

Calendar No. 863

110TH CONGRESS
2D SESSION**S. 3227****[Report No. 110–408]**

To impose sanctions on Iran and for other purposes.

 IN THE SENATE OF THE UNITED STATES

JULY 7, 2008

Mr. BAUCUS, from the Committee on Finance, reported the following original bill; which was read twice and placed on the calendar

A BILL

To impose sanctions on Iran and for other purposes.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
 5 “Iran Sanctions Act of 2008”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Sense of Congress.
- Sec. 4. Construction with respect to use of military force.

- Sec. 5. Definitions.
- Sec. 6. Expansion of definition of person in the Iran Sanctions Act of 1996.
- Sec. 7. Russia nuclear cooperation.
- Sec. 8. Economic sanctions relating to Iran.
- Sec. 9. Liability of parent companies for violations of sanctions by foreign entities.
- Sec. 10. Mandatory investigations into the imposition of sanctions.
- Sec. 11. Modification of certain tax incentives for oil companies investing in Iran.
- Sec. 12. World Bank loans to Iran.
- Sec. 13. Increased capacity for efforts to combat unlawful or terrorist financing.
- Sec. 14. Exchange programs with the people of Iran.
- Sec. 15. Sense of Congress on radio broadcasting to Iran.
- Sec. 16. Sense of Congress regarding the international regime for the assured supply of nuclear fuel for peaceful means.
- Sec. 17. Reporting requirements.
- Sec. 18. Waiver authority.
- Sec. 19. Termination.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) For more than 20 years, Iran has pursued
4 a secret nuclear program that is intended to produce
5 a nuclear weapons capability for Iran.

6 (2) The Government of Iran has consistently
7 misled the United Nations, the International Atomic
8 Energy Agency, and the United States as to the ob-
9 jectives and scope of its nuclear activities.

10 (3) Iran has refused to comply with United Na-
11 tions Security Council Resolutions 1737 (2006),
12 1747 (2007), and 1803 (2008), which called for the
13 suspension of all uranium enrichment-related and re-
14 processing activities, and is advancing work at its
15 largest nuclear facility.

1 (4) The International Atomic Energy Agency is
2 unable to verify the absence of undeclared nuclear
3 material and activities in Iran and its Director Gen-
4 eral has stated that Iran could be 6 months to a
5 year away from acquiring the material necessary to
6 make a nuclear weapon.

7 (5) The Government of Iran possessing a nu-
8 clear weapons capability would pose a grave threat
9 to the security of the United States and its allies
10 around the world.

11 (6) It is in the national security interests of the
12 United States to prevent Iran from acquiring a nu-
13 clear weapons capability.

14 (7) The United States should use all political,
15 economic, and diplomatic tools at its disposal to pre-
16 vent Iran from acquiring a nuclear weapons capa-
17 bility.

18 **SEC. 3. SENSE OF CONGRESS.**

19 The following is the sense of Congress:

20 (1) The United States should pursue vigorously
21 all measures in the international financial sector to
22 restrict Iran's ability to conduct international finan-
23 cial transactions, including prohibiting banks in the
24 United States from handling indirect transactions
25 with Iran's state-owned banks and prohibiting finan-

1 cial institutions from engaging in dollar transactions
2 with Iranian institutions.

3 (2) Iran should comply fully with its obligations
4 under United Nations Security Council Resolutions
5 1737, 1747, and 1803, and any subsequent United
6 Nations resolutions related to Iran's nuclear pro-
7 gram, and in particular the requirement to suspend
8 without delay all uranium enrichment-related and re-
9 processing activities, including research and develop-
10 ment, and all work on all heavy water-related nu-
11 clear activities, including research and development.

12 (3) The United Nations Security Council should
13 take further measures beyond Resolutions 1737,
14 1747, and 1803 to tighten sanctions on Iran, includ-
15 ing preventing new investment in Iran's energy sec-
16 tor, as long as Iran fails to comply with the inter-
17 national community's demand to halt its uranium
18 enrichment campaign.

