Bill Summary & Status
111th Congress (2009 - 2010)
H.R.2194
CRS Summary

Item 1 of 1

H.R.2194
Title: Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010
Sponsor: Rep Berman, Howard L. [CA-28] (introduced 4/30/2009) Cosponsors (343)
Related Bills: H.R.2475, S.908, S.2799
Latest Major Action: Became Public Law No: 111-195 [GPO: Text, PDF]
House Reports: 111-342 Part 1; **Latest Conference Report:** 111-512 (in Congressional Record H4751-4770)

SUMMARY AS OF:
3/11/2010--Passed Senate amended. (There are 3 other summaries)

Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2009 - (Sec. 3) Expresses the sense of Congress that: (1) diplomatic efforts to address Iran's illicit nuclear efforts, unconventional and ballistic missile development programs, and support for international terrorism are more likely to be effective if the President is empowered with explicit authority to impose additional sanctions on the government of Iran; (2) U.S. concerns regarding Iran are strictly the result of that government's actions; (3) additional measures should be adopted by the United States to prevent the diversion and transshipment of sensitive dual-use technologies to Iran; (4) the people of the United States have feelings of friendship for the people of Iran and regret that developments in recent decades have created impediments to that friendship; (5) the President should take measures to respond to violations of human rights and religious freedom in Iran; and (6) additional funding should be provided to the Secretary of State to document and disseminate information about human rights abuses in Iran, including abuses that have taken place since the June 2009 presidential election in Iran.

Title I: Sanctions - (Sec. 102) Amends the Iran Sanctions Act of 1996 (ISA) to direct the President to impose two or more specified ISA sanctions if a person (defined by such Act to include a natural person, business enterprise, or government entity operating as a business enterprise) has, with actual knowledge, made an investment of $20 million or more, or any combination of investments of at least $5 million which in the aggregate equals or exceeds $20 million in any 12-month period, that directly and significantly contributed to Iran's ability to develop petroleum resources. (Under current law the sanction thresholds are $40 million, $10 million, and $40 million, respectively.)

Directs the President to impose specified ISA sanctions on a person that, with actual knowledge, sells or provides goods, services, technology, information, or provides support related to the production of refined petroleum products in Iran: (1) any of which has a fair market value of $200,000 or more; or (2) that during a 12-month period have an aggregate fair market value of $1 million or more.

Directs the President to impose specified ISA sanctions on a person that, with actual knowledge: (1) provides Iran with refined petroleum products that have a fair market value of $200,000 or more, or that, during a 12-month period, have an aggregate fair market value of $1 million or more; or (2) sells or provides to Iran certain goods, services, technology, information, or support any of which has a fair market value of $200,000 or more, or that during a 12-month period have an aggregate fair market value of $1 million or more.

Sets forth mandatory foreign exchange, banking, and property sanctions for violations of such refined petroleum product production and export prohibitions.

Includes information regarding petroleum resource development or nuclear, chemical, or biological weapons development in a presidential report to Congress requesting a national interest waiver of sanctions.

Expands the definition of "person" to include a financial institution, insurer, underwriter, guarantor, and any other business organization including a foreign subsidiary, parent, or affiliate, or a governmental entity acting as an export credit agency.

Redefines "petroleum resources" to include petroleum, refined petroleum products, oil or liquefied natural gas, natural gas resources, oil or liquefied natural gas tankers, and products used to construct or maintain pipelines used to transport oil or liquefied natural gas.

Defines "refined petroleum products" to mean diesel, gasoline, jet fuel (including naphtha-type and kerosene-type jet fuel), and aviation gasoline.

(Sec. 103) Applies the following additional economic sanctions to Iran: (1) prohibition of imports into the United States (exempts information materials); (2) prohibition of exports to Iran (exempts humanitarian assistance, agricultural commodities, food, medicine, and goods or services for commercial aircraft, the International Atomic Energy Agency (IAEA), and for democracy promotion); (3) freezing of assets of certain individuals; and (4) prohibition of U.S. government contracts. Authorizes the President to waive such sanctions for reasons of national interest.

(Sec. 104) Defines "United States person" as: (1) a natural person who is a U.S. citizen, resident, or national; and (2) an entity that is organized under the laws of the United States, any state or territory thereof, or the District of Columbia, if such natural persons own or control the entity.

Makes a United States person liable for activities conducted by a foreign subsidiary that: (1) was established to circumvent specified U.S. sanctions or statutes regarding Iran;

and (2) engages in activities which, if committed in the United States or by a United States person, would violate such provisions.

Authorizes the President, with congressional notification, to waive such liability on national interest grounds.

Makes such prohibitions and penalties inapplicable to a United States person that divests or terminates its business from a controlled subsidiary not later than 90 days after enactment of this Act.

(Sec. 105) Prohibits the head of any U.S. executive agency from entering into procurement contracts with an entity that has exported to Iran sensitive communications technology intended to be used to monitor or disrupt free communications to the people of Iran.

Authorizes the President, with congressional notification, to waive such such prohibition on national interest grounds.

(Sec. 106) Authorizes FY2010-FY2012 appropriations for the Department of the Treasury's: (1) Office of Terrorism and Financial Intelligence; and (2) Financial Crimes Enforcement Network.

(Sec. 107) Directs the President to report to Congress within one year of enactment of this Act and every 180 days thereafter regarding: (1) foreign investments of $20 million or more that significantly contribute to Iran's ability to develop petroleum resources; (2) provision to Iran of goods, services, technology, information, or support that facilitate Iran's domestic production of refined petroleum products; (3) refined petroleum products provided to Iran and any other activity that could significantly contribute Iran's ability to import refined petroleum products; (4) U.S. persons involved in such investments; and (5) U.S. responses to such activities.

