

NUCLEAR IRAN PREVENTION ACT OF 2013

JULY 30, 2013.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ROYCE, from the Committee on Foreign Affairs,
submitted the following

R E P O R T

[To accompany H.R. 850]

[Including cost estimate of the Congressional Budget Office]

The Committee on Foreign Affairs, to whom was referred the bill (H.R. 850) to impose additional human rights and economic and financial sanctions with respect to Iran, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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THE AMENDMENT

The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Nuclear Iran Prevention Act of 2013”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

- Sec. 1. Short title and table of contents.
 Sec. 2. Findings and statement of policy.

TITLE I—HUMAN RIGHTS AND TERRORISM SANCTIONS

- Sec. 101. Mandatory sanctions with respect to financial institutions that engage in certain transactions on behalf of persons involved in human rights abuses or that export sensitive technology to Iran.
 Sec. 102. Prevention of diversion of certain goods, services and technologies to Iran.
 Sec. 103. Designation of Iran’s Revolutionary Guard Corps as foreign terrorist organization.
 Sec. 104. Imposition of sanctions on certain persons responsible for or complicit in human rights abuses, engaging in censorship, or engaging in the diversion of goods intended for the people of Iran.
 Sec. 105. Sense of Congress on elections in Iran.
 Sec. 106. Sense of Congress on designation of a Special Coordinator for advancing human rights and political participation for women in Iran.

TITLE II—ECONOMIC AND FINANCIAL SANCTIONS**Subtitle A—Amendments to Iran Sanctions Act of 1996**

- Sec. 201. Imposition of sanctions relating to transportation of crude oil from Iran and certain imports and exports to and from Iran.
 Sec. 202. Transfer to Iran of goods, services, or technology that would materially contribute to Iran’s ability to mine or mill uranium.
 Sec. 203. Repeal of waiver of sanctions relating to development of weapons of mass destruction or other military capabilities.

Subtitle B—Amendments to Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 and Iran Threat Reduction and Syria Human Rights Act of 2012

- Sec. 211. Modifications to prohibition on procurement contracts with persons that export sensitive technology to Iran.
 Sec. 212. Authority of State and local governments to avoid exposure to sanctioned persons and sectors.
 Sec. 213. Sense of Congress regarding the European Central Bank.
 Sec. 214. Imposition of sanctions with respect to certain transactions in foreign currencies.
 Sec. 215. Sanctions with respect to certain transactions with Iran.

Subtitle C—Other Matters

- Sec. 221. Imposition of sanctions with respect to the Central Bank of Iran and other Iranian financial institutions.
 Sec. 222. Imposition of sanctions with respect to ports, special economic zones, free economic zones, and strategic sectors of Iran.
 Sec. 223. Report on determinations not to impose sanctions on persons who allegedly sell, supply, or transfer precious metals to or from Iran.
 Sec. 224. Imposition of sanctions with respect to foreign financial institutions that facilitate financial transactions on behalf of persons owned or controlled by specially designated nationals.
 Sec. 225. Repeal of exemptions under sanctions provisions of National Defense Authorization Act for Fiscal Year 2013.
 Sec. 226. Termination of government contracts with persons who sell goods, services, or technology to, or conduct any other transaction with, Iran.
 Sec. 227. Conditions for entry and operation of vessels.

TITLE III—ADDITIONAL AUTHORITIES TO PREVENT CENSORSHIP ACTIVITIES IN IRAN

- Sec. 301. Report on implementation of sanctions against the Islamic Republic of Iran Broadcasting.
 Sec. 302. List of persons who are high-risk re-exporters of sensitive technologies.
 Sec. 303. Sense of Congress on provision of intercept technologies to Iran.
 Sec. 304. Sense of Congress on availability of consumer communication technologies in Iran.
 Sec. 305. Expedited consideration of requests for authorization of transfer of goods and services to Iran to facilitate the ability of Iranian persons to freely communicate.

TITLE IV—REPORTS AND OTHER MATTERS

- Sec. 401. National Strategy on Iran.
 Sec. 402. Report on Iranian nuclear and economic capabilities.
 Sec. 403. Report on plausibility of expanding sanctions on Iranian oil.
 Sec. 404. GAO report on Iranian strategy to evade current sanctions and other matters.
 Sec. 405. Authority to consolidate reports required under Iran sanctions laws.
 Sec. 406. Amendments to definitions under Iran Sanctions Act of 1996 and Iran Threat Reduction and Syria Human Rights Act of 2012.
 Sec. 407. Implementation; penalties.
 Sec. 408. Severability.

SEC. 2. FINDINGS AND STATEMENT OF POLICY.

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

(1) Iran’s acquisition of a nuclear weapons capability would—

(A) embolden its already aggressive foreign policy, including its arming of terrorist organizations and other groups, its efforts to destabilize countries in the Middle East, and its efforts to target the United States, United States allies, and United States interests globally;

(B) increase the risk that Iran would share its nuclear technology and expertise with extremist groups and rogue nations;

(C) destabilize global energy markets, posing a direct and devastating threat to the American and global economy; and

(D) likely lead other governments in the region to pursue their own nuclear weapons programs, increasing the prospect of nuclear proliferation throughout the region and effectively ending the viability of the global non-proliferation regime, including the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, and entered into force on March 5, 1970.

(2) A nuclear arms-capable Iran possessing intercontinental ballistic missiles, a development most experts expect could occur within a decade, would pose a direct nuclear threat to the United States.

(b) STATEMENT OF POLICY.—It shall be the policy of the United States to prevent Iran from acquiring a nuclear weapons capability.

TITLE I—HUMAN RIGHTS AND TERRORISM SANCTIONS

SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS ON BEHALF OF PERSONS INVOLVED IN HUMAN RIGHTS ABUSES OR THAT EXPORT SENSITIVE TECHNOLOGY TO IRAN.

(a) IN GENERAL.—Section 104(c)(2) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)) is amended—

(1) in subparagraph (D), by striking “or” at the end;

(2) in subparagraph (E), by striking the period at the end and inserting “; or”;

and

(3) by adding at the end the following new subparagraph:

“(F) facilitates a significant transaction or transactions or provides significant financial services for—

“(i) a person that is subject to sanctions under section 105(c), 105A(c), 105B(c), or 105C(a); or

“(ii) a person that exports sensitive technology to Iran and is subject to the prohibition on procurement contracts as described in section 106.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date of the enactment of this Act and apply with respect to any activity described in subparagraph (F) of section 104(c)(2) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (as added by subsection (a)(3) of this section) initiated on or after the date that is 90 days after such date of enactment.

(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe regulations to carry out the amendments made by subsection (a).

SEC. 102. PREVENTION OF DIVERSION OF CERTAIN GOODS, SERVICES AND TECHNOLOGIES TO IRAN.

(a) DEFINITIONS.—Section 301(1) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8541(1)) is amended by striking “knows or has reason to know” and inserting “knows, has reason to know, or should have known”.

(b) IDENTIFICATION OF COUNTRIES OF CONCERN WITH RESPECT TO THE DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO OR THROUGH IRAN.—Section 302(b) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8542(b)) is amended—

(1) in paragraph (1), by striking “or” at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; or”;

and

(3) by adding at the end the following new paragraph:

“(3) that are—

“(A) items described in the Nuclear Suppliers Group Guidelines for the Export of Nuclear Material, Equipment and Technology (published by the International Atomic Energy Agency as Information Circular INFCIRC/254/Rev. 3/Part 1, and subsequent revisions) and Guidelines for Transfers of Nuclear-Related Dual-Use Equipment, Material, and Related Technology (published by the International Atomic Energy Agency as Information Circular INFCIRC/254/Rev. 3/Part 2, and subsequent revisions);

“(B) items on the Missile Technology Control Regime Equipment and Technology Annex of June 11, 1996, and subsequent revisions;

“(C) items and substances relating to biological and chemical weapons the export of which is controlled by the Australia Group;

“(D) items on the Schedule One or Schedule Two list of toxic chemicals and precursors the export of which is controlled pursuant to the Convention

on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction; or

“(E) items on the Wassenaar Arrangement list of Dual Use Goods and Technologies and Munitions list of July 12, 1996, and subsequent revisions.”.

(c) **DESTINATIONS OF DIVERSION CONCERN.**—Section 303(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8543(c)) is amended—

(1) by striking “Not later than” and inserting the following:

“(1) **IN GENERAL.**—Not later than”; and

(2) by adding at the end the following new paragraph:

“(2) **ADDITIONAL MEASURES.**—The President may impose restrictions on United States foreign assistance or measures authorized under the International Emergency Economic Powers Act with respect to a country designated as a country of diversion concern if the President determines such restrictions or measures would prevent the transfer of United States-origin goods, services, and technology to Iran.”.

(d) **EFFECTIVE DATE.**—The amendments made by this section take effect on the date of the enactment of this Act and apply with respect to countries identified in any update to the report that is required under section 302(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 and submitted to Congress on or after such date of enactment.

SEC. 103. DESIGNATION OF IRAN’S REVOLUTIONARY GUARD CORPS AS FOREIGN TERRORIST ORGANIZATION.

(a) **IN GENERAL.**—Subtitle A of title III of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8741 et seq.) is amended—

(1) by redesignating section 304 as section 305; and

(2) by inserting after section 303 the following new section:

“SEC. 304. DESIGNATION OF IRAN’S REVOLUTIONARY GUARD CORPS AS FOREIGN TERRORIST ORGANIZATION.

“(a) **IN GENERAL.**—Not later than 30 days after the date of the enactment of this section, the Secretary of State shall determine if Iran’s Revolutionary Guard Corps meets the criteria for designation as a foreign terrorist organization as set forth in section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

“(b) **AFFIRMATIVE DETERMINATION.**—If the Secretary of State determines under subsection (a) that Iran’s Revolutionary Guard Corps meets the criteria set forth under such section 219, the Secretary shall designate Iran’s Revolutionary Guard Corps as a foreign terrorist organization under such section 219.

“(c) **NEGATIVE DETERMINATION.**—

“(1) **IN GENERAL.**—If the Secretary of State determines under subsection (a) that Iran’s Revolutionary Guard Corps does not meet the criteria set forth under such section 219, the Secretary shall submit to the committees of Congress specified in subsection (e) a report that contains a detailed justification as to which criteria have not been met.

“(2) **FORM.**—The report required under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex, if necessary.

“(d) **APPLICABILITY OF SANCTIONS TO QUDS FORCE.**—The sanctions applied to any entity designated as a foreign terrorist organization as set forth in such section 219 shall be applied to the Iran’s Revolutionary Guard Corps Quds Force.

“(e) **COMMITTEES OF CONGRESS SPECIFIED.**—The committees of Congress specified in this subsection are the following:

“(1) The Committee on Foreign Affairs, the Committee on the Judiciary, and the Committee on Homeland Security of the House of Representatives.

“(2) The Committee on Foreign Relations, the Committee on the Judiciary, and the Committee on Homeland Security and Governmental Affairs of the Senate.”.

(b) **CLERICAL AMENDMENT.**—The table of contents for the Iran Threat Reduction and Syria Human Rights Act of 2012 is amended by striking the item relating to section 304 and inserting the following:

“Sec. 304. Designation of Iran’s Revolutionary Guard Corps as foreign terrorist organization.

“Sec. 305. Rule of construction.”.

SEC. 104. IMPOSITION OF SANCTIONS ON CERTAIN PERSONS RESPONSIBLE FOR OR COMPLICIT IN HUMAN RIGHTS ABUSES, ENGAGING IN CENSORSHIP, OR ENGAGING IN THE DIVERSION OF GOODS INTENDED FOR THE PEOPLE OF IRAN.

(a) **FINDING AND SENSE OF CONGRESS.**—Section 401(a) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Public Law 112–158; 126 Stat. 1251) is amended to read as follows:

“(a) **FINDING AND SENSE OF CONGRESS.**—

“(1) FINDING.—Congress finds that Iranian persons holding the following positions in the Government of Iran are ultimately responsible for and have and continue to knowingly order, control, direct and implement gross violations of the human rights of the Iranian people, the human rights of persons in other countries, censorship, and the diversion of food, medicine, medical devices, agricultural commodities and other goods intended for the Iranian people:

“(A) The Supreme Leader of Iran.

“(B) The President of Iran.

“(C) Members of the Council of Guardians.

“(D) Members of the Expediency Council.

“(E) The Minister of Intelligence and Security.

“(F) The Commander of the Iran’s Revolutionary Guard Corps.

“(G) The Commander of the Basij-e-Mostaz’afin.

“(H) The Commander of Ansar-e-Hezbollah.

“(I) The Commander of the Quds Force.

“(J) The Commander in Chief of the Police Force.

“(K) Senior officials or key employees of an organization described in any of subparagraphs (C) through (J) or in the Atomic Energy Organization of Iran, the Islamic Consultative Assembly of Iran, the Council of Ministers of Iran, the Assembly of Experts of Iran, the Ministry of Defense and Armed Forces Logistics of Iran, the Ministry of Justice of Iran, the Ministry of Interior of Iran, the prison system of Iran, or the judicial system of Iran.

“(2) SENSE OF CONGRESS.—It is the sense of Congress that—

“(A) the President should include any Iranian person holding a position in the Government of Iran described in paragraph (1) on one or more of the lists of persons subject to sanctions pursuant to section 105(b), 105A(b), 105B(b), or 105C(b) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514(b), 8514a(b), 8514b(b), or 8514c(b)); and

“(B) the President should impose sanctions on such Iranian person pursuant to section 105, 105A, 105B, or 105C of such Act (as the case may be).”.

(b) ADDITIONAL FINDING AND SENSE OF CONGRESS.—Section 401 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Public Law 112–158; 126 Stat. 1251) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

“(b) ADDITIONAL FINDING AND SENSE OF CONGRESS.—

“(1) FINDING.—Congress finds that other senior officials of the Government of Iran, its agencies and instrumentalities, also have and continue to knowingly order, control, direct, and implement gross violations of the human rights of the Iranian people and the human rights of persons in other countries.

“(2) SENSE OF CONGRESS.—It is the sense of Congress that—

“(A) the President should investigate violations of human rights described in paragraph (1) to identify other senior officials of the Government of Iran that also have or continue to knowingly order, control, direct, and implement gross violations of human rights of the Iranian people and the human rights of persons in other countries;

“(B) the President should include any such official on one or more of the lists of persons subject to sanctions pursuant to section 105(b), 105A(b), 105B(b), or 105C(b) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514(b), 8514a(b), 8514b(b), or 8514c(b)); and

“(C) the President should impose sanctions on any such official pursuant to section 105, 105A, 105B, or 105C of such Act (as the case may be).”.

(c) REPORT.—Section 401(c)(1) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Public Law 112–158; 126 Stat. 1251), as redesignated by subsection (b) of this section, is amended—

(1) by striking “Not later than” and inserting the following:

“(A) IN GENERAL.—Not later than”;

(2) by striking “this Act” and inserting “the Nuclear Iran Prevention Act of 2013, and annually thereafter for 3 years”;

(3) by striking “otherwise directing the commission of” and inserting “otherwise directing—

“(i) the commission of”;

(4) by striking “Iran.” and inserting “Iran;

“(ii) censorship or related activities with respect to Iran; or

“(iii) the diversion of goods, food, medicine, medical devices, and agricultural commodities, intended for the people of Iran.”;

(5) by striking “For any such person” and inserting the following:

“(B) REQUIREMENT RELATING TO PERSONS NOT INCLUDED.—For any such person”; and

(6) by adding at the end the following new subparagraph:

“(C) REQUIREMENT RELATING TO FINANCIAL NET WORTH.—For each such person described in subparagraph (A) and each such person described in subparagraph (B), the Secretary of State shall include in the report a description of the estimated net worth of the person.”.

(d) CONFORMING AMENDMENT.—The heading for section 401 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Public Law 112–158; 126 Stat. 1251) is amended by striking “COMMITTED AGAINST” and all that follows and inserting “, ENGAGING IN CENSORSHIP, OR ENGAGING IN THE DIVERSION OF GOODS INTENDED FOR THE PEOPLE OF IRAN.”.

(e) CLERICAL AMENDMENT.—The table of contents for the Iran Threat Reduction and Syria Human Rights Act of 2012 is amended by striking the item relating to section 401 and inserting the following:

“Sec. 401. Imposition of sanctions on certain persons responsible for or complicit in human rights abuses, engaging in censorship, or engaging in the diversion of goods intended for the people of Iran.”.

SEC. 105. SENSE OF CONGRESS ON ELECTIONS IN IRAN.

(a) FINDINGS.—Congress makes the following findings:

(1) The Iranian people are systematically denied free, fair, and credible elections by the Government of the Islamic Republic of Iran.

(2) The unelected and unaccountable Guardian Council disqualifies hundreds of qualified candidates, including women and most religious minorities, while the regime intimidates others into staying out of elections completely.

(3) Voting inconsistencies, including an absence of international observers, and fraud are commonplace.

(4) The 2009 presidential elections proved that the regime will engage in large scale vote-rigging to ensure a specific result.

(5) The Iranian regime combines electoral manipulation with the ruthless suppression of dissent. Following the 2009 elections, peaceful demonstrators were met with violence by the regime’s security apparatus, including arbitrary detentions, beatings, kidnappings, rapes, and murders.

(6) The electoral manipulation and human rights violations are in violation of the Government of Iran’s agreed to obligations under the United Nations International Covenant on Civil and Political Rights.

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

(1) the Iranian people are deprived by their government of free, fair, and credible elections;

(2) the United States should support freedom, human rights, civil liberties, and the rule of law in Iran, and elections that are free and fair, meet international standards, and allow independent international and domestic electoral observers unrestricted access to polling and counting stations; and

(3) the United States should support the people of Iran in their peaceful calls for a representative and responsive democratic government that respects human rights, civil liberties, and the rule of law.

SEC. 106. SENSE OF CONGRESS ON DESIGNATION OF A SPECIAL COORDINATOR FOR ADVANCING HUMAN RIGHTS AND POLITICAL PARTICIPATION FOR WOMEN IN IRAN.

It is the sense of Congress that the Secretary of State should designate a Special Coordinator position in the Bureau of Near Eastern Affairs whose primary function is to facilitate cooperation across departments for the purpose of advancing human rights and political participation for women in Iran, as well as to prepare evidence and information to be used in identifying Iranian officials for designation as human rights violators for their involvement in violating the human rights of women in Iran.

TITLE II—ECONOMIC AND FINANCIAL SANCTIONS

Subtitle A—Amendments to Iran Sanctions Act of 1996

SEC. 201. IMPOSITION OF SANCTIONS RELATING TO TRANSPORTATION OF CRUDE OIL FROM IRAN AND CERTAIN IMPORTS AND EXPORTS TO AND FROM IRAN.

(a) IN GENERAL.—Section 5(a)(7)(A) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

- (1) in clause (i)—
- (A) by striking “a vessel that, on or after” and inserting the following: “a vessel that—
 - “(I) on or after”; and
 - (B) by striking “and” at the end and inserting “or”; and
 - (C) by adding at the end the following:
 - “(II)(aa) knowingly transports to or from Iran any good if the importation to Iran or exportation from Iran, as the case may be, of that good is subject to sanctions under this Act; or
 - “(bb) knowingly engages in a vessel-to-vessel transfer of crude oil transported from Iran.”;
- (2) in clause (ii), by striking the period at the end and inserting “; or”; and
- (3) by adding at the end the following new clause:
- “(iii) the person is a person who knowingly sells, leases, or otherwise facilitates the transfer of ownership of a vessel to the Government of Iran, or any agencies or affiliates thereof, for the purpose of transportation of crude oil from Iran to another country.”.

(b) **CONFORMING AMENDMENT.**—Section 5(a)(7) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended in the paragraph heading by striking “FROM IRAN” and inserting “FROM IRAN AND CERTAIN IMPORTS AND EXPORTS TO AND FROM IRAN”.

