initiate”;

7                 (ii) by inserting “or 5(b)” after “sec-  
8 tion 5(a)”; and

9                 (iii) by striking “as described in such  
10 section” and inserting “as described in sec-  
11 tion 5(a)(1) or other activity described in  
12 section 5(a)(2) or 5(b) (as the case may  
13 be)”;

14           (B) in paragraph (2), by striking “, pursu-  
15 ant to section 5(a), if a person has engaged in  
16 investment activity in Iran as described in such  
17 section” and inserting “, pursuant to section  
18 5(a) or (b) (as the case may be), if a person  
19 has engaged in investment activity in Iran as  
20 described in section 5(a)(1) or other activity de-  
21 scribed in section 5(a)(2) or 5(b) (as the case  
22 may be)”;

23           (C) by adding at the end the following new  
24 paragraph:

1           “(3) DEFINITION OF CREDIBLE INFORMA-  
2           TION.—For the purposes of this subsection, the term  
3           ‘credible information’ means public or classified in-  
4           formation or reporting supported by other substan-  
5           tiating evidence.”.

6           (2) EXCEPTION FOR PROLIFERATION SECURITY  
7           INITIATIVE.—Section 5(f) of the Iran Sanctions Act  
8           of 1996 (50 U.S.C. 1701 note) is amended—

9                   (A) in paragraph (6), by striking “or” at  
10                  the end;

11                  (B) in paragraph (7), by striking the pe-  
12                  riod at the end and inserting “; or”; and

13                  (C) by adding at the end the following new  
14                  paragraph:

15                  “(8) if the President determines in writing that  
16                  the person to which the sanctions would otherwise be  
17                  applied is—

18                           “(A) a citizen or resident of a country that  
19                           is a participant in the Proliferation Security  
20                           Initiative; or

21                           “(B) a foreign person that is organized  
22                           under the laws of a country described in sub-  
23                           paragraph (A) and is a subsidiary of a United  
24                           States person.”.

1           (3) GENERAL WAIVER AUTHORITY.—Section  
2           9(c)(1) of the Iran Sanctions Act of 1996 (50  
3           U.S.C. 1701 note) is amended by striking “important  
4           to the national interest of the United States”  
5           and inserting “vital to the national security interest  
6           of the United States”.

7           (4) RULE OF CONSTRUCTION.—The amend-  
8           ments made by this subsection shall not be con-  
9           strued to affect any exercise of the authority of sec-  
10          tion 4(f) or section 9(c) of the Iran Sanctions Act  
11          of 1996 as in effect on the day before the date of  
12          the enactment of this Act.

13          (e) REPORTS ON UNITED STATES EFFORTS TO CUR-  
14          TAIL CERTAIN BUSINESS TRANSACTIONS RELATING TO  
15          IRAN.—Section 10 of such Act is amended by adding at  
16          the end the following:

17          “(d) REPORTS ON CERTAIN BUSINESS TRANS-  
18          ACTIONS RELATING TO IRAN.—

19                 “(1) IN GENERAL.—Not later than 90 days  
20                 after the date of the enactment of the Iran Refined  
21                 Petroleum Sanctions Act of 2009, and every 6  
22                 months thereafter, the President shall submit a re-  
23                 port to the appropriate congressional committees re-  
24                 garding any person who has—

1           “(A) provided Iran with refined petroleum  
2 resources;

3           “(B) sold, leased, or provided to Iran any  
4 goods, services, or technology that would allow  
5 Iran to maintain or expand its domestic produc-  
6 tion of refined petroleum resources; or

7           “(C) engaged in any activity that could  
8 contribute to the enhancement of Iran’s ability  
9 to import refined petroleum resources.

10          “(2) DESCRIPTION.—For each activity set forth  
11 in subparagraphs (A) through (C) of paragraph (1),  
12 the President shall provide a complete and detailed  
13 description of such activity, including—

14           “(A) the date or dates of such activity;

15           “(B) the name of any persons who partici-  
16 pated or invested in or facilitated such activity;

17           “(C) the United States domiciliary of the  
18 persons referred to in subparagraph (B);

19           “(D) any Federal Government contracts to  
20 which the persons referred to in subparagraph  
21 (B) are parties; and

22           “(E) the steps taken by the United States  
23 to respond to such activity.

24          “(3) FORM OF REPORTS; PUBLICATION.—The  
25 reports required under this subsection shall be—

1           “(A) submitted in unclassified form, but  
2           may contain a classified annex; and

3           “(B) published in the Federal Register.”.

4           (f) CLARIFICATION AND EXPANSION OF DEFINI-  
5 TIONS.—Section 14 of such Act is amended—

6           (1) in paragraph (13)(B)—

7           (A) by inserting “financial institution, in-  
8           surer, underwriter, guarantor, any other busi-  
9           ness organization, including any foreign sub-  
10          sidiary, parent, or affiliate of such a business  
11          organization,” after “trust,”; and

12          (B) by inserting “, such as an export cred-  
13          it agency” before the semicolon at the end; and

14          (2) by amending paragraph (14) to read as fol-  
15          lows:

16          “(14) PETROLEUM RESOURCES.—

17                 “(A) IN GENERAL.—The term ‘petroleum  
18                 resources’ includes petroleum, petroleum by-  
19                 products, oil or liquefied natural gas, oil or liq-  
20                 uefied natural gas tankers, and products used  
21                 to construct or maintain pipelines used to  
22                 transport oil or compressed or liquefied natural  
23                 gas.

24                 “(B) PETROLEUM BY-PRODUCTS.—The  
25                 term ‘petroleum by-products’ means gasoline,

1 kerosene, distillates, propane or butane gas, die-  
2 sel fuel, residual fuel oil, and other goods classi-  
3 fied in headings 2709 and 2710 of the Har-  
4 monized Tariff Schedule of the United States.”.

5 (g) CONFORMING AMENDMENTS.—

6 (1) MULTILATERAL REGIME.—Section 4 of  
7 such Act is amended—

8 (A) in subsection (b)(2), by striking “(in  
9 addition to that provided in subsection (d))”;  
10 and

11 (B) by striking subsection (d) and redesign-  
12 ating subsections (e) and (f) as subsections (d)  
13 and (e), respectively.

14 (2) IMPOSITIONS OF SANCTIONS.—Section 5(b)  
15 of such Act is amended by striking “section 6” and  
16 inserting “section 6(a)”.

○