(Sec. 108) Urges the President to consider imposing sanctions on the Central Bank of Iran and any other Iranian bank engaged in proliferation activities or support of terrorist groups.

(Sec. 109) Expresses the sense of Congress that the United States should continue to target with economic sanctions Iran's Revolutionary Guard Corps, its supporters and affiliates, and any foreign governments that provide material support for the Corps.

(Sec. 110) Expresses the sense of Congress that the United States should continue to: (1) counter support for Hezbollah from Iran and other foreign governments; (2) target with sanctions Hezbollah, its affiliates and supporters; (3) urge the European Union (EU) and other countries to classify Hezbollah as a terrorist organization in order to facilitate the disruption of Hezbollah's operations; and (4) renew international efforts to disarm Hezbollah.

(Sec. 111) Expresses the sense of Congress that: (1) multilateral sanctions are generally more effective than unilateral sanctions against countries like Iran; and (2) the President should work with our allies to impose multilateral sanctions if diplomatic efforts to end Iran's nuclear activities fail.

Title II: Divestment from Certain Companies that Invest in Iran - (Sec. 201) Defines "energy sector" as activities to develop petroleum or natural gas resources or nuclear power.

Defines "person" as: (1) a natural person, corporation, company, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group; (2) any governmental entity or instrumentality of a government, including a multilateral development institution; and (3) any successor, subunit, parent company, or subsidiary of such an entity.

(Sec. 202) States that it is U.S. policy to support the decision of state and local governments and educational institutions to divest from, and to prohibit the investment of assets they control in, persons that have investments of $20 million or more in Iran's energy sector.

Authorizes a state or local government to adopt and enforce measures to divest its assets from, or prohibit the investment of assets they control in, such persons. Requires any such action to meet notice, timing, and hearing requirements.

Defines "assets" as public monies including any pension, retirement, annuity, endowment fund, or similar instrument that is controlled by a state or local government. Excludes from such definition employee benefit plans covered by title I of the Employee Retirement Income Security Act of 1974 (ERISA).

(Sec. 203) Amends the Investment Company Act of 1940 to shield any registered investment company and its directors, officers, employees, or advisors from civil, criminal, or administrative action based upon its divesting from, or avoiding investing in, Iran.

Directs the Securities and Exchange Commission (SEC) to promulgate rules requiring registered investment companies to disclose such divestment decisions in their regular SEC reports.

(Sec. 204) Expresses the sense of Congress that a fiduciary of certain employee benefit plans under ERISA may divest plan assets from, or avoid investing plan assets in, any person who engages in prohibited investment activities in Iran without breaching ERISA responsibilities if: (1) the fiduciary makes such determination using credible, publicly available information; and (2) such divestment or avoidance of investment is conducted in the interest of the plan's participants and beneficiaries.

Title III: Prevention of Transshipment, Reexportation, or Diversion of Sensitive Items to Iran - (Sec. 301) Defines "transshipment, reexportation, or diversion" as the exportation of U.S-originated items to an end-user whose identity cannot be verified or to an entity in Iran in violation of U.S. laws or regulations, including by: (1) shipping through one or more foreign countries; or (2) using false country of origin information.

(Sec. 302) Requires the Director of National Intelligence to report annually to the Secretaries of Commerce, State, Treasury, and to Congress identifying countries where sensitive U.S. technology is being illegally transshipped to Iran via other countries.

(Sec. 303) Directs the Secretary of Commerce to designate a country as a Destination of

Possible Diversion Concern if such designation is appropriate for activities to strengthen the county's export control systems based on criteria that include: (1) the volume of U.S.-originated items that are transported through the country to unidentifiable end-users; (2) the inadequacy of the country's export and reexport controls; and (3) the country's unwillingness or inability to control diversion activities or cooperate with the United States in interdiction efforts.

Requires the United States, upon such designation, to initiate specified government-to-government activities to strengthen the country's export control systems.

Directs the Secretary of Commerce to designate a country as a Destination of Diversion Concern if the country: (1) allows substantial transshipment, reexportation, or diversion of U.S.-originated items to unidentifiable end-users or to entities in Iran; or (2) has failed to cooperate with government-to-government activities or to adequately strengthen its export control systems.

Directs the Secretary of Commerce to: (1) report to Congress identifying items that if transshipped, reexported, or diverted Iran could contribute to Iran obtaining nuclear, biological, or chemical weapons, or other defense items or technologies, or could contribute to Iranian support for acts of international terrorism; and (2) require an export license for a listed item to a country designated as a Destination of Diversion Concern. Authorizes the President to waive such licensing requirement if in the national interest.

Authorizes appropriations to carry out this section.

(Sec. 304) Requires the Director of National Intelligence to report to Congress on whether or not to extend the measures in this title to countries that allow diversion to other countries seeking weapons of mass destruction or supporting international terrorism.

Title IV: Effective Date; Sunset - (Sec. 401) Makes the provisions of this Act effective 120 days after the date of enactment of this Act, subject to stated exceptions.

Terminates the provisions of this Act 30 days after the date on which the President certifies to Congress that: (1) the government of Iran has ceased supporting acts of international terrorism and no longer satisfies certain requirements for designation as a state sponsor of terrorism; and (2) Iran has ceased the pursuit, acquisition, and development of nuclear, biological, chemical, and ballistic weapons.