(c) **EFFECTIVE DATE.**—The amendments made by subsection (a) apply with respect to actions described in subclause (II) of section 5(a)(7)(A)(i) of the Iran Sanctions Act of 1996 (as added by such subsection) and actions described in clause (iii) of section 5(a)(7)(A) of the Iran Sanctions Act of 1996 (as added by such subsection), as the case may be, that occur on or after the date that is 90 days after the date of the enactment of this Act.

SEC. 202. TRANSFER TO IRAN OF GOODS, SERVICES, OR TECHNOLOGY THAT WOULD MATERIALLY CONTRIBUTE TO IRAN’S ABILITY TO MINE OR MILL URANIUM.

(a) **IN GENERAL.**—Section 5(b)(2) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended by adding at the end the following new subparagraph:

 “(C) **TRANSFER TO IRAN OF GOODS, SERVICES, OR TECHNOLOGY THAT CAN BE USED FOR MINING OR MILLING OF URANIUM.**—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly transferred, on or after the date of the enactment of the Nuclear Iran Prevention Act of 2013, to Iran goods, services, or technology that would materially contribute to Iran’s ability to mine or mill uranium.”.

(b) **CONFORMING AMENDMENT.**—Section 5(b) of such Act is amended in the heading for paragraph (2) by adding at the end before the period the following: “AND OTHER RELATED ACTIVITIES”.

SEC. 203. REPEAL OF WAIVER OF SANCTIONS RELATING TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES.

Section 9(c)(1) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

- (1) by striking subparagraph (B);
- (2) by redesignating subparagraph (C) as subparagraph (B); and
- (3) in subparagraph (B) (as redesignated by paragraph (2) of this section)—
 - (A) by striking “or (B)” each place it appears; and
 - (B) by striking “, as applicable”.

Subtitle B—Amendments to Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 and Iran Threat Reduction and Syria Human Rights Act of 2012

SEC. 211. MODIFICATIONS TO PROHIBITION ON PROCUREMENT CONTRACTS WITH PERSONS THAT EXPORT SENSITIVE TECHNOLOGY TO IRAN.

(a) **APPLICATION TO OWNERS AND SUBSIDIARIES.**—Subsection (a) of section 106 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8515) is amended—

- (1) by striking “goods or services with a person” and inserting the following:
 - “goods or services—
 - “(1) with a person”;

(2) in paragraph (1), as added by paragraph (1) of this subsection, by striking the period at the end and inserting and inserting “; or”; and

(3) by adding at the end the following new paragraph:

“(2) with respect to a person acting on behalf of or at the direction of, or owned or controlled by, a person described in paragraph (1) or a person who owns or controls a person described in paragraph (1).”

(b) SENSITIVE TECHNOLOGY DEFINED.—Subsection (c)(1) of such section is amended by striking “is to be used specifically” and inserting “has been designed or specifically modified”.

(c) PRESIDENTIAL DETERMINATION AND IMPOSITION OF ADDITIONAL SANCTIONS.—Such section, as so amended, is further amended by adding at the end the following new subsection:

“(e) PRESIDENTIAL DETERMINATION AND IMPOSITION OF ADDITIONAL SANCTIONS.—The President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) with respect to—

“(1) a person if the President determines that the person knowingly exports sensitive technology to Iran; or

“(2) a person acting on behalf of or at the direction of, or owned or controlled by, a person described in paragraph (1) or a person who owns or controls a person described in paragraph (1).”

(d) CONFORMING AMENDMENT.—The heading of such section is amended by inserting “AND IMPOSITION OF SANCTIONS AGAINST” after “WITH”.

(e) CLERICAL AMENDMENT.—The table of contents for the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 is amended by striking the item relating to section 106 and inserting the following:

“Sec. 106. Prohibition on procurement contracts with and imposition of sanctions against persons that export sensitive technology to Iran.”

(f) EFFECTIVE DATE.—The amendments made by this section take effect on the date of the enactment of this Act and apply with respect to exports of sensitive technology to Iran that occur on or after such date of enactment.

SEC. 212. AUTHORITY OF STATE AND LOCAL GOVERNMENTS TO AVOID EXPOSURE TO SANCTIONED PERSONS AND SECTORS.

(a) IN GENERAL.—Section 202 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8532) is amended by striking subsections (a), (b), and (c) and inserting the following:

“(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States should support the decision of any State or local government to divest from or prohibit the investment of assets of the State or local government, to prohibit the issuance of licenses to conduct business in the State or locality to, and to impose disclosure and transparency requirements on, a person that invests in or conducts transactions for or with a person or sector subject to sanctions with respect to Iran.

“(b) AUTHORITY.—Notwithstanding any other provision of law, a State or local government may adopt and enforce measures that meet the requirements of subsection (d)—

“(1) to divest the assets of the State or local government from a person described in subsection (c);

“(2) to prohibit investment of the assets of the State or local government in any such person;

“(3) to prohibit the issuance of licenses to conduct business in the State or locality to any such person; or

“(4) to impose disclosure and transparency requirements on any such person.

“(c) PERSONS DESCRIBED.—A person described in this subsection is a person that invests in or engages in any transaction with or for any person engaged in any activity for which sanctions may be imposed under any provision of Federal law imposing sanctions with respect to Iran.”

(b) CONFORMING AMENDMENTS.—Section 202 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8532) is amended—

(1) in subsection (d)(4), by striking “engages in investment activities in Iran described in subsection (c)” and inserting “is a person described in subsection (c)”;

(2) in subsection (f), by striking “or (i)” and inserting “or (g)”;

(3) by striking subsections (g) and (h) and by redesignating subsections (i) and (j) as subsections (g) and (h), respectively; and

(4) in paragraph (1) of subsection (g), as redesignated by paragraph (3), by striking “(determined without regard to subsection (c))”.

(c) **EFFECTIVE DATE.**—The amendments made by this section apply to measures adopted by State and local governments on or after the date of the enactment of this Act.

SEC. 213. SENSE OF CONGRESS REGARDING THE EUROPEAN CENTRAL BANK.

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

(1) The Government of Iran, its agencies and instrumentalities, continue to have access to, and utilize, euro-denominated transactions, including for goods and services that are subject to sanctions imposed by the United States, the European Union and its member states and by the United Nations.

(2) The Guidelines of the European Central Bank (Article 39(1)) states that: “Participants shall be deemed to be aware of, and shall comply with, all obligations on them relating to legislation on data protection, prevention of money laundering and the financing of terrorism, proliferation-sensitive nuclear activities and the development of nuclear weapons delivery systems, in particular in terms of implementing appropriate measures concerning any payments debited or credited on their PM accounts.”

(3) United States and European convergence with respect to United States sanctions efforts toward the Government of Iran is a vital component of United States policy aimed at preventing the Government of Iran from acquiring a nuclear weapons capability.

(b) **SENSE OF CONGRESS.**—It is the sense of Congress that the President should continue to closely coordinate and cooperate with the European Union and its member states to restrict access to and use of the euro currency by the Government of Iran, its agencies and instrumentalities, for transactions with the exception of food, medicine, medical devices, and agricultural commodities.

SEC. 214. IMPOSITION OF SANCTIONS WITH RESPECT TO CERTAIN TRANSACTIONS IN FOREIGN CURRENCIES.

(a) **IMPOSITION OF SANCTIONS.**—Subtitle B of title II of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8721 et seq.) is amended by inserting after section 220 the following:

“SEC. 220A. IMPOSITION OF SANCTIONS WITH RESPECT TO CERTAIN TRANSACTIONS IN FOREIGN CURRENCIES.

“(a) IN GENERAL.—The President—

“(1) shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that is a person described in subsection (b); and

“(2) may impose sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to any other person described in subsection (b).

“(b) PERSON DESCRIBED.—A person described in this subsection is a person the President determines has—

“(1) knowingly conducted or facilitated a significant transaction involving the currency of a country other than the country in which the person is operating at the time of the transaction with, for, or on behalf of—

“(A) the Central Bank of Iran or another Iranian financial institution designated by the Secretary of the Treasury for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); or

“(B) a person described in section 1244(c)(2) of the Iran Freedom and Counter-Proliferation Act (22 U.S.C. 8803(c)(2)) (other than a person described in subparagraph (C)(iii) of that section); or

“(2) knowingly conducted or facilitated a significant transaction by another person involving the currency of a country other than the country in which that other person is operating at the time of the transaction, with, for, or on behalf of a person described in subparagraph (A) or (B) of paragraph (1).

“(c) WAIVER.—

“(1) **IN GENERAL.**—The President may waive the application of subsection (a) with respect to a person for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

“(A) determines that the waiver is vital to the national security of the United States; and

“(B) not less than 7 days before the waiver or the renewal of the waiver, as the case may be, takes effect, submits a report to the appropriate congressional committees on the waiver and the reason for the waiver.

“(2) **FORM OF REPORT.**—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form but may include a classified annex.

“(d) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to prohibit any person from, or authorize or require the imposition of sanctions with respect to any person for, conducting or facilitating any transaction in the currency of the country in which the person is operating at the time of the transaction for the sale of agricultural commodities, food, medicine, or medical devices.

“(e) **DEFINITIONS.**—In this section:

“(1) **ACCOUNT; CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.**—The terms ‘account’, ‘correspondent account’, and ‘payable-through account’ have the meanings given those terms in section 5318A of title 31, United States Code.

“(2) **AGRICULTURAL COMMODITY.**—The term ‘agricultural commodity’ has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

“(3) **FOREIGN FINANCIAL INSTITUTION.**—The term ‘foreign financial institution’ has the meaning given that term in section 561.308 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).

“(4) **IRANIAN FINANCIAL INSTITUTION.**—The term ‘Iranian financial institution’ has the meaning given that term in section 104A(d) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513b(d)).

“(5) **MEDICAL DEVICE.**—The term ‘medical device’ has the meaning given the term ‘device’ in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

“(6) **MEDICINE.**—The term ‘medicine’ has the meaning given the term ‘drug’ in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

“(7) **TRANSACTION.**—The term ‘transaction’ includes a foreign exchange swap, a foreign exchange forward, and any other type of similar currency exchange or conversion or similar derivative instrument.”.

(b) **CONFORMING AMENDMENTS.**—

(1) **IMPLEMENTATION.**—Section 601(a)(1) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8781(a)(1)) is amended by inserting “220A,” after “220,”.

(2) **PENALTIES.**—Section 601(b)(2)(A) of such Act (22 U.S.C. 8781(b)(2)(A)) is amended by striking “and 220,” and inserting “220, and 220A,”.

(3) **TERMINATION.**—Section 605(a) of such Act (22 U.S.C. 8785(a)) is amended by inserting “220A,” after “220,”.

(c) **CLERICAL AMENDMENT.**—The table of contents for the Iran Threat Reduction and Syria Human Rights Act of 2012 is amended by inserting after the item relating to section 220 the following:

“Sec. 220A. Imposition of sanctions with respect to certain transactions in foreign currencies.”.

(d) **EFFECTIVE DATE.**—The amendments made by this section take effect on the date of the enactment of this Act and apply with respect to transactions entered into on or after May 22, 2013.

SEC. 215. SANCTIONS WITH RESPECT TO CERTAIN TRANSACTIONS WITH IRAN.

(a) **IN GENERAL.**—Subtitle B of title II of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8721 et seq.) is amended by adding at the end the following new section:

“SEC. 225. SANCTIONS WITH RESPECT TO CERTAIN TRANSACTIONS WITH IRAN.

“(a) AUTHORIZATION OF SANCTIONS.—

“(1) **IN GENERAL.**—Except as specifically provided in this section, the President may impose sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) on a foreign person that the President determines has, on or after the date that is 60 days after the date of the enactment of the Nuclear Iran Prevention Act of 2013, knowingly conducted or facilitated a significant financial transaction with the Central Bank of Iran or other Iranian financial institution that has been designated by the Secretary of the Treasury for the imposition of sanctions pursuant to the International Emergency Economic Powers Act, for—

“(A) the purchase of goods or services by a person in Iran or on behalf of a person in Iran; or

“(B) the purchase of goods or services from a person in Iran or on behalf of a person in Iran.

“(2) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to affect the imposition of sanctions with respect to a financial transaction for the purchase of petroleum or petroleum products from Iran under section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1648).

“(b) EXCEPTION FOR OVERALL REDUCTIONS OF EXPORTS TO AND IMPORTS FROM IRAN.—

“(1) IN GENERAL.—The President is authorized not to impose sanctions under subsection (a) on a foreign person if the President determines and submits to the appropriate congressional committees a report that contains a determination of the President that the country with primary jurisdiction over the foreign person has, during the time period described in paragraph (2), significantly reduced the value and volume of imports and exports of goods (other than petroleum or petroleum products) and services between such country and Iran.

“(2) TIME PERIOD DESCRIBED.—The time period referred to in paragraph (1) is the 60-day period ending on the date on which the President makes the determination under paragraph (1) as compared to the immediately preceding 60-day period.

“(c) EXCEPTION FOR SALES OF AGRICULTURAL COMMODITIES, FOOD, MEDICINE AND MEDICAL DEVICES.—The President may not impose sanctions under subsection (a) on a foreign person with respect to a transaction for the sale of agricultural commodities, food, medicine or medical devices to Iran.

“(d) DEFINITIONS.—In this section:

“(1) FOREIGN PERSON.—The term ‘foreign person’ has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note).

“(2) IRANIAN FINANCIAL INSTITUTION.—The term ‘Iranian financial institution’ has the meaning given that term in section 104A(d) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513b(d)).”

(b) CLERICAL AMENDMENT.—The table of contents for the Iran Threat Reduction and Syria Human Rights Act of 2012 is amended by inserting after the item relating to section 224 the following:

“Sec. 225. Sanctions with respect to certain transactions with Iran.”.

Subtitle C—Other Matters

SEC. 221. IMPOSITION OF SANCTIONS WITH RESPECT TO THE CENTRAL BANK OF IRAN AND OTHER IRANIAN FINANCIAL INSTITUTIONS.

(a) EXCEPTION TO APPLICABILITY OF SANCTIONS WITH RESPECT TO PETROLEUM TRANSACTIONS.—Section 1245(d)(4)(D)(i)(I) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1648; 22 U.S.C. 8513a(d)(4)(D)(i)(I)) is amended—

(1) by striking “reduced reduced” and inserting “reduced”;

(2) by inserting “value and” before “volume”;

(3) by inserting “or of Iranian origin” after “from Iran”; and

(4) by adding at the end before the semicolon the following: “, and the President certifies in writing to Congress that the President has based such determination on accurate information on that country’s total purchases of crude oil from Iran or of Iranian origin”.

(b) FINANCIAL TRANSACTIONS DESCRIBED.—Section 1245(d)(4)(D)(ii)(II) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1648) is amended—

(1) by striking “(II)” and inserting “(II)(aa)”;

(2) in item (aa) (as designated by paragraph (1) of this subsection), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new item:

“(bb) the foreign financial institution holding the account described in item (aa) does not knowingly facilitate any significant financial transfers for, with, or on behalf of the Government of Iran, unless the transaction is excepted from sanctions under paragraph (2) or is a transaction described in subclause (I) and item (aa).”

(c) STRATEGY TO REDUCE CRUDE OIL PURCHASES FROM IRAN OR OF IRANIAN ORIGIN.—

(1) STATEMENT OF POLICY.—It is the policy of the United States to seek to ensure that countries that have received an exception under subparagraph (D)(i)(I) of section 1245(d)(4) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1648) shall reduce their crude oil purchases from Iran or of Iranian origin so that the aggregate amount of such purchases is reduced by not less than an average of 1,000,000 barrels of crude oil per day by the end of the 1-year period beginning on the date of submission of the strategy described in subparagraph (E)(ii) of such section (as added by paragraph (2) of this subsection).

(2) AMENDMENT.—Section 1245(d)(4) of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1648) is amended by adding at the end the following new subparagraph:

“(E) STRATEGY TO REDUCE CRUDE OIL PURCHASES FROM IRAN OR OF IRANIAN ORIGIN.—

“(i) IN GENERAL.—Not later than 30 days after the date of the enactment of the Nuclear Iran Prevention Act of 2013, the President shall make a determination, based on the information contained in the most recent report required under subparagraph (A), of whether each country that received an exception under subparagraph (D)(i)(I) before such date of enactment is able to reduce its crude oil purchases from Iran or of Iranian origin so that the aggregate amount of such purchases is reduced by not less than an average of 1,000,000 barrels of crude oil per day by the end of the 1-year period beginning on the date of submission of the strategy described in clause (ii). If the President makes an initial determination under this clause that the requirements of this clause cannot be met, then the President shall continue to make a determination under this clause every 90 days thereafter as to whether or not the requirements of this clause can be met.

“(ii) STRATEGY.—If the President determines that the requirements of clause (i) can be met, then not later than 60 days after the date of such affirmative determination, the President shall develop and submit to the appropriate congressional committees a strategy to seek to ensure that the requirements of clause (i) are met by the end of the 1-year period beginning on such date of submission.

“(iii) FUTURE EXCEPTIONS.—

“(I) AFFIRMATIVE DETERMINATION.—If the President determines that the strategy described in clause (ii) was achieved, then each country described in clause (i) shall be eligible to receive one or more further exceptions under subparagraph (D)(i)(I) in accordance with the provisions of such subparagraph.

“(II) NEGATIVE DETERMINATION.—Except as provided in subclause (III), if the President determines that the strategy described in clause (ii) was not achieved, then each country described in clause (i) shall be ineligible to receive any further exception under subparagraph (D)(i)(I) in accordance with the provisions of such subparagraph.

“(III) EXCEPTION.—

“(aa) IN GENERAL.—Subclause (II) shall not apply with respect to a country described in clause (i) if the country—

“(AA) dramatically reduced its crude oil purchases from Iran or of Iranian origin during the 1-year period described in clause (ii); and

“(BB) has committed itself to continue to reduce its crude oil purchases from Iran or of Iranian origin to a de minimis level.

“(bb) DATA.—The President shall submit to the appropriate congressional committees all data used to make a determination under item (aa) not later than 15 days before issuing an exception under item (aa).

“(iv) APPROPRIATE CONGRESSIONAL COMMITTEES.—In this subparagraph, the term ‘appropriate congressional committees’ means—

“(I) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives; and

“(II) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.”

(d) DEFINITION OF CRUDE OIL.—Section 1245(d)(4)(D) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(D)) is amended by adding at the end the following new clause:

“(iii) CRUDE OIL.—In this subparagraph, the term ‘crude oil’ includes unfinished oils, liquefied petroleum gases, distillate fuel oil, and residual fuel oil.”

(e) WAIVER.—Section 1245(d)(5)(A) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(5)(A)) is amended by striking “in the national” and inserting “vital to the national”.

(f) DEFINITIONS OF “SIGNIFICANT REDUCTION”.—Section 1245(h)(3) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(h)(3)) is amended—

(1) by striking “price or volume” and inserting “price and volume”; and

(2) by adding at the end before the period the following: “and at least a pro rata amount totaling, in the aggregate, not less than an average of 1,000,000 barrels of crude oil per day by the end of the 1-year period beginning on the date of submission of the strategy described in subsection (d)(4)(E)(ii)”.

(g) EFFECTIVE DATE.—The amendments made by this section take effect beginning on the date that is 180 days after the date of the enactment of this Act.

SEC. 222. IMPOSITION OF SANCTIONS WITH RESPECT TO PORTS, SPECIAL ECONOMIC ZONES, FREE ECONOMIC ZONES, AND STRATEGIC SECTORS OF IRAN.

(a) FINDINGS.—Subsection (a)(1) of section 1244 of the National Defense Authorization Act for Fiscal Year 2013 (22 U.S.C. 8803) is amended by striking “and shipbuilding” and inserting “shipbuilding, automotive, construction, engineering, or mining”.

(b) DESIGNATION OF PORTS, SPECIAL ECONOMIC ZONES, FREE ECONOMIC ZONES, AND ENTITIES IN STRATEGIC SECTORS AS ENTITIES OF PROLIFERATION CONCERN.—Subsection (b) of such section is amended—

(1) in the subsection heading, by striking “AND ENTITIES IN THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS” and inserting “, SPECIAL ECONOMIC ZONES, FREE ECONOMIC ZONES, AND ENTITIES IN STRATEGIC SECTORS”; and

(2) by striking “and entities in the energy, shipping, and shipbuilding sectors” and inserting “, entities that operate special economic zones or free economic zones, and entities in strategic sectors (as defined in subsection (c)(4))”.

(c) BLOCKING OF PROPERTY OF PORTS, SPECIAL ECONOMIC ZONES, FREE ECONOMIC ZONES, AND ENTITIES IN STRATEGIC SECTORS.—Subsection (c) of such section is amended—

(1) in the subsection heading, by striking “ENTITIES IN ENERGY, SHIPPING, AND SHIPBUILDING SECTORS” and inserting “PORTS, SPECIAL ECONOMIC ZONES, FREE ECONOMIC ZONES, AND ENTITIES IN STRATEGIC SECTORS”;

(2) in paragraph (2)—

(A) by striking “the energy, shipping, or shipbuilding sectors” each place it appears and inserting “a strategic sector (as defined in paragraph (4)(A))”; and

(B) by inserting “, special economic zone, or free economic zone” after “port” each place it appears; and

(3) by adding at the end the following new paragraphs:

“(4) STRATEGIC SECTOR DEFINED.—In this section, the term ‘strategic sector’ means—

“(A) the energy, shipping, shipbuilding, automotive, or mining sector of Iran;

“(B) the construction or engineering sector of Iran if the President determines and reports to Congress not later than 45 days after the date of the enactment of the Nuclear Iran Prevention Act of 2013 that the construction or engineering sector of Iran, as the case may be, is of strategic importance to Iran; and

“(C) any other sector that the President designates as of strategic importance to Iran.

“(5) NOTIFICATION AND REPORT RELATING TO STRATEGIC SECTORS.—

“(A) NOTIFICATION.—The President shall submit to Congress a notification of the designation of a sector as a strategic sector of Iran for purposes of paragraph (4)(C) not later than 30 days after the date on which the President makes such designation.

“(B) REPORT.—Not later than 90 days after the date on which the President submits to Congress a notification of the designation of a sector as a strategic sector of Iran under subparagraph (A), the Comptroller General of the United States shall submit to Congress a report that contains—

“(i) a review and comment on such designation; and

“(ii) recommendations regarding the designation of additional sectors as strategic sectors of Iran for purposes of paragraph (4).”.

(d) ADDITIONAL SANCTIONS WITH RESPECT TO STRATEGIC SECTORS.—Subsection (d) of such section is amended—

(1) in the subsection heading, by striking “THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS” and inserting “STRATEGIC SECTORS”; and

(2) in paragraph (3), by striking “the energy, shipping, or shipbuilding sectors” and inserting “a strategic sector (as defined in subsection (c)(4)(A))”.

(e) EXCEPTION FOR AFGHANISTAN RECONSTRUCTION.—Subsection (f) of such section is amended—

(1) in the matter preceding paragraph (1), by inserting “for a period of not more than 1 year, and may renew that exception for additional periods of not more than 1 year” after “economic development for Afghanistan”;

(2) in paragraph (1)—

- (A) by striking “to the extent that” and inserting “if”;
- (B) by inserting “or the renewal of the exception, as the case may be,” after “such an exception”; and
- (C) by striking “in the national interest” and inserting “in the national security interest”; and
- (3) in paragraph (2)—
 - (A) by inserting “or the renewal of the exception, as the case may be,” before “not later than 15 days”; and
 - (B) by inserting at the end before the period the following: “or the renewal of the exception”.

(f) CONFORMING AMENDMENT.—Such section is further amended in the section heading by striking “**THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS**” and inserting “**PORTS, SPECIAL ECONOMIC ZONES, FREE ECONOMIC ZONES, AND STRATEGIC SECTORS**”.

(g) EFFECTIVE DATE.—The amendments made by this section—

(1) take effect on the date that is 90 days after the date of the enactment of this Act; and

(2)(A) with respect to subsection (c) of section 1244 of the National Defense Authorization Act for Fiscal Year 2013, as so amended, apply with respect to all transactions in all property and interests in property of any person described in subsection (c)(2) of such section that occur on or after the date that is 180 days after such date of enactment; and

(B)(i) with respect to subsection (d)(1) of section 1244 of the National Defense Authorization Act for Fiscal Year 2013, apply with respect to the sale, supply, or transfer to or from Iran of goods or services described in subsection (d)(3) of such section, as so amended, that occurs on or after the date that is 180 days after such date of enactment; and

(ii) with respect to subsection (d)(2) of section 1244 of the National Defense Authorization Act for Fiscal Year 2013, apply with respect to the conduct or facilitation of a significant financial transaction for the sale, supply, or transfer to or from Iran of goods or services described in subsection (d)(3) of such section, as so amended, that occurs on or after the date that is 180 days after such date of enactment.

SEC. 223. REPORT ON DETERMINATIONS NOT TO IMPOSE SANCTIONS ON PERSONS WHO ALLEGEDLY SELL, SUPPLY, OR TRANSFER PRECIOUS METALS TO OR FROM IRAN.

Section 1245 of the National Defense Authorization Act for Fiscal Year 2013 (22 U.S.C. 8804) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

“(h) **REPORT ON DETERMINATIONS NOT TO IMPOSE SANCTIONS ON PERSONS WHO ALLEGEDLY SELL, SUPPLY, OR TRANSFER PRECIOUS METALS TO OR FROM IRAN.**—

“(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of the Nuclear Iran Prevention Act of 2013, and every 90 days thereafter, the President shall submit to the appropriate congressional committees a report on each determination of the President during the preceding 90-day period not to impose sanctions under subsection (a) or (c) with respect to a person who allegedly sells, supplies, or transfers precious metals, directly or indirectly, to or from Iran, together with the reasons for such determination.

“(2) **FORM.**—The report required by paragraph (1) shall be submitted in unclassified form, but may contain a classified annex, if necessary.”.

SEC. 224. IMPOSITION OF SANCTIONS WITH RESPECT TO FOREIGN FINANCIAL INSTITUTIONS THAT FACILITATE FINANCIAL TRANSACTIONS ON BEHALF OF PERSONS OWNED OR CONTROLLED BY SPECIALLY DESIGNATED NATIONALS.

Section 1247 of the National Defense Authorization Act for Fiscal Year 2013 (22 U.S.C. 8806) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection:

“(f) **PERSONS OWNED OR CONTROLLED BY SPECIALLY DESIGNATED NATIONALS.**—

“(1) **IN GENERAL.**—The President shall impose sanctions described in subsection (a) with respect to a foreign financial institution, including but not limited to a foreign central bank, that the President determines has, on or after the date that is 90 days after the date of the enactment of the Nuclear Iran Prevention Act of 2013, knowingly facilitated a significant financial transaction on behalf of any person determined by the President to be directly owned or controlled by an Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)).

“(2) SENSE OF CONGRESS.—It is the sense of Congress that the President routinely should determine on or after the date of the enactment of the Nuclear Iran Prevention Act of 2013 those persons that are directly or indirectly owned or controlled by an Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)).

“(3) CONSIDERATION OF DATA FROM OTHER COUNTRIES AND NONGOVERNMENTAL ORGANIZATIONS.—The President shall consider credible data already obtained by other countries and nongovernmental organizations in making determinations described in paragraph (1).”.

SEC. 225. REPEAL OF EXEMPTIONS UNDER SANCTIONS PROVISIONS OF NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2013.

Subtitle D of title XII of the National Defense Authorization Act for Fiscal Year 2013 (22 U.S.C. 8801 et seq.) is amended—

(1) in section 1244—

(A) in subsection (c)(1)—

(i) by striking “(1) BLOCKING OF PROPERTY.—” and all that follows through “On and after” and inserting “(1) BLOCKING OF PROPERTY.—On and after”; and

(ii) by striking subparagraph (B); and

(B) in subsection (d)(1)—

(i) by striking “(1) SALE, SUPPLY, OR TRANSFER OF CERTAIN GOODS AND SERVICES.—” and all that follows through “Except as provided” and inserting “(1) SALE, SUPPLY, OR TRANSFER OF CERTAIN GOODS AND SERVICES.—Except as provided”; and

(ii) by striking subparagraph (B);

(2) in section 1245(a)—

(A) by striking “(a) SALE, SUPPLY, OR TRANSFER OF CERTAIN MATERIALS.—” and all that follows through “The President” and inserting “(a) SALE, SUPPLY, OR TRANSFER OF CERTAIN MATERIALS.—The President”;

(B) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively (and by redesignating all sub-units therein accordingly);

(C) in paragraph (3)(B) (as redesignated)—

(i) in clause (i), by striking “subclause (I) of clause (i)” and inserting “clause (i) of subparagraph (A)”;

(ii) in clause (ii), by striking “subclause (II) of that clause” and inserting “clause (ii) of that subparagraph”; and

(iii) in clause (iii), by striking “subclause (III) of that clause” and inserting “clause (iii) of that subparagraph”; and

(D) by striking “(2) EXCEPTION.—” and all that follows through “paragraph (1).”; and

(3) in section 1246(a)—

(A) by striking “(a) IMPOSITION OF SANCTIONS.—” and all that follows through “Except as provided” and inserting “(a) IMPOSITION OF SANCTIONS.—Except as provided”;

(B) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively (and by redesignating all sub-units therein accordingly); and

(C) by striking “(2) EXCEPTION.—” and all that follows through “paragraph (1).”; and

SEC. 226. TERMINATION OF GOVERNMENT CONTRACTS WITH PERSONS WHO SELL GOODS, SERVICES, OR TECHNOLOGY TO, OR CONDUCT ANY OTHER TRANSACTION WITH, IRAN.

(a) MODIFICATION OF FEDERAL ACQUISITION REGULATION.—Not later than 90 days after the date of the enactment of this Act, the Federal Acquisition Regulation shall be revised to require a certification from each person that is a prospective contractor that the person, and any person under common ownership or control with the person, does not sell goods, services, or technology to, or conduct any other transaction with, Iran for which sanctions may be imposed under this Act.

(b) REMEDIES.—

(1) IN GENERAL.—If the head of an executive agency determines that a person has submitted a false certification under subsection (a) on or after the date on which the applicable revision of the Federal Acquisition Regulation required by this section becomes effective, the head of that executive agency shall terminate a contract with such person or debar or suspend such person from eligibility for Federal contracts for a period of not less than 2 years. Any such debarment or

suspension shall be subject to the procedures that apply to debarment and suspension under the Federal Acquisition Regulation under subpart 9.4 of part 9 of title 48, Code of Federal Regulations.

(2) INCLUSION ON LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT AND NONPROCUREMENT PROGRAMS.—The Administrator of General Services shall include on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs maintained by the Administrator under part 9 of the Federal Acquisition Regulation each person that is debarred, suspended, or proposed for debarment or suspension by the head of an executive agency on the basis of a determination of a false certification under paragraph (1).

(c) RULE OF CONSTRUCTION.—This section shall not be construed to limit the use of other remedies available to the head of an executive agency or any other official of the Federal Government on the basis of a determination of a false certification under subsection (a).

(d) WAIVERS.—

(1) IN GENERAL.—The President may on a case-by-case basis waive the requirement that a person make a certification under subsection (a) if the President determines and certifies in writing to the congressional committees described in paragraph (2) that it is essential to the national security interests of the United States to do so.

(2) CONGRESSIONAL COMMITTEES DESCRIBED.—The congressional committees referred to in paragraph (1) are—

(A) the Committee on Foreign Affairs, the Committee on Armed Services, and the Committee on Oversight and Government Reform of the House of Representatives; and

(B) the Committee on Foreign Relations, the Committee on Armed Services, and the Committee on Homeland Security and Governmental Affairs of the Senate.

(e) DEFINITIONS.—In this section:

(1) EXECUTIVE AGENCY.—The term “executive agency” has the meaning given that term in section 133 of title 41, United States Code.

(2) FEDERAL ACQUISITION REGULATION.—The term “Federal Acquisition Regulation” means the regulation issued pursuant to section 1303(a)(1) of title 41, United States Code.

(f) APPLICABILITY.—The revisions to the Federal Acquisition Regulation required under subsection (a) shall apply with respect to contracts for which solicitations are issued on or after the date that is 90 days after the date of the enactment of this Act.

SEC. 227. CONDITIONS FOR ENTRY AND OPERATION OF VESSELS.

(a) IN GENERAL.—The Ports and Waterways Safety Act (33 U.S.C. 1221 et seq.) is amended by adding at the end the following:

“SEC. 16. PROHIBITION ON ENTRY AND OPERATION.

“(a) IN GENERAL.—No foreign vessel described in subsection (b) shall enter or operate in the navigable waters of the United States or transfer cargo in any port or place under the jurisdiction of the United States.

“(b) VESSELS DESCRIBED.—A vessel referred to in subsection (a) is a foreign vessel—

“(1) for which a Notice of Arrival is required to be filed under section 160 of title 33, Code of Federal Regulations, as in effect on the date of enactment of the Nuclear Iran Prevention Act of 2013; and

“(2) that is knowingly registered, pursuant to the Geneva Convention on the High Seas (13 U.S.T. 2312; TIAS 5200; 450 UNTS 82), by a ship registry that is maintaining a registration of a vessel that is included in the list published under subsection (c).

“(c) NOTIFICATION OF GOVERNMENTS.—The Secretary of Transportation, in consultation with the Secretary of State, shall—

“(1) maintain timely information on registrations of all foreign vessels over 300 gross tons that are—

“(A) owned or operated by or on behalf of—

“(i) the National Iran Tanker Company or the Islamic Republic of Iran Shipping Line; or

“(ii) any successor to an entity referred to in clause (i); or

“(B) otherwise owned or operated by or on behalf of Iran;

“(2) notify each government the agents or instrumentalities of which are maintaining a registration of a foreign vessel described in paragraph (1), that all vessels registered under such government’s authority are prohibited from entering or operating in the navigable waters of the United States or transferring cargo in any port or place under the jurisdiction of the United States; and

“(3) publish in the Federal Register a list of vessels described in paragraph (1), including periodic updates of such list.

“(d) NOTIFICATION OF VESSELS.—

“(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), upon receiving a Notice of Arrival under section 160 of title 33, Code of Federal Regulations (as in effect on the date of enactment of the Nuclear Iran Prevention Act of 2013) from a vessel described in (b), the Secretary shall notify the master of such vessel that the vessel may not enter or operate in the navigable waters of the United States or transfer cargo in any port or place under the jurisdiction of the United States.

“(2) PROVISIONAL ENTRY.—The Secretary may allow provisional entry of, or transfer of cargo from, a foreign vessel described in subsection (b) if such entry or transfer is necessary for the safety of the vessel or persons aboard.

“(3) ENTRY FOR DUE DILIGENCE.—The Secretary may allow entry of, and transfer of cargo from, a vessel described in subsection (b) if the master shows the owner and operator of the vessel exercised due diligence to avoid registration of the vessel by a registry that registers vessels described in subsection (c).

“(e) RIGHT OF INNOCENT PASSAGE.—This section shall not be construed as authority to restrict the right of innocent passage as recognized under international law.

“(f) FOREIGN VESSEL DEFINED.—In this section the term ‘foreign vessel’ has the meaning given that term in section 2101 of title 46, United States Code.”

(b) DEADLINE FOR PUBLICATION.—The Secretary shall publish a list under section 16(c)(3) of the Ports and Waters Safety Act, as amended by this section, by not later than 30 days after the date of the enactment of this Act.

(c) LIMITATION ON APPLICATION OF PROHIBITION.—Subsection (a) of section 16 of the Ports and Waters Safety Act, as amended by this section, shall not apply until 90 days after the date of publication of the list required by subsection (c) of such section.

TITLE III—ADDITIONAL AUTHORITIES TO PREVENT CENSORSHIP ACTIVITIES IN IRAN

SEC. 301. REPORT ON IMPLEMENTATION OF SANCTIONS AGAINST THE ISLAMIC REPUBLIC OF IRAN BROADCASTING.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit to Congress a report on the following:

(1) The current status of availability of the Islamic Republic of Iran Broadcasting (IRIB) on international satellites, entities that facilitate its operation by providing services or equipment, and the technical means that it engages in jamming.

(2) The instances, since January 1, 2012, in which the IRIB engaged in activities that violated Article 19 of the International Covenant on Civil and Political Rights, including broadcasting forced confessions and hate speech against minorities.

(3) The instances, since January 1, 2012, in which international broadcasting programs originating from the United States and Europe have been subject to disruption in Iran, with relevant details such as which programs were disrupted, available location information on the origin of the disruption, and the extent of the disruption.

(b) COORDINATION.—In developing the report required by subsection (a), the Secretary of State shall coordinate with the Broadcasting Board of Governors, the Secretary of the Treasury, and the heads of other relevant Federal departments and agencies.

(c) PUBLIC AVAILABILITY.—All unclassified portions of the report required by subsection (a) shall be made publicly available on the Internet web site of the Department of State.

SEC. 302. LIST OF PERSONS WHO ARE HIGH-RISK RE-EXPORTERS OF SENSITIVE TECHNOLOGIES.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of Commerce, in conjunction with the Secretary of State and the Secretary of the Treasury, shall make publicly available and update as appropriate a list of persons who are high-risk re-exporters of sensitive technologies in order to seek to ensure that the Government of Iran or an entity owned or controlled by that Government is unable to obtain sensitive technologies through the re-export of such sensitive technologies by third-party intermediaries.

(b) **DEFINITION.**—In this section, the term “sensitive technology” has the meaning given that term in section 106 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8515).

SEC. 303. SENSE OF CONGRESS ON PROVISION OF INTERCEPT TECHNOLOGIES TO IRAN.

It is the sense of Congress that—

(1) those that provide intercept technologies that limit freedom of speech or expression to the Government of Iran should be held accountable for the repression of the Iranian people; and

(2) no person should use an existing contract with the Government of Iran as a justification to continue to supply intercept technologies to the Government of Iran for purposes of restricting the free flow of information.

SEC. 304. SENSE OF CONGRESS ON AVAILABILITY OF CONSUMER COMMUNICATION TECHNOLOGIES IN IRAN.

It is the sense of Congress that—

(1) the Department of the Treasury and Department of State should encourage the free flow of information in Iran to counter the Government of Iran’s repression of its own people; and

(2) in order to facilitate the free flow of information in Iran, the Department of Treasury should ensure that certain consumer communication technologies are available to Iranian civil society and the Iranian people.

SEC. 305. EXPEDITED CONSIDERATION OF REQUESTS FOR AUTHORIZATION OF TRANSFER OF GOODS AND SERVICES TO IRAN TO FACILITATE THE ABILITY OF IRANIAN PERSONS TO FREELY COMMUNICATE.

(a) **IN GENERAL.**—Section 413 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8753) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

“(e) **RULE OF CONSTRUCTION.**—The expedited process for the consideration of complete requests for authorization to engage in the activities described in subsection (a) shall be construed to also apply to the transfer of goods and services to Iran to facilitate the ability of Iranian persons to freely communicate, obtain information, and access the Internet and other communications systems.”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) take effect on the date of the enactment of this Act and apply with respect to requests described in section 413 of the Iran Threat Reduction and Syria Human Rights Act of 2012, as so amended, that are submitted to the Office of Foreign Assets Control on or after such date of enactment.

TITLE IV—REPORTS AND OTHER MATTERS

SEC. 401. NATIONAL STRATEGY ON IRAN.

(a) **NATIONAL STRATEGY REQUIRED.**—The President shall develop a strategy, to be known as the “National Strategy on Iran”, that provides strategic guidance for activities that support the objective of addressing the threats posed by Iran.

(b) **ANNUAL REPORT.**—Not later than 180 days after the date of the enactment of this Act or January 30, 2014, whichever occurs first, and every January 30 thereafter, the President shall submit to the appropriate congressional committees the National Strategy on Iran required under subsection (a).

(c) **MATTERS TO BE INCLUDED.**—The report required under subsection (b) shall include, at a minimum, the following:

(1) A description of Iran’s grand strategy and security strategy, including strategic objectives, and the security posture and objectives of Iran.

(2) A description of the United States strategy to—

(A) address and counter the capabilities of Iran’s conventional forces and Iran’s unconventional forces;

(B) disrupt and deny Iranian efforts to develop or augment capabilities related to nuclear, unconventional, and missile forces development;

(C) address the Government of Iran’s economic strategy to enable the objectives described in this subsection;

(D) exploit key vulnerabilities; and

(E) combat Iranian efforts to suppress Internet freedom, including actions of the United States to—

(i) work to promote expanded Internet access for democracy activists in Iran;

(ii) add a public diplomacy page to the United States’ virtual embassy in Iran; and

(iii) leverage multilateral organizations committed to Internet connectivity in Iran.

(3) An implementation plan for the United States strategy described in paragraph (2).

(d) FORM.—The report required under subsection (b) shall be submitted in unclassified form to the greatest extent possible, but may include a classified annex, if necessary.

(e) APPROPRIATE CONGRESSIONAL COMMITTEES.—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Affairs, the Committee on Armed Services, the Committee on Financial Services, the Committee on Ways and Means, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(2) the Committee on Foreign Relations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, and the Permanent Select Committee on Intelligence of the Senate.

SEC. 402. REPORT ON IRANIAN NUCLEAR AND ECONOMIC CAPABILITIES.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on the following:

(1) An estimate of the timeline for Iranian capabilities to develop nuclear weapons, including—

(A) an estimate of the period of time it would take Iran to produce enough weapons-grade uranium for a single implosion-type nuclear weapon, taking into account all known relevant technical data;

(B) an estimate of the period of time it would take Iran to produce sufficient separated plutonium for a single nuclear weapon;

(C) a description of the assumptions underlying the estimates referred to in subparagraphs (A) and (B), and any information about developments that might alter or otherwise affect those assumptions;

(D) an estimate of the date by which the periods of time referred to in subparagraphs (A) and (B) will be less than 45 days; and

(E) a description of any efforts by the United States to increase the frequency of inspections by the International Atomic Energy Agency of nuclear facilities in Iran.

(2) An assessment of Iranian strategy and capabilities relating to development of nuclear weapons, including—

(A) a summary and analysis of current nuclear weapons capabilities;

(B) an estimate of the amount and sources of funding expended by, and an analysis of procurement networks utilized by, Iran to develop its nuclear weapons capabilities;

(C) a summary of the capabilities of Iran’s unconventional weapons and Iran’s ballistic missile forces and Iran’s cruise missile forces;

(D) a detailed analysis of the effectiveness of Iran’s unconventional weapons and Iran’s ballistic missile forces and Iran’s cruise missile forces as delivery systems for a nuclear device;

(E) a description of all efforts of Iran to design and develop a nuclear weapon, including efforts to design or fit warheads, and any other possible military dimensions of the nuclear program of Iran; and

(F) an analysis of the procurement network, including the amount and sources of funding expended by Iran on programs to develop a nuclear weapons capability.

(3) Projected economic effects of international sanctions on Iran, including—

(A) an estimate of the capital accounts, current accounts, and amounts of foreign exchange reserves (including access to foreign exchange reserves) of the Government of Iran, and other leading indicators of the status of the economy of Iran;

(B) an estimate of timelines with respect to macroeconomic viability of Iran, including the time by which the Government of Iran will exhaust its foreign exchange reserves;

(C) an estimate of the date by which the reserves of the Central Bank of Iran will be insufficient for the Government of Iran to avoid a severe balance of payments crisis that prevents it from maintaining a functioning economy, including—

(i) the inflation rate, exchange rates, unemployment rate, and budget deficits in Iran; and

- (ii) other leading macroeconomic indicators used by the International Monetary Fund, professional rating agencies, and other credible sources to assess the economic health of a country;
 - (D) a description of the assumptions underlying the estimate referred to in paragraph (3) and an indication of how changes in each of those assumptions could affect the estimate;
 - (E) an assessment of the effect of sanctions imposed with respect to Iran on moving forward the date referred to in subparagraph (C); and
 - (F) a description of actions taken by the Government of Iran to delay the date referred to in subparagraph (C).
- (b) **UPDATE.**—The President shall submit to the appropriate congressional committees an update of the report required by subsection (a) every 60 days after the date of submission of the report that includes any pertinent developments to Iranian nuclear or economic capabilities.
- (c) **FORM.**—The report required under subsection (a) and the update required under subsection (b) shall be submitted in unclassified form to the greatest extent possible, but may include a classified annex, if necessary.
- (d) **DEFINITIONS.**—In this section:
- (1) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means—
 - (A) the Committee on Foreign Affairs, the Committee on Armed Services, the Committee on Financial Services, the Committee on Ways and Means, and the Permanent Select Committee on Intelligence of the House of Representatives; and
 - (B) the Committee on Foreign Relations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, and the Select Committee on Intelligence of the Senate.
 - (2) **NUCLEAR EXPLOSIVE DEVICE.**—The term “nuclear explosive device” means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).

SEC. 403. REPORT ON PLAUSIBILITY OF EXPANDING SANCTIONS ON IRANIAN OIL.

- (a) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report assessing the following:
- (1) Whether petroleum and petroleum products originating in and exported from Iran are refined and sold outside of Iran.
 - (2) Whether products that contain Iranian-origin petroleum or petroleum products as part of their contents are imported into the United States and, if any such products are imported into the United States, whether such importation violates the ban on importation into the United States of Iranian-origin petroleum or petroleum products.
 - (3) Whether it is feasible to ban the importation into the United States of products described in paragraph (2), regardless of whether the ban on importation into the United States of Iranian-origin petroleum or petroleum products applies to such products.
- (b) **BASIS OF REPORT.**—The report required under subsection (a) may be based on publicly-available information and classified information. The information that is not classified information shall be made publically available.
- (c) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—In this section, the term “appropriate congressional committees” means—
- (1) the Committee on Foreign Affairs, the Committee on Financial Services, and the Committee on Ways and Means of the House of Representatives; and
 - (2) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Finance of the Senate.

SEC. 404. GAO REPORT ON IRANIAN STRATEGY TO EVADE CURRENT SANCTIONS AND OTHER MATTERS.

- Not later than 90 days after the date of the enactment of this Act, the Comptroller General of the United States shall submit to Congress a report that—
- (1) evaluates the strategy of the Government of Iran to evade current economic and financial sanctions; and
 - (2) specifically evaluates the ability of Iran to successfully diversify its economy beyond its energy sector, thereby lessening the impact and effectiveness of economic and financial sanctions.

SEC. 405. AUTHORITY TO CONSOLIDATE REPORTS REQUIRED UNDER IRAN SANCTIONS LAWS.

(a) **IN GENERAL.**—Any or all reports required to be submitted to Congress under the provisions of law described in subsection (c) on or after the date of the enactment of this Act may, notwithstanding the deadline requirements for submission under such provisions of law, be consolidated into a single report that is submitted to Congress on an annual basis.

(b) **EXCEPTION.**—Subsection (a) shall not apply with respect to the initial report of any report described in subsection (a).

(c) **PROVISIONS OF LAW DESCRIBED.**—The provisions of law referred to in this section are the following:

(1) This Act and the amendments made by this Act.

(2) The Iran Freedom and Counter-Proliferation Act of 2012 (22 U.S.C. 8801 et seq.).

(3) The Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8701 et seq.).

(4) The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.).

SEC. 406. AMENDMENTS TO DEFINITIONS UNDER IRAN SANCTIONS ACT OF 1996 AND IRAN THREAT REDUCTION AND SYRIA HUMAN RIGHTS ACT OF 2012.

(a) **IRAN SANCTIONS ACT OF 1996.**—Section 14(4)(B) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended by striking “may include, in the discretion of the President” and inserting “includes”.

(b) **IRAN THREAT REDUCTION AND SYRIA HUMAN RIGHTS ACT OF 2012.**—Section 211 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8721) is amended by adding at the end the following new subsection:

“(f) **DEFINITION.**—In this section, the term ‘appropriate congressional committees’ includes the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.”

SEC. 407. IMPLEMENTATION; PENALTIES.

(a) **IMPLEMENTATION.**—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this Act and the amendments made by this Act.

(b) **PENALTIES.**—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of this Act or any amendment made by this Act or regulations prescribed under this Act to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of the International Emergency Economic Powers Act (50 U.S.C. 1705(a)).

SEC. 408. SEVERABILITY.

(a) **IN GENERAL.**—If any provision of this Act, or the application of such provision to any person or circumstance, is found to be unconstitutional, the remainder of this Act, or the application of that provision to other persons or circumstances, shall not be affected.

(b) **EFFECTIVE DATE UNDER SECTION 214.**—If subsection (d) of section 214 is found to be unconstitutional in accordance with subsection (a), the amendments made by such section 214 take effect on the date of the enactment of this Act and apply with respect to transactions entered into on or after such date of enactment.

SUMMARY AND PURPOSE

H.R. 850, the Nuclear Iran Prevention Act of 2013 (NIPA), amends the Iran Sanctions Act of 1996, the Comprehensive Iran Sanctions, Accountability and Divestiture Act of 2010, the Iran Threat Reduction Act of 2012, and relevant components of the National Defense Authorization Act for Fiscal Year 2012 and the National Defense Authorization Act for Fiscal Year 2013 to provide additional sanctions on Iran’s energy, financial and related sectors. This legislation is a response to the evolving and urgent threat that Iran’s current policies present to the national security interests of the United States and our allies.

The purpose of the legislation is to compel the Government of Iran to verifiably suspend, and ultimately dismantle, its weapons-

applicable nuclear program, including, but not limited to, the cessation of all uranium enrichment and plutonium-related activities. Through the application of broad-based sanctions, it is also intended to deprive Iran of the resources it requires to develop other unconventional weapons and ballistic missiles, acquire destabilizing conventional weapons, support terrorism within the region and across the globe, and engage in the systematic suppression of the people of Iran.

BACKGROUND AND NEED FOR THE LEGISLATION

Iran poses a significant and rapidly increasing threat to the United States and our allies in the Middle East and elsewhere. Preventing Iran from acquiring a nuclear weapons capability, and ending its support for international terrorism are vital U.S. national security interests. This legislation restricts economic activity that supports the Government of Iran's pursuit of these activities by: Broadening economic sanctions; further targeting human rights violators; and increasing oversight of the implementation and enforcement of current sanctions—thereby pressuring the Iranian regime to cease its nuclear program.

Legislative Background

Iran's economy, and Iran's ability to influence events, is heavily dependent on the revenue derived from crude oil, natural gas, and other energy-related exports. However, the Government of Iran has increasingly come to control entire segments of the Iranian economy, including considerable domestic and international business interests, and as a result, has gained access to new streams of revenue. In response, the focus of congressional action has evolved from targeted to more broadly-based sanctions.

NIPA is the latest component of a longstanding legislative effort to tighten sanctions on foreign companies doing significant business with Iran, in order to compel the Government of Iran to verifiably cease and dismantle its efforts to develop a nuclear weapons capability, as well as halt its other dangerous activities and policies. This goal was first embodied in the Iran and Libya Sanctions Act of 1996, P.L. 104–172 (ILSA, now referred to as the Iran Sanctions Act, or ISA), which was enacted in 1996 for a five-year period and has been extended three times—in 2001, 2006 and 2012—for additional five-year periods. On August 3, 2001, President George W. Bush signed into law the ILSA Extension Act of 2001 (P.L. 107–24). In September 2006, to further strengthen sanctions targeting foreign investment in Iran's energy sector, Congress passed the Iran Freedom Support Act (IFSA), a bill subsequently signed into law (P.L. 109–293) by President George W. Bush. Among other provisions, IFSA strengthened sanctions under ISA, including by raising the waiver threshold for investment in the energy sector, enlarging the scope of those who might be subject to sanctions.

In 2009, the House passed H.R. 2194, the Iran Refined Petroleum Sanctions Act, which later became the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (P.L. 111–195) (CISADA). Among other critical provisions, CISADA mandated investigations into possible ISA violations; created third-party sanctions for financial institutions facilitating transactions sup-

porting the nuclear weapons program or terrorism; provided for robust financial sector, refined petroleum-focused, and human rights abuser sanctions; provided a legal framework by which U.S. states, local governments, and certain other investors can divest their portfolios of foreign companies involved in Iran's energy sector; and established a mechanism to address concerns about diversion of sensitive technologies to Iran through other countries.

Section 1245 of the FY 2012 National Defense Authorization Act increased efforts to sanction Iran by specifically targeting the Central Bank of Iran. This provision of law prohibited a foreign bank from opening an account in the United States—or imposed strict limitations on existing U.S. accounts—if that bank processed payments through Iran's Central Bank. It contained an exemption for Central Bank transactions if a country significantly reduced its oil purchases. Within this context, foreign banks could be granted an exemption from sanctions (for any transactions with the Central Bank, not just for oil) if the President certified that the parent country of the bank had significantly reduced its purchases of oil from Iran. That determination is to be reviewed every 180 days. For countries whose banks receive an exemption, the 180 day time frame begins from the time that parent country last received an exemption.

In the 112th Congress, the Iran Threat Reduction and Syria Human Rights Act of 2012 (P.L. 112–158) applied sanctions to the shipping of Iranian crude oil, and enhanced human rights-related provisions of previous Iran-related laws. A provision of the FY2013 National Defense Authorization Act (P.L. 112–239) sanctioned transactions with any entity in several key sectors of Iran's economy, and imposed a blanket prohibition on the transfer of precious metals to Iran.

U.S. bilateral sanctions, combined with other national and multilateral sanctions, have adversely impacted Iran's economy, and particularly its exports of crude oil, which comprise about 70 percent of the Iranian government's revenues. Iranian oil exports have now declined to about 1.25 million barrels per day—half of the 2.5 million barrels per day that Iran exported in 2011. This drop has been attributed to a European Union embargo on purchases of Iranian crude oil, which took full effect on July 1, 2012, and decisions by several other Iranian oil customers to substantially reduce purchases of Iranian oil. The loss of hard currency revenues from oil, coupled with the cut-off of Iran from the international banking system, has caused a collapse in the value of Iran's currency. Within this context, it has been reported that the Central Bank of Iran is attempting to utilize its remaining foreign exchange reserves to prevent a further deterioration in Iran's balance of payments from turning into a full-blown economic and financial crisis. United States sanctions are limiting Iran's ability to earn additional hard currency, including through the strengthening and refining of sanctions against the Central Bank.

Iran's Nuclear Program

Notwithstanding the costs imposed on Iran by the sanctions to date, Tehran continues to make rapid progress on its nuclear weapons program. The International Atomic Energy Agency's (IAEA) report on the Iranian nuclear program, issued in February 2013, con-

firms that the development of Iran's program has continued apace. Iran has two known uranium enrichment facilities—one at Natanz and the other at Fordow. At the Natanz Fuel Enrichment Plant, Iran has continued to install large numbers of IR-1 and the more advanced IR-2 centrifuges, as confirmed by both the February and May 2013 IAEA reports. The potential output of the IR-2m is estimated to be 2 to 5 times that of the IR-1, but their actual capabilities are not known due to Iranian modifications of the original European design, manufacturing limitations, and the IAEA's lack of access to them. In early March 2013, the head of Iran's Atomic Energy Organization announced that Iran would begin mass producing these advanced centrifuges and that 3000 would be available in "the near future." Iran's ability to build, install, and operate these complex machines is unknown.

The Fordow uranium enrichment facility is located deep below a mountain near the city of Qom. This location is presumably designed to protect the plant from a military strike. The IAEA's February 2013 report stated that Iran has installed approximately 2,700 IR-1 centrifuges at Fordow, which is close to its design capacity of 3000. The nearly 700 centrifuges in operation are enriching uranium to the 20% level. Iran began construction of the facility in 2006, and only disclosed its existence after U.S. and other Western intelligence services submitted evidence of it to the IAEA in 2009. By constructing the plant in secret, Iran violated its IAEA safeguards agreement, which requires it to declare all nuclear facilities, including plans to construct new ones.

Iran has also continued construction work on its heavy-water reactor at Arak and has told the IAEA that it will begin operation in early 2014. The nearby heavy-water production plant is already in operation. Iran claims that the reactor is intended to produce isotopes for medical use, but the reactor's spent uranium fuel will contain plutonium that can be separated out through reprocessing and used for nuclear weapons. Iran refuses to provide the IAEA with information about the reactor or allow its inspectors access. The UN Security Council has demanded that Iran stop construction of the reactor, but Iran has not complied.

Iran continues to stonewall the IAEA regarding its work on a nuclear explosive device that was first made public in the IAEA's November 2011 report. Iran continues to deny the IAEA access to the Parchin military site, where it is believed to have conducted high-explosive tests regarding nuclear weapons. Since the site was first reported, Iran has demolished or significantly altered buildings there and removed large quantities of soil, apparently to eliminate all traces of clandestine work.

While public estimates with respect to Iran's ability to acquire a nuclear weapons capability, breakout nuclear weapons capabilities or "undetectable breakout" capabilities vary, it is clear that the Iranians are making rapid progress towards acquiring such capabilities.

Iran's International Activities

Iran's foreign policy objective continues to be to overturn the current power structure in the Middle East, which Iran believes favors the United States, Israel, and their "collaborators," including Egypt, Jordan, and the Gulf states. On March 5, 2013, the outgoing

commander of U.S. Central Command, Gen. James Mattis, testified that “Iran remains the single most significant regional threat to stability and prosperity.” Iran actively supports a number of terrorist organizations, and was placed on the U.S. list of state sponsors of terrorism in January 1984. Iran’s powerful militia, the Islamic Revolutionary Guards Force (“IRGC”), pursues a destructive foreign policy agenda through its Quds Force. The Quds Force consists of approximately 10,000–15,000 personnel who provide advice, support, and arrange weapons deliveries to pro-Iranian factions in Syria, Lebanon, Iraq, Persian Gulf states, the West Bank and Gaza, Afghanistan, and Central Asia. Chief among these parties is Hezbollah, Iran’s Lebanon-based ally.

In 2012, there were several Iranian-sponsored attempts to attack Israeli diplomats and citizens in regions near and far. Bulgarian officials have indicated that Hezbollah was responsible for a July 19, 2012, terrorist bombing in Burgas, Bulgaria that killed five Israeli tourists and one Bulgarian. India reportedly has concluded that the Quds Force was responsible for wounding the wife of an Israeli diplomat in an attack in Delhi in February 2012. Other alleged Iranian plots against Israeli and other targets were reported in 2012 in Thailand, Georgia, Azerbaijan, Cyprus, and Kenya. According to the U.S. Department of Justice, Iran plotted to assassinate a Saudi Diplomat in Washington, DC in 2011. The State Department’s Country Reports on Terrorism 2012 stated that “Iran increased its terrorist-related activity, including attacks or attempted attacks in India, Thailand, Georgia, and Kenya. Iran provided financial, material, and logistical support for terrorist and militant groups in the Middle East and Central Asia.”

Lebanese Hezbollah is Iran’s chief protégé movement in the region. Iran’s political, financial, and military aid to Hezbollah has helped it become a major force in Lebanon’s politics. Iran is now facilitating Hezbollah’s intervention in Syria against the Syrian armed opposition with significant financial and logistical assistance, a fact openly admitted by Hezbollah Secretary General Hassan Nasrallah on April 30, 2013. Iran also continues to provide substantial material support to the Syrian regime of President Bashar al-Assad, including funds, weapons, and fighters. Syria remains Iran’s closest Arab ally, and the main transit point for Iranian weapons shipments to Hezbollah.

Iran was Hezbollah’s major arms supplier during the Lebanese militia’s July-August 2006 war with Israel. Since that conflict, Iran has resupplied Hezbollah with at least 25,000 new rockets, and press reports in early 2010 indicated that Hezbollah maintains a wide network of arms and missile caches around Lebanon.

Iran exercises influence in Iraq through Shiite factions and militias, particularly that of Shiite cleric Moqtada Al Sadr. Iraq reportedly has allowed Iran to overfly Iraqi airspace with cargo flights to supply the Syrian military in its battle against armed dissidents. In addition, Yemeni leaders have long claimed that Iran has tried to destabilize Yemen. The U.N. Panel of Experts that is monitoring Iran’s compliance with sanctions reportedly has found that Yemen-based militants are receiving arms from Iran.

Negotiations

Led by the five Permanent Members of the U.N. Security Council plus Germany (P5+1), multiple rounds of multilateral talks with Iran have yielded no breakthroughs. However, three rounds of talks in 2012 did explore a potential compromise, under which Iran might cease enriching uranium to 20% purity (a level not technically far from weapons grade) in exchange for modest sanctions relief.

During the Baghdad talks in May 2012, the P5+1 reportedly proposed that Iran halt enrichment to the 20% level; allow removal from Iran of the existing stockpile of 20% enriched uranium; eventually close the Fordow facility; accept a comprehensive verification regime to ensure that Iran fulfills any commitments made; and clear up reputed past efforts to design a nuclear explosive device, including allowing inspections of Parchin and other facilities.

In return, the P5+1 would reportedly allow Iran, at least in the interim, to enrich uranium to the 3.5%-5% level; offer Iran a guaranteed supply of medical isotopes that it says it needs, and technical assistance to ensure the safety of its civilian nuclear facilities; and offer Iran spare parts for its civilian passenger aircraft. However, the P5+1 reportedly did not offer to meet Iran's demand to recognize Iran's "right" to enrich uranium, or to halt the European Union embargo on Iran's oil.

Further high-level talks took place on February 26–27, 2013 and April 5–6, 2013, in Almaty, Kazakhstan. The P5+1 reportedly offered Iran additional concessions, including the ability to trade in gold, in exchange for reciprocal concessions on Iran's nuclear program, but no breakthroughs were achieved. On May 15, 2013, EU foreign policy chief Catherine Ashton and Iran's chief nuclear negotiator Saeed Jalili had a further meeting to assess the prospects for a further round of talks, but once again, the talks were unproductive.

The Committee is concerned that Iran is exploiting the negotiations to continue their efforts to acquire a nuclear weapons capability, similar to the course successfully pursued by North Korea. While we continue to support a diplomatic resolution of the Iranian nuclear situation, it is clear that negotiations have not yet achieved the desired result. As a result, the Committee believes we must impose additional, tougher sanctions to compel Iran to cease and verifiably dismantle its nuclear weapons program, and to deny Iran the resources required to pursue its destructive policies.

The Nuclear Iran Prevention Act

Among other provisions, H.R. 850 strengthens existing sanctions by compelling countries that are currently purchasing crude oil from Iran to reduce their combined purchases of Iranian crude oil by a total of 1,000,000 barrels per day within a year. By taking 1,000,000 barrels per day of Iranian crude oil off of the market within a year (with safeguards to ensure that international oil markets can withstand such a reduction), the Iranian regime would continue to lose the long-term funding that it requires to pay for its nuclear program, ballistic missiles, and sponsorship of terrorism.

The legislation also penalizes foreign persons who engage in significant commercial trade with Iran. This would use the same

model—targeting transactions through the Central Bank or a designated Iranian bank—that has successfully curtailed Iran’s oil trade over the past year.

In addition, NIPA expands the list of sectors of the Iranian economy that are effectively blacklisted, and provides the President the tools to add additional sectors of strategic importance to the Government of Iran. It works to limit Iran’s access to overseas foreign currency reserves and imposes additional shipping sanctions to limit the ability of the regime to engage in international commerce.

The bill also takes steps to protect the human rights of the Iranian people by applying the financial sector sanctions in existing law to transactions involving:

- human rights violators;
- persons transferring technologies to Iran that are likely to be used to commit human rights abuses;
- persons who engage in censorship or related activities against citizens of Iran, and corrupt officials that confiscate humanitarian and other goods for their own benefit; and
- persons exporting sensitive technology to Iran.

Finally, H.R. 850 requires that the Administration produce annually a national strategy on Iran highlighting Iranian capabilities and key vulnerabilities that the United States may exploit, providing the United States Government a roadmap as to how to effectively address the Iranian threat.

HEARINGS

During the present Congress, the Committee has continued its active oversight regarding Iran, including multiple hearings related to the content of H.R. 850, such as:

May 15, 2013, full Committee hearing on “Preventing a Nuclear Iran” (Hon. Wendy R. Sherman, Under Secretary for Political Affairs, U.S. Department of State; Hon. David S. Cohen, Under Secretary for Terrorism and Financial Intelligence, U.S. Department of the Treasury);

April 24, 2013, full Committee hearing on “Export Control Reform: The Agenda Ahead” (Mr. Thomas Kelly, Acting Assistant Secretary, Bureau of Political-Military Affairs, U.S. Department of State; Hon. Kevin J. Wolf, Assistant Secretary of Commerce for Export Administration, Bureau of Industry and Security, U.S. Department of Commerce; Mr. James A. Hursch, Director, Defense Technology Security Administration, U.S. Department of Defense); and

April 11, 2013, joint subcommittee hearing (Middle East and North Africa; Terrorism, Nonproliferation, and Trade; Asia and the Pacific) on “Breaking the Iran, North Korea, and Syria Nexus” (The Honorable R. James Woolsey, Chairman, Foundation for Defense of Democracies (*former Director of the Central Intelligence Agency*); Mr. Henry D. Sokolski, Executive Director, Nonproliferation Policy Education Center (*former Deputy for Nonproliferation Policy, U.S. Department of Defense*); Mr. David Albright, Founder and President, Institute for Science and International Security; Ray Takeyh, Ph.D., Senior Fellow for Middle Eastern Studies, Council on Foreign Relations).

COMMITTEE CONSIDERATION

On May 22, 2013, the Foreign Affairs Committee marked up the bill, H.R. 850, pursuant to notice, in open session. An amendment in the nature of a substitute, offered by the Chairman, and 27 other amendments (21 of which were considered *en bloc*) were agreed to in separate voice votes. The bill, as amended, was agreed to by voice vote.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of House Rule XIII, the Committee reports that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of House Rule X, are incorporated in the descriptive portions of this report, particularly the “Background and Purpose” and “Section-by-Section Analysis” sections.

NEW BUDGET AUTHORITY, TAX EXPENDITURES, AND FEDERAL MANDATES

In compliance with clause 3(c)(2) of House Rule XIII and the Unfunded Mandates Reform Act (P.L. 104–4), the Committee adopts as its own the estimate of new budget authority, entitlement authority, tax expenditures or revenues, and Federal mandates contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 28, 2013.

Hon. EDWARD R. ROYCE, *Chairman,*
Committee on Foreign Affairs,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 850, the Nuclear Iran Prevention Act of 2013.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sunita D'Monte, who can be reached at 226–2840.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure

cc: Honorable Eliot L. Engel
Ranking Member

H.R. 850—Nuclear Iran Prevention Act of 2013.

As ordered reported by the House Committee on Foreign Affairs on May 22, 2013.

H.R. 850 would amend and expand existing sanctions against Iran. CBO estimates that implementing the bill would have discretionary costs of about \$22 million over the 2014–2018 period, assuming appropriation of the estimated amounts. Pay-as-you-go pro-

cedures apply to this legislation because it would affect direct spending and revenues; however, CBO estimates that those effects would not be significant.

The estimated budgetary impact of H.R. 850 is shown in the following table. The costs of this legislation fall primarily within budget functions 150 (international affairs), 400 (transportation), and 800 (general government).

By Fiscal Year, in Millions of Dollars

	2014	2015	2016	2017	2018	2014– 2018
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	5	5	5	5	5	25
Estimated Outlays	3	4	5	5	5	22

Several provisions of H.R. 850 would increase administrative costs of the Department of State, the Department of the Treasury, and the Department of Transportation. CBO's estimate of the bill's costs is based on information from those agencies.

Sanctions required under H.R. 850 would probably increase the number of people who would be denied a visa by the Secretary of State. Most visa fees are retained by the department and spent without further appropriation, but some fees are deposited in the Treasury as revenues. CBO estimates that implementing those sanction provisions would affect very few people and, thus, have an insignificant budgetary effect.

Because the bill would expand the types of prohibited activities involving Iran that are subject to civil and criminal penalties under current law, it could increase revenues and direct spending from the collection of those penalties; however, CBO estimates that the net budgetary effect of any additional penalties would be negligible for each year.

By expanding existing prohibitions on transactions with persons or entities associated with the government of Iran, and increasing the number of entities responsible for complying with those prohibitions, the bill would impose both intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would modify certain existing financial transactions, prohibit the importation of goods or services from sanctioned entities, and ban activities that may aid in Iran's mining or milling of uranium.

Individuals and entities engaged in ongoing transactions with potentially sanctioned entities could be required to terminate such transactions based on new requirements outlined in the bill. Because the number of private and public entities engaged in those transactions is probably very small, CBO expects that the estimated costs of the intergovernmental and private-sector mandates in H.R. 850 would fall below the annual thresholds established in UMRA (\$75 million for intergovernmental mandates and \$150 million for private-sector mandates in 2013, adjusted annually for inflation).

The CBO staff contacts for this estimate are Sunita D'Monte, Pamela Greene, Matthew Pickford, and Sarah Puro (for federal costs), J'nell Blanco (for the intergovernmental impact), and Marin

Burnett (for the private-sector impact). This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

DIRECTED RULE MAKING

Pursuant to clause 3(c) of House Rule XIII, as modified by section 3(k) of H.Res. 5 during the 113th Congress, the Committee notes that H.R. 850 contains one provision (section 101(c), as reported) requiring that the Secretary of the Treasury prescribe regulations to carry out the amendments to existing financial institution sanctions made by section 101(a) of the bill.

NON-DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c) of House Rule XIII, as modified by section 3(j)(2) of H.Res. 5 during the 113th Congress, the Committee states that H.R. 850 does not establish or reauthorize a program of the Federal Government known to be duplicative of another Federal Program, and does not include any program listed in any report from the Government Accountability Office pursuant to section 21 of Public Law 111-139, or any program related to those listed in the most recent Catalog of Federal Domestic Assistance.

PERFORMANCE GOALS AND OBJECTIVES

The Act is intended to deprive Iran of the resources it requires to develop a nuclear weapons capability and produce nuclear weapons; develop other unconventional weapons and ballistic missiles; acquire destabilizing conventional weapons; support terrorism within the region and across the globe; and engage in the systematic suppression of the people of Iran. The diplomatic objective is to reach a negotiated settlement in which Iran agrees to verifiably dismantle its nuclear weapons program. Performance goals associated with these objectives include, but are not limited to the following:

- A verifiable decrease in Iran's ability to fund its uranium enrichment, plutonium-related, and other activities related to Iran's efforts to acquire a nuclear weapons capability.
- The cessation and verifiable dismantlement of programs associated with Iran's efforts to develop a nuclear weapons capability.
- A verifiable decrease in Iran's ability to fund its unconventional weapons programs, ballistic missiles and related technology programs, acquisition of destabilizing types and amounts of conventional weapons, and support for international terrorism.
- A verifiable cessation in Iran's unconventional weapons programs, ballistic missiles and related technology programs, and support for international terrorism.

CONGRESSIONAL ACCOUNTABILITY ACT

H.R. 850 does not apply to the Legislative Branch.

NEW ADVISORY COMMITTEES

H.R. 850 does not establish or authorize any new advisory committees.

EARMARK IDENTIFICATION

H.R. 850 contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clauses 9(e), 9(f), and 9(g) of House Rule XXI.

LETTERS OF JURISDICTION



Committee on Transportation and Infrastructure
U.S. House of Representatives

Washington, DC 20515

Bill Shuster
Chairman

Nick J. Rahall, II
Ranking Member

June 26, 2013

Christopher P. Bertani, Staff Director

James H. Zede, Director Staff Director

The Honorable Ed Royce
Chairman
Committee on Foreign Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I write concerning H.R. 850, the *Nuclear Iran Prevention Act of 2013*, as ordered reported. There are certain provisions in the legislation that fall within the Rule X jurisdiction of the Committee on Transportation and Infrastructure.

As a result of your having consulted with the Committee and in order to expedite this legislation for floor consideration, the Committee will not assert a jurisdictional claim over this bill by seeking a sequential referral. However, this is conditional on our mutual understanding and agreement that doing so does not in any way alter or diminish the jurisdiction of the Committee on Transportation and Infrastructure with respect to the appointment of conferees or to any future jurisdictional claim over the subject matters contained in the bill or similar legislation. I request you urge the Speaker to name members of the Committee to any conference committee named to consider such provisions.

Please place a copy of this letter and your response acknowledging our jurisdictional interest into the committee report on H.R. 850 and into the *Congressional Record* during consideration of the measure on the House floor.

Sincerely,

Bill Shuster
Chairman

cc: The Honorable John Boehner
The Honorable Nick J. Rahall, II
The Honorable Eliot L. Engel
Mr. Thomas J. Wickham, Jr., Parliamentarian



One Hundred Thirteenth Congress
 U.S. House of Representatives
 Committee on Foreign Affairs
 2170 Rayburn House Office Building
 Washington, DC 20515
www.foreignaffairs.house.gov

EDWARD R. ROYCE, Chairman
 Oklahoma
 CHRISTOPHER H. SMITH, Ranking Member
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 JAVNA HONNIGSWAN, Georgia
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 ALAN R. BOND, California
 GUY ROSTKAMAN, Tennessee
 ED HENRIKSON, Florida
 REBECCA LITMAN, Michigan
 JUAN CARLOS CASTRO, Texas
 JASON L. LEHRER, Pennsylvania
 DEMONTE SCHIFF, Oregon

July 9, 2013

The Honorable Bill Shuster
 Chairman
 Committee on Transportation and Infrastructure
 U.S. House of Representatives
 Washington, DC 20515

Dear Mr. Chairman:

Thank you for your consultation with the Foreign Affairs Committee on H.R. 850, the *Nuclear Iran Prevention Act of 2013*, and your agreement to forgo a sequential referral of that bill. I am writing to confirm our mutual understanding regarding your Committee's continuing Rule X legislative jurisdiction over portions of H.R. 850, and my support for your Committee's participation in any conference committee that may be named to consider that bill.

I appreciate your assistance in expediting this important legislation for floor consideration.

Sincerely,


 EDWARD R. ROYCE
 Chairman

cc: The Honorable John Boehner
 The Honorable Eliot L. Engel
 The Honorable Nick J. Rahall, II
 Mr. Thomas J. Wickham, Jr., Parliamentarian

SECTION-BY-SECTION ANALYSIS

- Section 1. Short Title and Table of Contents.* The short title of this Act is the Nuclear Iran Prevention Act of 2013.
- Section 2. Findings and Statement of Policy.*

TITLE I—HUMAN RIGHTS AND TERRORISM SANCTIONS.

Section 101. Mandatory sanctions with respect to financial institutions that engage in certain transactions on behalf of persons involved in human rights abuses or that export sensitive technology to Iran. Current law sanctions foreign financial institutions that conduct transactions that aid Iran's proliferation or support for terrorism. This provision adds transactions for human rights abusers to the list of sanctionable activities, to include the original designation for human rights violators, those persons involved in the transfer of goods and services to the Government of Iran likely to

be used to commit human rights abuses, those who engage in censorship and related activities, and those engaged in the diversion of goods intended for the people of Iran. It also applies CISADA financial sanctions to persons sanctioned for exporting sensitive technology to Iran.

Section 102. Prevention of diversion of certain goods, services and technologies to Iran. This provision broadens the evidentiary standard for the criteria applied to a person that provides goods, services and technology to Iran that may aid its nuclear weapons program, its ballistic missile and unconventional weapons development programs, procurement of advanced conventional weapons, and support for international terrorism. It also expands the scope of sanctionable transfers and authorizes the President to impose IEEPA sanctions against violators. Though this provision, the Committee intends to strengthen the underlying provision regarding countries of diversion concern, which the Administration has not fully implemented.

Section 103. Designation of Iran's Revolutionary Guard Corps as foreign terrorist organization. Section 101 requires the Secretary of State to make a determination as to whether the IRGC is a foreign terrorist organization. Assuming a positive determination, the President imposes additional sanctions. The IRGC is not only involved in Iran's WMD programs but it is also the key instrument through which the regime has suppressed the pro-democracy movement. Recent reports of IRGC involvement in terrorist operations from Southeast Asia to the Middle East underscore the threat. The bill as reported includes language requiring the Administration to apply the sanctions under the Immigration and Nationality Act to the IRGC Quds Force. While the Committee recognizes the expansive nature of current sanctions imposed against the IRGC, given the role that the totality of the IRGC command structure plays in ordering, facilitating or otherwise supporting terrorist attacks against the United States and our allies, the Committee wants to ensure that the IRGC is held to account.

Section 104. Imposition of sanctions on certain persons responsible for or complicit in human rights abuses, engaging in censorship, or engaging in the diversion of goods intended for the people of Iran. This section expands and updates current-law regarding Iranian human rights abusers. First, it expands the list of reportable offenses from human rights abuses to censorship and related activities, and the diversion of goods destined for the people of Iran by the government. Second, it expands the list of persons that the Administration must report on. The intent is to encourage the Administration to designate high-ranking Iranian government officials for all associated violations. Currently, the report is limited to human rights abusers only and a very narrow sample of the Iranian government.

Section 105. Sense of Congress on elections in Iran. This provision states that it is the sense of Congress that the Iranian people are denied by their government of free, fair and transparent elections. It also supports allowing independent international and domestic election observers into Iran for their elections. The Committee believes that the elections in Iran, rather than being free and fair, have been utilized by the governing elite to cement their rule over the Iranian people.

Section 106. Sense of Congress on designation of a Special Coordinator for advancing human rights and political participation for women in Iran. This provision supports the appointment of a Special Coordinator within the Bureau of Near Eastern Affairs to advance human rights and political participation for women, as well as to prepare evidence and information to be used in identifying Iranian officials for designation as human rights abusers.

TITLE II—ECONOMIC AND FINANCIAL SANCTIONS

Subtitle A—Amendments to Iran Sanctions Act of 1996

Section 201. Imposition of sanctions relating to transportation of crude oil from Iran and certain imports and exports to and from Iran. This section amends prohibitions on shipping sanctions with the Iran Sanctions Act to prohibit the transfer and retransfer of vessels to the Government of Iran for the purposes of crude oil transportation. Thus, it further restricts the ability of the Government of Iran to acquire ships for its sanctioned fleets. This provision builds upon the sanctions in Sec. 208 in rendering sanctionable ship-to-ship transfers of crude oil transported from Iran, and knowingly transporting of goods that are subject to U.S. sanctions law.

Section 202. Transfer to Iran of goods, services, or technology that would materially contribute to Iran's ability to mine or mill uranium. This provision adds the transfer of goods, services and technology that can be used for uranium mining and milling to the list of activities sanctionable under Section 5(b)—mandatory WMD sanctions—of the Iran Sanctions Act. Iran is believed to have significant reserves of uranium in different areas of the country, and this specific provision denies them the wherewithal to domestically develop those deposits for use in their nuclear program.

Section 203. Repeal of waiver of sanctions relating to development of weapons of mass destruction or other military capabilities. This provision strikes the waiver authority in Section 9(c) of the Iran Sanctions Act, which applies to sanctions against persons who aid Iran's WMD program under subsection 5(b) of the Iran Sanctions Act. The Administration has yet to apply sanctions under this subsection, despite the fact that it is not discretionary, and has been law since 2006.

Subtitle B—Amendments to Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 and Iran Threat Reduction and Syria Human Rights Act of 2012

Section 211. Modifications to prohibition on procurement contracts with persons that export sensitive technology to Iran. This provision amends Sec. 106 of CISADA, which sanctions persons that export sensitive technology to Iran. Under current law, the only sanction applicable is a procurement sanction. Sec. 101 of this Act imposes financial sanctions against such a person, and this provision applies the range of sanctions under the Iran Sanctions Act to such a person. Additionally, this section broadens the scope of the applicability to persons owned or controlled by a person that provides such technology.

Section 212. Authority of State and local governments to avoid exposure to sanctioned persons and sectors. This provision builds on

state-based divestment campaigns. It includes a Sense of Congress to support state efforts to divest assets, prohibit licenses, and impose transparency and disclosure requirements. It brings state efforts in line with Federal efforts to divest from additional designated sectors. It also provides states and local governments Federal protection for prohibiting business licenses for such entities.

Section 213. Sense of Congress regarding the European Central Bank. Through financial sanctions, the United States has blocked Iran from readily accessing U.S. dollars. Similarly, European sanctions are designed in part to restrict Iran's access to the euro. However, there are concerns that legal challenges in Europe to its current sanctions regime may change that. Others point to the ability of Iran to use overseas financial institutions to access foreign currency reserves and convert them into euros as a loophole that should be addressed. In response, this provision calls on the Administration to work closely with our European allies to work toward ceasing euro-denominated transactions, thereby denying the Iranian regime additional hard currency.

Section 214. Imposition of sanctions with respect to certain transactions in foreign currencies. This section seeks to prohibit conversion of foreign currency and repatriation of accounts held by the Government of Iran outside of the accounts authorized in current law that allow for the licit trade of Iranian crude oil. For example, if the Iranian government held an account in euros or another convertible currency in a Chinese bank, this section would crack down on the Government of Iran's ability to convert that account from a convertible currency to a locally-denominated currency through the respective central bank's clearing mechanisms. The objective is to further enable the Administration to render Iran's foreign exchange reserves overseas inaccessible.

Section 215. Sanctions with respect to certain transactions with Iran. This provision is modeled on the current sanctions against the Central Bank of Iran in Sec. 1245 of the FY12 NDAA. It authorizes the President (pursuant to IEEPA) to sanction foreign persons conducting non-oil, international trade with Iran through the Central Bank of Iran, or other designated Iranian financial institutions, unless the host country's overall level of non-oil trade with Iran is significantly reducing over succeeding 180 day periods.

Subtitle C—Other matters

Section 221. Imposition of sanctions with respect to the Central Bank of Iran and other Iranian financial institutions. This provision expands and tightens the current sanctions against the Central Bank of Iran for oil purchases (Sec. 1245 of the FY12 NDAA). It requires that one year after enactment, that the remaining countries purchasing Iranian oil must have reduced their purchases by 1 million barrels per day in aggregate or risk losing their ability to obtain "significant reduction" exemptions" to allow them to continue to purchase Iranian oil. The requirement is predicated on a Presidential finding that there is sufficient supply in the world energy markets to allow for such a reduction. The section also amends current law to ensure that third party transfers of Iranian crude oil are covered when the State Department is considering their "significant reduction" exemption. Finally, it amends the definition and standard for "significant reductions" to include both

“price and volume,” and links the definition of “significant reduction” to the decrease of 1 million barrels per day in the interim. To date, every importer of Iranian oil has received an exemption from this sanction, a trend concerning to the Committee given the wide fluctuation in terms of both volume and price that has allowed countries to qualify for a “significant reduction.”

Section 222. Imposition of sanctions with respect to ports, special economic zones, free economic zones, and strategic sectors of Iran. This section would expand the sector-based framework for the blacklisting of entire portions of the Iranian economy as adopted in the FY13 NDAA. These include the automotive and mining sectors of Iran, in addition to the construction and engineering sectors of the economy that are in anyway involved in those sectors. Additionally, it adds interaction with inland ports such as free economic zones and special economic zones to the list of prohibited activities. Finally, it would also give the Administration the ability to add additional sectors that the President deems are of “strategic importance.” Combined, this is a critical step in targeting sectors of the Iranian economy that either support the Iranian elites or relevant to their ongoing efforts to acquire a nuclear weapons capability.

Section 223. Report on determinations not to impose sanctions on persons who allegedly sell, supply, or transfer precious metals to or from Iran. This section amends Sec. 1245 of the FY13 NDAA requiring the President to regularly report on those persons that have sold, supplied or transferred precious metals, directly or indirectly, to or from Iran, but have not been sanctioned under this section, and the reasoning for that determination.

Section 224. Imposition of sanctions with respect to foreign financial institutions that facilitate financial transactions on behalf of persons owned or controlled by specially designated nationals. This provision strengthens the FY13 NDAA to require the President to designate all entities owned or controlled by Specially Designated Nationals as such and requiring the President to apply sanctions accordingly. The Iranians have tried to hide government-related assets through “privatizing” industries, retaining a controlling stake. This would expand the ability of sanctions to target the economic assets of regime actors. It is also the opinion of the Committee that the President should make a determination under current law as to whether non-designated *bonyads* and other domestic and foreign investment authorities of Iran should be designated.

Section 225. Repeal of exemptions under sanctions provisions of National Defense Authorization Act for Fiscal Year 2013. During the FY13 NDAA legislative process, a procedural issue led to the exclusion of the “importation of goods” as an applicable sanction with respect to the most important aspects of that sanctions effort. As a result, the FY13 NDAA sanctions have been weakened by this exclusion. Therefore, this provision seeks to correct that anomaly.

Section 226. Termination of government contracts with persons who sell goods, services, or technology to, or conduct any other transaction with Iran. This section requires the modification to the Federal Acquisition Regulation (FAR) to prohibit any sanctionable activity—expanding it with respect to the current prohibitions in current law. It specifies that debarment or suspension from eligibility for Federal contracts should not last less than two years, and offers a case-by-case waiver if the President determines that doing

so is essential to the national security interests of the United States.

Section 227. Conditions for Entry and Operation of Vessels. Under this section, all Iranian vessels that are re-registered by another government, and all non-Iranian vessels operating on behalf of Iran would be targeted. If a registry allows an Iranian-owned or operated vessel to be registered, then all vessels under that country's registry are denied access to the United States.

TITLE III—ADDITIONAL AUTHORITIES TO PREVENT CENSORSHIP
ACTIVITIES IN IRAN

Section 301. Report on implementation of sanctions against the Islamic Republic of Iran Broadcasting. This section requires a report on the implementation of sanctions against the Islamic Republic of Iran Broadcasting (IRIB) to include entities that facilitate its operation by providing services or equipment, IRIB activities with respect to the broadcasting of forced confessions and hate speech, and jamming of foreign broadcasts.

Section 302. List of persons who are high-risk re-exporters of sensitive technologies. This provision requires that the Administration provide a public list of persons who are high-risk exporters that may provide sensitive technologies to Iran in order to seek to ensure that the Government of Iran is unable to obtain such technologies.

Section 303. Sense of Congress on provision of intercept technologies to Iran. This section expresses the Sense of Congress that persons involved in providing intercept technologies that limit freedom of speech or expression should be held accountable and an existing contract with Iran is not a justification for continued repression and encourages the provision of certain consumer communication technologies.

Section 304. Sense of Congress on availability of consumer communication technologies in Iran. This provision expresses the Sense of Congress that certain consumer communication technologies are available to the people of Iran and Iranian civil society in order to promote the free flow of information to Iran.

Section 305. Expedited consideration of requests for authorization of transfer of goods and services to Iran to facilitate the ability of Iranian persons to freely communicate. This provision amends Section 413 of the Iran Threat Reduction Act to include certain technologies that promote the free flow of information as being eligible for expedited consideration for an OFAC license from Treasury. The Committee believes that, given the severity of the measures taken by Iran to engage in internet censorship, the licensing of such items must be a priority.

TITLE IV—REPORTS AND OTHER MATTERS

Section 401. National Strategy on Iran. This provision requires that the Administration produce annually a national strategy on Iran highlighting Iranian capabilities and key vulnerabilities that the United States may exploit, providing the United States Government a roadmap as to how to effectively address the Iranian threat.

Section 402. Report on Iranian nuclear and economic capabilities. This provision requires reporting on both the Iranian nuclear time-

【Sec. 106. Prohibition on procurement contracts with persons that export sensitive technology to Iran.】

Sec. 106. Prohibition on procurement contracts with and imposition of sanctions against persons that export sensitive technology to Iran.

* * * * *

TITLE I—SANCTIONS

* * * * *

SEC. 104. MANDATORY SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS.

(a) * * *

* * * * *

(c) PROHIBITIONS AND CONDITIONS WITH RESPECT TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL INSTITUTIONS.—

(1) * * *

(2) ACTIVITIES DESCRIBED.—A foreign financial institution engages in an activity described in this paragraph if the foreign financial institution—

(A) * * *

* * * * *

(D) facilitates efforts by the Central Bank of Iran or any other Iranian financial institution to carry out an activity described in subparagraph (A) or (B); **【or】**

(E) facilitates a significant transaction or transactions or provides significant financial services for—

(i) * * *

(ii) a person whose property or interests in property are blocked pursuant to that Act in connection with—

(I) * * *

(II) Iran’s support for international terrorism**【.】**; or

(F) facilitates a significant transaction or transactions or provides significant financial services for—

(i) a person that is subject to sanctions under section 105(c), 105A(c), 105B(c), or 105C(a); or

(ii) a person that exports sensitive technology to Iran and is subject to the prohibition on procurement contracts as described in section 106.

* * * * *

SEC. 106. PROHIBITION ON PROCUREMENT CONTRACTS WITH AND IMPOSITION OF SANCTIONS AGAINST PERSONS THAT EXPORT SENSITIVE TECHNOLOGY TO IRAN.

(a) IN GENERAL.—Except as provided in subsection (b), and pursuant to such regulations as the President may prescribe, the head of an executive agency may not enter into or renew a contract, on or after the date that is 90 days after the date of the enactment of this Act, for the procurement of **【goods or services with a person】** goods or services—

(1) with a person that exports sensitive technology to Iran**【.】**; or

(2) with respect to a person acting on behalf of or at the direction of, or owned or controlled by, a person described in paragraph (1) or a person who owns or controls a person described in paragraph (1).

* * * * *

(c) SENSITIVE TECHNOLOGY DEFINED.—

(1) IN GENERAL.—The term “sensitive technology” means hardware, software, telecommunications equipment, or any other technology, that the President determines **is to be used specifically** *has been designed or specifically modified—*

(A) * * *

* * * * *

(e) PRESIDENTIAL DETERMINATION AND IMPOSITION OF ADDITIONAL SANCTIONS.—The President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) with respect to—

(1) a person if the President determines that the person knowingly exports sensitive technology to Iran; or

(2) a person acting on behalf of or at the direction of, or owned or controlled by, a person described in paragraph (1) or a person who owns or controls a person described in paragraph (1).

* * * * *

TITLE II—DIVESTMENT FROM CERTAIN COMPANIES THAT INVEST IN IRAN

* * * * *

SEC. 202. AUTHORITY OF STATE AND LOCAL GOVERNMENTS TO DIVEST FROM CERTAIN COMPANIES THAT INVEST IN IRAN.

[(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States should support the decision of any State or local government that for moral, prudential, or reputational reasons divests from, or prohibits the investment of assets of the State or local government in, a person that engages in investment activities in the energy sector of Iran, as long as Iran is subject to economic sanctions imposed by the United States.

[(b) AUTHORITY TO DIVEST.—Notwithstanding any other provision of law, a State or local government may adopt and enforce measures that meet the requirements of subsection (d) to divest the assets of the State or local government from, or prohibit investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities in Iran described in subsection (c).

[(c) INVESTMENT ACTIVITIES DESCRIBED.—A person engages in investment activities in Iran described in this subsection if the person—

[(1) has an investment of \$20,000,000 or more in the energy sector of Iran, including in a person that provides oil or liquefied natural gas tankers, or products used to construct or

maintain pipelines used to transport oil or liquified natural gas, for the energy sector of Iran; or

[(2) is a financial institution that extends \$20,000,000 or more in credit to another person, for 45 days or more, if that person will use the credit for investment in the energy sector of Iran.]

(a) *SENSE OF CONGRESS.*—*It is the sense of Congress that the United States should support the decision of any State or local government to divest from or prohibit the investment of assets of the State or local government, to prohibit the issuance of licenses to conduct business in the State or locality to, and to impose disclosure and transparency requirements on, a person that invests in or conducts transactions for or with a person or sector subject to sanctions with respect to Iran.*

(b) *AUTHORITY.*—*Notwithstanding any other provision of law, a State or local government may adopt and enforce measures that meet the requirements of subsection (d)—*

(1) *to divest the assets of the State or local government from a person described in subsection (c);*

(2) *to prohibit investment of the assets of the State or local government in any such person;*

(3) *to prohibit the issuance of licenses to conduct business in the State or locality to any such person; or*

(4) *to impose disclosure and transparency requirements on any such person.*

(c) *PERSONS DESCRIBED.*—*A person described in this subsection is a person that invests in or engages in any transaction with or for any person engaged in any activity for which sanctions may be imposed under any provision of Federal law imposing sanctions with respect to Iran.*

(d) *REQUIREMENTS.*—*Any measure taken by a State or local government under subsection (b) shall meet the following requirements:*

(1) * * *

* * * * *

(4) *SENSE OF CONGRESS ON AVOIDING ERRONEOUS TARGETING.*—*It is the sense of Congress that a State or local government should not adopt a measure under subsection (b) with respect to a person unless the State or local government has made every effort to avoid erroneously targeting the person and has verified that the person [engages in investment activities in Iran described in subsection (c)] is a person described in subsection (c).*

* * * * *

(f) *NONPREEMPTION.*—*A measure of a State or local government authorized under subsection (b) [or (i)] or (g) is not preempted by any Federal law or regulation.*

[(g) *DEFINITIONS.*—*In this section:*

[(1) *ASSETS.*—

[(A) *IN GENERAL.*—*Except as provided in subparagraph (B), the term “assets” refers to public monies and includes any pension, retirement, annuity, or endowment fund, or similar instrument, that is controlled by a State or local government.*

[(B) EXCEPTION.—The term “assets” does not include employee benefit plans covered by title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.).

[(2) INVESTMENT.—The “investment” includes—

[(A) a commitment or contribution of funds or property;

[(B) a loan or other extension of credit; and

[(C) the entry into or renewal of a contract for goods or services.

[(h) EFFECTIVE DATE.—

[(1) IN GENERAL.—Except as provided in paragraph (2) or subsection (i), this section applies to measures adopted by a State or local government before, on, or after the date of the enactment of this Act.

[(2) NOTICE REQUIREMENTS.—Except as provided in subsection (i), subsections (d) and (e) apply to measures adopted by a State or local government on or after the date of the enactment of this Act.】

[(i) (g) AUTHORIZATION FOR PRIOR ENACTED MEASURES.—

(1) IN GENERAL.—Notwithstanding any other provision of this section or any other provision of law, a State or local government may enforce a measure (without regard to the requirements of subsection (d), except as provided in paragraph (2)) adopted by the State or local government before the date of the enactment of this Act that provides for the divestment of assets of the State or local government from, or prohibits the investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities in Iran [(determined without regard to subsection (c))] or other business activities in Iran that are identified in the measure.

* * * * *

[(j) (h) RULE OF CONSTRUCTION.—Nothing in this Act or any other provision of law authorizing sanctions with respect to Iran shall be construed to abridge the authority of a State to issue and enforce rules governing the safety, soundness, and solvency of a financial institution subject to its jurisdiction or the business of insurance pursuant to the Act of March 9, 1945 (15 U.S.C. 1011 et seq.) (commonly known as the “McCarran-Ferguson Act”).

* * * * *

TITLE III—PREVENTION OF DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO IRAN

SEC. 301. DEFINITIONS.

In this title:

(1) ALLOW.—The term “allow”, with respect to the diversion through a country of goods, services, or technologies, means the government of the country [knows or has reason to

know] *knows, has reason to know, or should have known* that the territory of the country is being used for such diversion.

* * * * *

SEC. 302. IDENTIFICATION OF COUNTRIES OF CONCERN WITH RESPECT TO THE DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO OR THROUGH IRAN.

(a) * * *

(b) **GOODS, SERVICES, AND TECHNOLOGIES DESCRIBED.**—Goods, services, or technologies described in this subsection are goods, services, or technologies—

(1) that—

(A) * * *

* * * * *

(C) are—

(i) * * *

(ii) defense articles or defense services on the United States Munitions List; **[or]**

(2) that are prohibited for export to Iran under a resolution of the United Nations Security Council **[.]**; or

(3) that are—

(A) *items described in the Nuclear Suppliers Group Guidelines for the Export of Nuclear Material, Equipment and Technology (published by the International Atomic Energy Agency as Information Circular INFCIRC/254/Rev. 3/Part 1, and subsequent revisions) and Guidelines for Transfers of Nuclear-Related Dual-Use Equipment, Material, and Related Technology (published by the International Atomic Energy Agency as Information Circular INFCIRC/254/Rev. 3/Part 2, and subsequent revisions);*

(B) *items on the Missile Technology Control Regime Equipment and Technology Annex of June 11, 1996, and subsequent revisions;*

(C) *items and substances relating to biological and chemical weapons the export of which is controlled by the Australia Group;*

(D) *items on the Schedule One or Schedule Two list of toxic chemicals and precursors the export of which is controlled pursuant to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction; or*

(E) *items on the Wassenaar Arrangement list of Dual Use Goods and Technologies and Munitions list of July 12, 1996, and subsequent revisions.*

* * * * *

SEC. 303. DESTINATIONS OF DIVERSION CONCERN.

(a) * * *

* * * * *

(c) **LICENSING REQUIREMENT.**—**[Not later than]**

(1) *IN GENERAL.*—*Not later than 45 days* after submitting a report required by subsection (b) with respect to a country designated as a Destination of Diversion Concern under subsection (a), the President shall require a license under the Export Administration Regulations or the International Traffic in

Arms Regulations (whichever is applicable) to export to that country a good, service, or technology on the list required under subsection (b)(2), with the presumption that any application for such a license will be denied.

(2) *ADDITIONAL MEASURES.*—*The President may impose restrictions on United States foreign assistance or measures authorized under the International Emergency Economic Powers Act with respect to a country designated as a country of diversion concern if the President determines such restrictions or measures would prevent the transfer of United States-origin goods, services, and technology to Iran.*

* * * * *

IRAN THREAT REDUCTION AND SYRIA HUMAN RIGHTS ACT OF 2012

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) * * *

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

* * * * *

TITLE II—EXPANSION OF SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN AND PROLIFERATION OF WEAPONS OF MASS DESTRUCTION BY IRAN

* * * * *

Subtitle B—Additional Measures Relating to Sanctions Against Iran

* * * * *

Sec. 220A. Imposition of sanctions with respect to certain transactions in foreign currencies.

* * * * *

Sec. 225. Sanctions with respect to certain transactions with Iran.

TITLE III—SANCTIONS WITH RESPECT TO IRAN’S REVOLUTIONARY GUARD CORPS

Subtitle A—Identification of, and Sanctions With Respect to, Officials, Agents, Affiliates, and Supporters of Iran’s Revolutionary Guard Corps and Other Sanctioned Persons

* * * * *

[Sec. 304. Rule of construction.]

Sec. 304. Designation of Iran’s Revolutionary Guard Corps as foreign terrorist organization.

Sec. 305. Rule of construction.

* * * * *

TITLE IV—MEASURES RELATING TO HUMAN RIGHTS ABUSES IN IRAN

Subtitle A—Expansion of Sanctions Relating to Human Rights Abuses in Iran

[Sec. 401. Imposition of sanctions on certain persons responsible for or complicit in human rights abuses committed against citizens of Iran or their family members after the June 12, 2009, elections in Iran.]

Sec. 401. Imposition of sanctions on certain persons responsible for or complicit in human rights abuses, engaging in censorship, or engaging in the diversion of goods intended for the people of Iran.

* * * * *

**TITLE II—EXPANSION OF SANCTIONS
RELATING TO THE ENERGY SECTOR
OF IRAN AND PROLIFERATION OF
WEAPONS OF MASS DESTRUCTION BY
IRAN**

* * * * *

**Subtitle B—Additional Measures Relating
to Sanctions Against Iran**

**SEC. 211. IMPOSITION OF SANCTIONS WITH RESPECT TO THE PROVI-
SION OF VESSELS OR SHIPPING SERVICES TO TRANS-
PORT CERTAIN GOODS RELATED TO PROLIFERATION OR
TERRORISM ACTIVITIES TO IRAN.**

(a) * * *

* * * * *

(f) *DEFINITION.*—*In this section, the term “appropriate congress-
ional committees” includes the Committee on Transportation and
Infrastructure of the House of Representatives and the Committee on
Commerce, Science, and Transportation of the Senate.*

* * * * *

**SEC. 220A. IMPOSITION OF SANCTIONS WITH RESPECT TO CERTAIN
TRANSACTIONS IN FOREIGN CURRENCIES.**

(a) *IN GENERAL.*—*The President—*

*(1) shall prohibit the opening, and prohibit or impose strict
conditions on the maintaining, in the United States of a cor-
respondent account or a payable-through account by a foreign
financial institution that is a person described in subsection (b);
and*

*(2) may impose sanctions pursuant to the International
Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with
respect to any other person described in subsection (b).*

(b) *PERSON DESCRIBED.*—*A person described in this subsection
is a person the President determines has—*

*(1) knowingly conducted or facilitated a significant trans-
action involving the currency of a country other than the coun-
try in which the person is operating at the time of the trans-
action with, for, or on behalf of—*

*(A) the Central Bank of Iran or another Iranian finan-
cial institution designated by the Secretary of the Treasury
for the imposition of sanctions pursuant to the Inter-
national Emergency Economic Powers Act (50 U.S.C. 1701
et seq.); or*

*(B) a person described in section 1244(c)(2) of the Iran
Freedom and Counter-Proliferation Act (22 U.S.C.
8803(c)(2)) (other than a person described in subparagraph
(C)(iii) of that section); or*

*(2) knowingly conducted or facilitated a significant trans-
action by another person involving the currency of a country
other than the country in which that other person is operating*

at the time of the transaction, with, for, or on behalf of a person described in subparagraph (A) or (B) of paragraph (1).

(c) **WAIVER.**—

(1) **IN GENERAL.**—The President may waive the application of subsection (a) with respect to a person for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

(A) determines that the waiver is vital to the national security of the United States; and

(B) not less than 7 days before the waiver or the renewal of the waiver, as the case may be, takes effect, submits a report to the appropriate congressional committees on the waiver and the reason for the waiver.

(2) **FORM OF REPORT.**—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form but may include a classified annex.

(d) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to prohibit any person from, or authorize or require the imposition of sanctions with respect to any person for, conducting or facilitating any transaction in the currency of the country in which the person is operating at the time of the transaction for the sale of agricultural commodities, food, medicine, or medical devices.

(e) **DEFINITIONS.**—In this section:

(1) **ACCOUNT; CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.**—The terms “account”, “correspondent account”, and “payable-through account” have the meanings given those terms in section 5318A of title 31, United States Code.

(2) **AGRICULTURAL COMMODITY.**—The term “agricultural commodity” has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(3) **FOREIGN FINANCIAL INSTITUTION.**—The term “foreign financial institution” has the meaning given that term in section 561.308 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).

(4) **IRANIAN FINANCIAL INSTITUTION.**—The term “Iranian financial institution” has the meaning given that term in section 104A(d) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513b(d)).

(5) **MEDICAL DEVICE.**—The term “medical device” has the meaning given the term “device” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(6) **MEDICINE.**—The term “medicine” has the meaning given the term “drug” in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(7) **TRANSACTION.**—The term “transaction” includes a foreign exchange swap, a foreign exchange forward, and any other type of similar currency exchange or conversion or similar derivative instrument.

* * * * *

SEC. 225. SANCTIONS WITH RESPECT TO CERTAIN TRANSACTIONS WITH IRAN.

(a) **AUTHORIZATION OF SANCTIONS.**—

(1) **IN GENERAL.**—Except as specifically provided in this section, the President may impose sanctions pursuant to the

International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) on a foreign person that the President determines has, on or after the date that is 60 days after the date of the enactment of the Nuclear Iran Prevention Act of 2013, knowingly conducted or facilitated a significant financial transaction with the Central Bank of Iran or other Iranian financial institution that has been designated by the Secretary of the Treasury for the imposition of sanctions pursuant to the International Emergency Economic Powers Act, for—

(A) the purchase of goods or services by a person in Iran or on behalf of a person in Iran; or

(B) the purchase of goods or services from a person in Iran or on behalf of a person in Iran.

(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to affect the imposition of sanctions with respect to a financial transaction for the purchase of petroleum or petroleum products from Iran under section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1648).

(b) EXCEPTION FOR OVERALL REDUCTIONS OF EXPORTS TO AND IMPORTS FROM IRAN.—

(1) IN GENERAL.—The President is authorized not to impose sanctions under subsection (a) on a foreign person if the President determines and submits to the appropriate congressional committees a report that contains a determination of the President that the country with primary jurisdiction over the foreign person has, during the time period described in paragraph (2), significantly reduced the value and volume of imports and exports of goods (other than petroleum or petroleum products) and services between such country and Iran.

(2) TIME PERIOD DESCRIBED.—The time period referred to in paragraph (1) is the 60-day period ending on the date on which the President makes the determination under paragraph (1) as compared to the immediately preceding 60-day period.

(c) EXCEPTION FOR SALES OF AGRICULTURAL COMMODITIES, FOOD, MEDICINE AND MEDICAL DEVICES.—The President may not impose sanctions under subsection (a) on a foreign person with respect to a transaction for the sale of agricultural commodities, food, medicine or medical devices to Iran.

(d) DEFINITIONS.—In this section:

(1) FOREIGN PERSON.—The term “foreign person” has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note).

(2) IRANIAN FINANCIAL INSTITUTION.—The term “Iranian financial institution” has the meaning given that term in section 104A(d) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513b(d)).

TITLE III—SANCTIONS WITH RESPECT TO IRAN’S REVOLUTIONARY GUARD CORPS

Subtitle A—Identification of, and Sanc- tions With Respect to, Officials, Agents, Affiliates, and Supporters of Iran’s Revo- lutionary Guard Corps and Other Sanc- tioned Persons

* * * * *

SEC. 304. DESIGNATION OF IRAN’S REVOLUTIONARY GUARD CORPS AS FOREIGN TERRORIST ORGANIZATION.

(a) *IN GENERAL.*—Not later than 30 days after the date of the enactment of this section, the Secretary of State shall determine if Iran’s Revolutionary Guard Corps meets the criteria for designation as a foreign terrorist organization as set forth in section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

(b) *AFFIRMATIVE DETERMINATION.*—If the Secretary of State determines under subsection (a) that Iran’s Revolutionary Guard Corps meets the criteria set forth under such section 219, the Secretary shall designate Iran’s Revolutionary Guard Corps as a foreign terrorist organization under such section 219.

(c) *NEGATIVE DETERMINATION.*—

(1) *IN GENERAL.*—If the Secretary of State determines under subsection (a) that Iran’s Revolutionary Guard Corps does not meet the criteria set forth under such section 219, the Secretary shall submit to the committees of Congress specified in subsection (e) a report that contains a detailed justification as to which criteria have not been met.

(2) *FORM.*—The report required under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex, if necessary.

(d) *APPLICABILITY OF SANCTIONS TO QUDS FORCE.*—The sanctions applied to any entity designated as a foreign terrorist organization as set forth in such section 219 shall be applied to the Iran’s Revolutionary Guard Corps Quds Force.

(e) *COMMITTEES OF CONGRESS SPECIFIED.*—The committees of Congress specified in this subsection are the following:

(1) *The Committee on Foreign Affairs, the Committee on the Judiciary, and the Committee on Homeland Security of the House of Representatives.*

(2) *The Committee on Foreign Relations, the Committee on the Judiciary, and the Committee on Homeland Security and Governmental Affairs of the Senate.*

SEC. [304.] 305. RULE OF CONSTRUCTION.

Nothing in this subtitle shall be construed to limit the authority of the President to designate foreign persons for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

* * * * *

TITLE IV—MEASURES RELATING TO HUMAN RIGHTS ABUSES IN IRAN

Subtitle A—Expansion of Sanctions Relating to Human Rights Abuses in Iran

SEC. 401. IMPOSITION OF SANCTIONS ON CERTAIN PERSONS RESPONSIBLE FOR OR COMPLICIT IN HUMAN RIGHTS ABUSES [COMMITTED AGAINST CITIZENS OF IRAN OR THEIR FAMILY MEMBERS AFTER THE JUNE 12, 2009, ELECTIONS IN IRAN.], ENGAGING IN CENSORSHIP, OR ENGAGING IN THE DIVERSION OF GOODS INTENDED FOR THE PEOPLE OF IRAN.

[(a) SENSE OF CONGRESS.—It is the sense of Congress that the Supreme Leader of Iran, the President of Iran, senior members of the Intelligence Ministry of Iran, senior members of Iran’s Revolutionary Guard Corps, Ansar-e-Hezbollah and Basij-e-Mostaz’afin, and the Ministers of Defense, Interior, Justice, and Telecommunications are ultimately responsible for ordering, controlling, or otherwise directing a pattern and practice of serious human rights abuses against the Iranian people, and thus the President should include such persons on the list of persons who are responsible for or complicit in committing serious human rights abuses and subject to sanctions pursuant to section 105 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514).]

(a) *FINDING AND SENSE OF CONGRESS.*—

(1) *FINDING.*—Congress finds that Iranian persons holding the following positions in the Government of Iran are ultimately responsible for and have and continue to knowingly order, control, direct and implement gross violations of the human rights of the Iranian people, the human rights of persons in other countries, censorship, and the diversion of food, medicine, medical devices, agricultural commodities and other goods intended for the Iranian people:

- (A) *The Supreme Leader of Iran.*
- (B) *The President of Iran.*
- (C) *Members of the Council of Guardians.*
- (D) *Members of the Expediency Council.*
- (E) *The Minister of Intelligence and Security.*
- (F) *The Commander of the Iran’s Revolutionary Guard*

Corps.

- (G) *The Commander of the Basij-e-Mostaz’afin.*
- (H) *The Commander of Ansar-e-Hezbollah.*
- (I) *The Commander of the Quds Force.*
- (J) *The Commander in Chief of the Police Force.*
- (K) *Senior officials or key employees of an organization described in any of subparagraphs (C) through (J) or in the Atomic Energy Organization of Iran, the Islamic Consultative Assembly of Iran, the Council of Ministers of Iran, the Assembly of Experts of Iran, the Ministry of Defense and Armed Forces Logistics of Iran, the Ministry of Justice of Iran, the Ministry of Interior of Iran, the prison system of Iran, or the judicial system of Iran.*

(2) *SENSE OF CONGRESS.*—*It is the sense of Congress that—*

(A) *the President should include any Iranian person holding a position in the Government of Iran described in paragraph (1) on one or more of the lists of persons subject to sanctions pursuant to section 105(b), 105A(b), 105B(b), or 105C(b) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514(b), 8514a(b), 8514b(b), or 8514c(b)); and*

(B) *the President should impose sanctions on such Iranian person pursuant to section 105, 105A, 105B, or 105C of such Act (as the case may be).*

(b) *ADDITIONAL FINDING AND SENSE OF CONGRESS.*—

(1) *FINDING.*—*Congress finds that other senior officials of the Government of Iran, its agencies and instrumentalities, also have and continue to knowingly order, control, direct, and implement gross violations of the human rights of the Iranian people and the human rights of persons in other countries.*

(2) *SENSE OF CONGRESS.*—*It is the sense of Congress that—*

(A) *the President should investigate violations of human rights described in paragraph (1) to identify other senior officials of the Government of Iran that also have or continue to knowingly order, control, direct, and implement gross violations of human rights of the Iranian people and the human rights of persons in other countries;*

(B) *the President should include any such official on one or more of the lists of persons subject to sanctions pursuant to section 105(b), 105A(b), 105B(b), or 105C(b) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514(b), 8514a(b), 8514b(b), or 8514c(b)); and*

(C) *the President should impose sanctions on any such official pursuant to section 105, 105A, 105B, or 105C of such Act (as the case may be).*

[(b)] (c) *REPORT.*—

(1) *REPORT REQUIRED.*—**[Not later than]**

(A) *IN GENERAL.*—*Not later than 180 days after the date of the enactment of [this Act] the Nuclear Iran Prevention Act of 2013, and annually thereafter for 3 years, the Secretary of State shall submit to the appropriate congressional committees a detailed report with respect to whether each person described in subsection (a) is responsible for or complicit in, or responsible for ordering, controlling, or [otherwise directing the commission of] otherwise directing—*

(i) *the commission of serious human rights abuses against citizens of Iran or their family members on or after June 12, 2009, regardless of whether such abuses occurred in [Iran. For any such person] Iran;*

(ii) *ensorship or related activities with respect to Iran; or*

(iii) *the diversion of goods, food, medicine, medical devices, and agricultural commodities, intended for the people of Iran.*

(B) *REQUIREMENT RELATING TO PERSONS NOT INCLUDED.*—*For any such person who is not included in such*

report, the Secretary of State should describe in the report the reasons why the person was not included, including information on whether sufficient credible evidence of responsibility for such abuses was found.

(C) *REQUIREMENT RELATING TO FINANCIAL NET WORTH.*—For each such person described in subparagraph (A) and each such person described in subparagraph (B), the Secretary of State shall include in the report a description of the estimated net worth of the person.

* * * * *

Subtitle B—Additional Measures to Promote Human Rights

* * * * *

SEC. 413. EXPEDITED CONSIDERATION OF REQUESTS FOR AUTHORIZATION OF CERTAIN HUMAN RIGHTS-, HUMANITARIAN-, AND DEMOCRACY-RELATED ACTIVITIES WITH RESPECT TO IRAN.

(a) * * *

* * * * *

(e) *RULE OF CONSTRUCTION.*—The expedited process for the consideration of complete requests for authorization to engage in the activities described in subsection (a) shall be construed to also apply to the transfer of goods and services to Iran to facilitate the ability of Iranian persons to freely communicate, obtain information, and access the Internet and other communications systems.

[(e)] (f) *REGULATIONS.*—The Secretary of the Treasury may prescribe such regulations as are appropriate to carry out this section.

* * * * *

TITLE VI—GENERAL PROVISIONS

SEC. 601. IMPLEMENTATION; PENALTIES.

(a) *IMPLEMENTATION.*—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out—

(1) sections 211, 212, 213, 217, 218, 220, 220A, 312, and 411, subtitle A of title III, and title VII;

* * * * *

(b) *PENALTIES.*—

(1) * * *

(2) *PROVISIONS SPECIFIED.*—The provisions specified in this paragraph are the following:

(A) Sections 211, 212, 213, [and 220,] 220, and 220A, subtitle A of title III, and title VII.

* * * * *

SEC. 605. TERMINATION.

(a) IN GENERAL.—The provisions of sections 211, 212, 213, 218, 220, 220A, 221, and 501, title I, and subtitle A of title III shall terminate on the date that is 30 days after the date on which the President makes the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).

* * * * *

IRAN SANCTIONS ACT OF 1996

* * * * *

SEC. 5. IMPOSITION OF SANCTIONS.

(a) SANCTIONS RELATING TO THE ENERGY SECTOR OF IRAN.—

(1) * * *

* * * * *

(7) TRANSPORTATION OF CRUDE OIL **[FROM IRAN]** FROM IRAN AND CERTAIN IMPORTS AND EXPORTS TO AND FROM IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that—

(i) the person is a controlling beneficial owner of, or otherwise owns, operates, or controls, or insures, **[a vessel that, on or after]** *a vessel that—*

*(I) on or after the date that is 90 days after the date of the enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012, was used to transport crude oil from Iran to another country; **[and]** or*

(II)(aa) knowingly transports to or from Iran any good if the importation to Iran or exportation from Iran, as the case may be, of that good is subject to sanctions under this Act; or

(bb) knowingly engages in a vessel-to-vessel transfer of crude oil transported from Iran;

(ii)(I) * * *

(II) in the case of a person that otherwise owns, operates, or controls, or insures, the vessel, the person knew or should have known the vessel was so used**[.]**; or

(iii) the person is a person who knowingly sells, leases, or otherwise facilitates the transfer of ownership of a vessel to the Government of Iran, or any agencies or affiliates thereof, for the purpose of transportation of crude oil from Iran to another country.

* * * * *

(b) MANDATORY SANCTIONS WITH RESPECT TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES.—

(1) * * *

(2) JOINT VENTURES RELATING TO THE MINING, PRODUCTION, OR TRANSPORTATION OF URANIUM AND OTHER RELATED ACTIVITIES.—

(A) * * *

* * * * *

(C) TRANSFER TO IRAN OF GOODS, SERVICES, OR TECHNOLOGY THAT CAN BE USED FOR MINING OR MILLING OF URANIUM.—*Except as provided in subsection (f), the President shall impose 5 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly transferred, on or after the date of the enactment of the Nuclear Iran Prevention Act of 2013, to Iran goods, services, or technology that would materially contribute to Iran’s ability to mine or mill uranium.*

* * * * *

SEC. 9. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.

(a) * * *

* * * * *

(c) PRESIDENTIAL WAIVER.—

(1) AUTHORITY.—

(A) * * *

[(B) SANCTIONS RELATING TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES.—The President may waive, on a case-by-case basis and for a period of not more than one year, the requirement in paragraph (1) or (2) of section 5(b) to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is vital to the national security interests of the United States to exercise such waiver authority.]

[(C)] (B) RENEWAL OF WAIVERS.—The President may renew, on a case-by-case basis, a waiver with respect to a person under subparagraph (A) [or (B)] for additional one-year periods if, not later than 30 days before the waiver expires, the President makes the determination and submits to the appropriate congressional committees the report described in subparagraph (A) [or (B), as applicable].

* * * * *

SEC. 14. DEFINITIONS.

As used in this Act:

(1) * * *

* * * * *

(4) CREDIBLE INFORMATION.—The term “credible information”, with respect to a person—

(A) * * *

(B) [may include, in the discretion of the President] includes—

(i) * * *

* * * * *

**NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL
YEAR 2012**

* * * * *

**DIVISION A—DEPARTMENT OF
DEFENSE AUTHORIZATIONS**

* * * * *

TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

* * * * *

SUBTITLE C—REPORTS AND OTHER MATTERS

* * * * *

**SEC. 1245. IMPOSITION OF SANCTIONS WITH RESPECT TO THE FINAN-
CIAL SECTOR OF IRAN.**

(a) * * *

* * * * *

**(d) IMPOSITION OF SANCTIONS WITH RESPECT TO THE CENTRAL
BANK OF IRAN AND OTHER IRANIAN FINANCIAL INSTITUTIONS.—**

(1) * * *

* * * * *

**(4) APPLICABILITY OF SANCTIONS WITH RESPECT TO PETRO-
LEUM TRANSACTIONS.—**

(A) * * *

* * * * *

(D) EXCEPTION.—

(i) IN GENERAL.—Sanctions imposed pursuant to paragraph (1) shall not apply with respect to a financial transaction described in clause (ii) conducted or facilitated by a foreign financial institution if the President determines and reports to Congress, not later than 90 days after the date on which the President makes the determination required by subparagraph (B), and every 180 days thereafter, that the country with primary jurisdiction over the foreign financial institution—

(I) has significantly [reduced reduced] *reduced its value and* volume of crude oil purchases from Iran *or of Iranian origin* during the period beginning on the date on which the President submitted the last report with respect to the country under this subparagraph, *and the President certifies in writing to Congress that the President has based such determination on accurate information*

on that country's total purchases of crude oil from Iran or of Iranian origin; or

* * * * *

(ii) FINANCIAL TRANSACTIONS DESCRIBED.—A financial transaction conducted or facilitated by a foreign financial institution is described in this clause if—

(I) * * *

(II)(aa) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution^[1]; and

(bb) the foreign financial institution holding the account described in item (aa) does not knowingly facilitate any significant financial transfers for, with, or on behalf of the Government of Iran, unless the transaction is excepted from sanctions under paragraph (2) or is a transaction described in subclause (I) and item (aa).

(iii) CRUDE OIL.—In this subparagraph, the term “crude oil” includes unfinished oils, liquefied petroleum gases, distillate fuel oil, and residual fuel oil.

(E) STRATEGY TO REDUCE CRUDE OIL PURCHASES FROM IRAN OR OF IRANIAN ORIGIN.—

(i) IN GENERAL.—Not later than 30 days after the date of the enactment of the Nuclear Iran Prevention Act of 2013, the President shall make a determination, based on the information contained in the most recent report required under subparagraph (A), of whether each country that received an exception under subparagraph (D)(i)(I) before such date of enactment is able to reduce its crude oil purchases from Iran or of Iranian origin so that the aggregate amount of such purchases is reduced by not less than an average of 1,000,000 barrels of crude oil per day by the end of the 1-year period beginning on the date of submission of the strategy described in clause (ii). If the President makes an initial determination under this clause that the requirements of this clause cannot be met, then the President shall continue to make a determination under this clause every 90 days thereafter as to whether or not the requirements of this clause can be met.

(ii) STRATEGY.—If the President determines that the requirements of clause (i) can be met, then not later than 60 days after the date of such affirmative determination, the President shall develop and submit to the appropriate congressional committees a strategy to seek to ensure that the requirements of clause (i) are met by the end of the 1-year period beginning on such date of submission.

(iii) FUTURE EXCEPTIONS.—

(I) AFFIRMATIVE DETERMINATION.—If the President determines that the strategy described in clause (ii) was achieved, then each country described in clause (i) shall be eligible to receive one

or more further exceptions under subparagraph (D)(i)(I) in accordance with the provisions of such subparagraph.

(II) *NEGATIVE DETERMINATION.*—Except as provided in subclause (III), if the President determines that the strategy described in clause (ii) was not achieved, then each country described in clause (i) shall be ineligible to receive any further exception under subparagraph (D)(i)(I) in accordance with the provisions of such subparagraph.

(III) *EXCEPTION.*—

(aa) *IN GENERAL.*—Subclause (II) shall not apply with respect to a country described in clause (i) if the country—

(AA) dramatically reduced its crude oil purchases from Iran or of Iranian origin during the 1-year period described in clause (i); and

(BB) has committed itself to continue to reduce its crude oil purchases from Iran or of Iranian origin to a *de minimis* level.

(bb) *DATA.*—The President shall submit to the appropriate congressional committees all data used to make a determination under item (aa) not later than 15 days before issuing an exception under item (aa).

(iv) *APPROPRIATE CONGRESSIONAL COMMITTEES.*—In this subparagraph, the term “appropriate congressional committees” means—

(I) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives; and

(II) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(5) *WAIVER.*—The President may waive the imposition of sanctions under paragraph (1) for a period of not more than 120 days, and may renew that waiver for additional periods of not more than 120 days, if the President—

(A) determines that such a waiver is [in the national] vital to the national security interest of the United States; and

* * * * *

(h) *DEFINITIONS.*—In this section:

(1) * * *

* * * * *

(3) *SIGNIFICANT REDUCTIONS.*—The terms “reduce significantly”, “significant reduction”, and “significantly reduced”, with respect to purchases from Iran of petroleum and petroleum products, include a reduction in such purchases in terms of price [or] and volume toward a complete cessation of such purchases and at least a *pro rata* amount totaling, in the aggregate, not less than an average of 1,000,000 barrels of crude oil per day by the end of the 1-year period beginning on the date

of submission of the strategy described in subsection (d)(4)(E)(ii).

* * * * *

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2013

* * * * *

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

* * * * *

TITLE XII—MATTERS RELATING TO FOREIGN NATIONS

* * * * *

SUBTITLE D—IRAN SANCTIONS

* * * * *

SEC. 1244. IMPOSITION OF SANCTIONS WITH RESPECT TO [THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS] PORTS, SPECIAL ECONOMIC ZONES, FREE ECONOMIC ZONES, AND STRATEGIC SECTORS OF IRAN.

(a) FINDINGS.—Congress makes the following findings:

(1) Iran’s energy, shipping, [and shipbuilding] *shipbuilding, automotive, construction, engineering, or mining* sectors and Iran’s ports are facilitating the Government of Iran’s nuclear proliferation activities by providing revenue to support proliferation activities.

* * * * *

(b) DESIGNATION OF PORTS [AND ENTITIES IN THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS], *SPECIAL ECONOMIC ZONES, FREE ECONOMIC ZONES, AND ENTITIES IN STRATEGIC SECTORS* OF IRAN AS ENTITIES OF PROLIFERATION CONCERN.—Entities that operate ports in Iran [and entities in the energy, shipping, and shipbuilding sectors], *entities that operate special economic zones or free economic zones, and entities in strategic sectors (as defined in subsection (c)(4))* of Iran, including the National Iranian Oil Company, the National Iranian Tanker Company, the Islamic Republic of Iran Shipping Lines, and their affiliates, play an important role in Iran’s nuclear proliferation efforts and all such entities are hereby designated as entities of proliferation concern.

(c) BLOCKING OF PROPERTY OF [ENTITIES IN ENERGY, SHIPPING, AND SHIPBUILDING SECTORS] *PORTS, SPECIAL ECONOMIC ZONES, FREE ECONOMIC ZONES, AND ENTITIES IN STRATEGIC SECTORS.*—

(1) BLOCKING OF PROPERTY.—

[(A) IN GENERAL.—] On and after the date that is 180 days after the date of the enactment of this Act, the President shall block and prohibit all transactions in all property and interests in property of any person described in paragraph (2) if such property and interests in property

are in the United States, come within the United States, or are or come within the possession or control of a United States person.

[(B) EXCEPTION.—The requirement to block and prohibit all transactions in all property and interests in property under subparagraph (A) shall not include the authority to impose sanctions on the importation of goods.]

(2) PERSONS DESCRIBED.—A person is described in this paragraph if the President determines that the person, on or after the date that is 180 days after the date of the enactment of this Act—

(A) is part of [the energy, shipping, or shipbuilding sectors] *a strategic sector (as defined in paragraph (4)(A))* of Iran;

(B) operates a port, *special economic zone, or free economic zone* in Iran; or

(C) knowingly provides significant financial, material, technological, or other support to, or goods or services in support of any activity or transaction on behalf of or for the benefit of—

(i) a person determined under subparagraph (A) to be a part of [the energy, shipping, or shipbuilding sectors] *a strategic sector (as defined in paragraph (4)(A))* of Iran;

(ii) a person determined under subparagraph (B) to operate a port, *special economic zone, or free economic zone* in Iran; or

* * * * *

(4) STRATEGIC SECTOR DEFINED.—*In this section, the term “strategic sector” means—*

(A) *the energy, shipping, shipbuilding, automotive, or mining sector of Iran;*

(B) *the construction or engineering sector of Iran if the President determines and reports to Congress not later than 45 days after the date of the enactment of the Nuclear Iran Prevention Act of 2013 that the construction or engineering sector of Iran, as the case may be, is of strategic importance to Iran; and*

(C) *any other sector that the President designates as of strategic importance to Iran.*

(5) NOTIFICATION AND REPORT RELATING TO STRATEGIC SECTORS.—

(A) NOTIFICATION.—*The President shall submit to Congress a notification of the designation of a sector as a strategic sector of Iran for purposes of paragraph (4)(C) not later than 30 days after the date on which the President makes such designation.*

(B) REPORT.—*Not later than 90 days after the date on which the President submits to Congress a notification of the designation of a sector as a strategic sector of Iran under subparagraph (A), the Comptroller General of the United States shall submit to Congress a report that contains—*

(i) *a review and comment on such designation; and*

(ii) *recommendations regarding the designation of additional sectors as strategic sectors of Iran for purposes of paragraph (4).*

(d) ADDITIONAL SANCTIONS WITH RESPECT TO **【THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS】** *STRATEGIC SECTORS OF IRAN.*—

【(1) SALE, SUPPLY, OR TRANSFER OF CERTAIN GOODS AND SERVICES.—】

【(A) IN GENERAL.—Except as provided】 *(1) SALE, SUPPLY, OR TRANSFER OF CERTAIN GOODS AND SERVICES.—Except as provided* in this section, the President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) with respect to a person if the President determines that the person knowingly, on or after the date that is 180 days after the date of the enactment of this Act, sells, supplies, or transfers to or from Iran goods or services described in paragraph (3).

【(B) EXCEPTION.—The requirement to impose sanctions under subparagraph (A) shall not include the authority to impose sanctions relating to the importation of goods under paragraph (8)(A) or (12) of section 6(a) of the Iran Sanctions Act of 1996, and any sanction relating to the importation of goods shall not count for purposes of the requirement to impose sanctions under subparagraph (A).**】**

* * * * *

(3) **GOODS AND SERVICES DESCRIBED.**—Goods or services described in this paragraph are significant goods or services used in connection with **【the energy, shipping, or shipbuilding sectors】** *a strategic sector (as defined in subsection (c)(4)(A)) of Iran, including the National Iranian Oil Company, the National Iranian Tanker Company, and the Islamic Republic of Iran Shipping Lines.*

* * * * *

(f) **EXCEPTION FOR AFGHANISTAN RECONSTRUCTION.**—The President may provide for an exception from the imposition of sanctions under this section for reconstruction assistance or economic development for Afghanistan *for a period of not more than 1 year, and may renew that exception for additional periods of not more than 1 year—*

(1) **【to the extent that】** *if* the President determines that such an exception *or the renewal of the exception, as the case may be,* is **【in the national interest】** *in the national security interest* of the United States; and

(2) if the President submits to the appropriate congressional committees a notification of and justification for the exception *or the renewal of the exception, as the case may be,* not later than 15 days before issuing the exception *or the renewal of the exception.*

* * * * *

SEC. 1245. IMPOSITION OF SANCTIONS WITH RESPECT TO THE SALE, SUPPLY, OR TRANSFER OF CERTAIN MATERIALS TO OR FROM IRAN.

[(a) SALE, SUPPLY, OR TRANSFER OF CERTAIN MATERIALS.—]

[(1) IN GENERAL.—The President]

(a) SALE, SUPPLY, OR TRANSFER OF CERTAIN MATERIALS.—The President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) with respect to a person if the President determines that the person knowingly, on or after the date that is 180 days after the date of the enactment of this Act, sells, supplies, or transfers, directly or indirectly, to or from Iran—

[(A)] (1) a precious metal;

[(B)] (2) a material described in subsection (d) determined pursuant to subsection (e)(1) to be used by Iran as described in that subsection;

[(C)] (3) any other material described in subsection (d) if—

[(i)] (A) the material is—

[(I)] (i) to be used in connection with the energy, shipping, or shipbuilding sectors of Iran or any sector of the economy of Iran determined pursuant to subsection (e)(2) to be controlled directly or indirectly by Iran’s Revolutionary Guard Corps;

[(II)] (ii) sold, supplied, or transferred to or from an Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)); or

[(III)] (iii) determined pursuant to subsection (e)(3) to be used in connection with the nuclear, military, or ballistic missile programs of Iran; or

[(ii)] (B) the material is resold, retransferred, or otherwise supplied—

[(I)] (i) to an end-user in a sector described in [subclause (I) of clause (i)] clause (i) of subparagraph (A);

[(II)] (ii) to a person described in [subclause (II) of that clause] clause (ii) of that subparagraph; or

[(III)] (iii) for a program described in [subclause (III) of that clause] clause (iii) of that subparagraph.

[(2) EXCEPTION.—The requirement to impose sanctions under paragraph (1) shall not include the authority to impose sanctions relating to the importation of goods under paragraph (8)(A) or (12) of section 6(a) of the Iran Sanctions Act of 1996, and any sanction relating to the importation of goods shall not count for purposes of the requirement to impose sanctions under paragraph (1).]

* * * * *

(h) REPORT ON DETERMINATIONS NOT TO IMPOSE SANCTIONS ON PERSONS WHO ALLEGEDLY SELL, SUPPLY, OR TRANSFER PRECIOUS METALS TO OR FROM IRAN.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of Nuclear Iran Prevention Act of 2013, and

every 90 days thereafter, the President shall submit to the appropriate congressional committees a report on each determination of the President during the preceding 90-day period not to impose sanctions under subsection (a) or (c) with respect to a person who allegedly sells, supplies, or transfers precious metals, directly or indirectly, to or from Iran, together with the reasons for such determination.

(2) *FORM.*—The report required by paragraph (1) shall be submitted in unclassified form, but may contain a classified annex, if necessary.

[(h)] (i) NATIONAL BALANCE SHEET OF IRAN DEFINED.—For purposes of this section, the term “national balance sheet of Iran” refers to the ratio of the assets of the Government of Iran to the liabilities of that Government.

SEC. 1246. IMPOSITION OF SANCTIONS WITH RESPECT TO THE PROVISION OF UNDERWRITING SERVICES OR INSURANCE OR REINSURANCE FOR ACTIVITIES OR PERSONS WITH RESPECT TO WHICH SANCTIONS HAVE BEEN IMPOSED.

[(a)] IMPOSITION OF SANCTIONS.—

[(1)] IN GENERAL.—Except as provided

(a) *IMPOSITION OF SANCTIONS.*—Except as provided in this section, the President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note) with respect to a person if the President determines that the person knowingly, on or after the date that is 180 days after the date of the enactment of this Act, provides underwriting services or insurance or reinsurance—

[(A)] (1) for any activity with respect to Iran for which sanctions have been imposed under this subtitle, the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the Iran Sanctions Act of 1996, the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.), the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8701 et seq.), the Iran, North Korea, and Syria Nonproliferation Act (Public Law 106-178; 50 U.S.C. 1701 note), or any other provision of law relating to the imposition of sanctions with respect to Iran;

[(B)] (2) to or for any person—

[(i)] (A) with respect to, or for the benefit of any activity in the energy, shipping, or shipbuilding sectors of Iran for which sanctions are imposed under this subtitle;

[(ii)] (B) for the sale, supply, or transfer to or from Iran of materials described in section 1245(d) for which sanctions are imposed under this subtitle; or

[(iii)] (C) designated for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) in connection with—

[(I)] (i) Iran’s proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction; or

[(II)] (ii) Iran’s support for international terrorism; or

[(C)] (3) to or for any Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Depart-

ment of the Treasury (other than an Iranian financial institution described in subsection (b)).

[(2) EXCEPTION.—The requirement to impose sanctions under paragraph (1) shall not include the authority to impose sanctions relating to the importation of goods under paragraph (8)(A) or (12) of section 6(a) of the Iran Sanctions Act of 1996, and any sanction relating to the importation of goods shall not count for purposes of the requirement to impose sanctions under paragraph (1).]

* * * * *

SEC. 1247. IMPOSITION OF SANCTIONS WITH RESPECT TO FOREIGN FINANCIAL INSTITUTIONS THAT FACILITATE FINANCIAL TRANSACTIONS ON BEHALF OF SPECIALLY DESIGNATED NATIONALS.

(a) * * *

* * * * *

(f) PERSONS OWNED OR CONTROLLED BY SPECIALLY DESIGNATED NATIONALS.—

(1) IN GENERAL.—The President shall impose sanctions described in subsection (a) with respect to a foreign financial institution, including but not limited to a foreign central bank, that the President determines has, on or after the date that is 90 days after the date of the enactment of the Nuclear Iran Prevention Act of 2013, knowingly facilitated a significant financial transaction on behalf of any person determined by the President to be directly owned or controlled by an Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)).

(2) SENSE OF CONGRESS.—It is the sense of Congress that the President routinely should determine on or after the date of the enactment of the Nuclear Iran Prevention Act of 2013 those persons that are directly or indirectly owned or controlled by an Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)).

(3) CONSIDERATION OF DATA FROM OTHER COUNTRIES AND NONGOVERNMENTAL ORGANIZATIONS.—The President shall consider credible data already obtained by other countries and nongovernmental organizations in making determinations described in paragraph (1).

[(f)] (g) WAIVER.—

(1) * * *

* * * * *

PORTS AND WATERWAYS SAFETY ACT

* * * * *

SEC. 16. PROHIBITION ON ENTRY AND OPERATION.

(a) *IN GENERAL.*—No foreign vessel described in subsection (b) shall enter or operate in the navigable waters of the United States or transfer cargo in any port or place under the jurisdiction of the United States.

(b) *VESSELS DESCRIBED.*—A vessel referred to in subsection (a) is a foreign vessel—

(1) for which a Notice of Arrival is required to be filed under section 160 of title 33, Code of Federal Regulations, as in effect on the date of enactment of the Nuclear Iran Prevention Act of 2013; and

(2) that is knowingly registered, pursuant to the Geneva Convention on the High Seas (13 U.S.T. 2312; TIAS 5200; 450 UNTS 82), by a ship registry that is maintaining a registration of a vessel that is included in the list published under subsection (c).

(c) *NOTIFICATION OF GOVERNMENTS.*—The Secretary of Transportation, in consultation with the Secretary of State, shall—

(1) maintain timely information on registrations of all foreign vessels over 300 gross tons that are—

(A) owned or operated by or on behalf of—

(i) the National Iran Tanker Company or the Islamic Republic of Iran Shipping Line; or

(ii) any successor to an entity referred to in clause (i); or

(B) otherwise owned or operated by or on behalf of Iran;

(2) notify each government the agents or instrumentalities of which are maintaining a registration of a foreign vessel described in paragraph (1), that all vessels registered under such government's authority are prohibited from entering or operating in the navigable waters of the United States or transferring cargo in any port or place under the jurisdiction of the United States; and

(3) publish in the Federal Register a list of vessels described in paragraph (1), including periodic updates of such list.

(d) *NOTIFICATION OF VESSELS.*—

(1) *IN GENERAL.*—Except as provided in paragraphs (2) and (3), upon receiving a Notice of Arrival under section 160 of title 33, Code of Federal Regulations (as in effect on the date of enactment of the Nuclear Iran Prevention Act of 2013) from a vessel described in (b), the Secretary shall notify the master of such vessel that the vessel may not enter or operate in the navigable waters of the United States or transfer cargo in any port or place under the jurisdiction of the United States.

(2) *PROVISIONAL ENTRY.*—The Secretary may allow provisional entry of, or transfer of cargo from, a foreign vessel described in subsection (b) if such entry or transfer is necessary for the safety of the vessel or persons aboard.

(3) *ENTRY FOR DUE DILIGENCE.*—The Secretary may allow entry of, and transfer of cargo from, a vessel described in subsection (b) if the master shows the owner and operator of the vessel exercised due diligence to avoid registration of the vessel by a registry that registers vessels described in subsection (c).

(e) *RIGHT OF INNOCENT PASSAGE.*—*This section shall not be construed as authority to restrict the right of innocent passage as recognized under international law.*

(f) *FOREIGN VESSEL DEFINED.*—*In this section the term “foreign vessel” has the meaning given that term in section 2101 of title 46, United States Code.*