19 (4) The United States should encourage foreign
20 governments to direct state-owned entities to cease
21 all investment in Iran's energy sector and all exports
22 to and imports from Iran of refined petroleum prod-
23 ucts and to persuade, and, where possible, require
24 private entities based in their territories to cease all
25 investment in Iran's energy sector and all exports to

1 and imports from Iran of refined petroleum prod-
2 ucts.

3 (5) Administrators of Federal and State pen-
4 sion plans should divest all assets or holdings from
5 foreign companies and entities that have invested or
6 invest in the future in Iran’s energy sector.

7 **SEC. 4. CONSTRUCTION WITH RESPECT TO USE OF MILI-**
8 **TARY FORCE.**

9 Nothing in this Act shall be construed as giving the
10 President the authority to use military force against Iran.

11 **SEC. 5. DEFINITIONS.**

12 In this Act:

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

17 (2) **APPROPRIATE CONGRESSIONAL COMMIT-**
18 **TEES.**—The term “appropriate congressional com-
19 mittees” has the meaning given that term in section
20 14(2) of the Iran Sanctions Act of 1996 (Public
21 Law 104–172; 50 U.S.C. 1701 note).

22 (3) **EXECUTIVE AGENCY.**—The term “executive
23 agency” has the meaning given the term in section
24 4 of the Office of Federal Procurement Policy Act
25 (41 U.S.C. 403).

1 (4) FAMILY MEMBER.—The term “family mem-
2 ber” means, with respect to an individual, the
3 spouse, children, grandchildren, or parents of the in-
4 dividual.

5 (5) INVESTMENT.—The term “investment” has
6 the meaning given that term in section 14(9) of the
7 Iran Sanctions Act of 1996 (Public Law 104–172;
8 50 U.S.C. 1701 note).

9 (6) IRANIAN DIPLOMATS AND REPRESENTA-
10 TIVES OF OTHER GOVERNMENT AND MILITARY OR
11 QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN.—
12 The term “Iranian diplomats and representatives of
13 other government and military or quasi-govern-
14 mental institutions of Iran” has the meaning given
15 that term in section 14(11) of the Iran Sanctions
16 Act of 1996 (Public Law 104–172; 50 U.S.C. 1701
17 note).

18 (7) MEDICAL DEVICE.—The term “medical de-
19 vice” has the meaning given the term “device” in
20 section 201 of the Federal Food, Drug, and Cos-
21 metic Act (21 U.S.C. 321).

22 (8) MEDICINE.—The term “medicine” has the
23 meaning given the term “drug” in section 201 of the
24 Federal Food, Drug, and Cosmetic Act (21 U.S.C.
25 321).

1 **SEC. 6. EXPANSION OF DEFINITION OF PERSON IN THE**
2 **IRAN SANCTIONS ACT OF 1996.**

3 Section 14(13)(B) of the Iran Sanctions Act of 1996
4 (Public Law 104–172; 50 U.S.C. 1701 note) is amended
5 to read as follows:

6 “(B)(i)(I) a corporation, business associa-
7 tion, partnership, society, trust, financial insti-
8 tution, insurer, underwriter, guarantor, or any
9 other business organization, including any for-
10 eign subsidiary, parent, or affiliate of one of the
11 foregoing; or

12 “(II) any other nongovernmental entity,
13 organization, or group; and

14 “(ii) any governmental entity operating as
15 a business enterprise, including an export credit
16 agency; and”.

17 **SEC. 7. RUSSIA NUCLEAR COOPERATION.**

18 (a) IN GENERAL.—Notwithstanding any other provi-
19 sion of law, and in addition to any other sanction in effect,
20 beginning on the date that is 15 days after the date of
21 the enactment of this Act, the policies described in sub-
22 section (b) shall apply with respect to Russia, unless the
23 President makes a certification to Congress described in
24 subsection (c).

25 (b) POLICIES.—The policies described in this sub-
26 section are the following:

1 (1) AGREEMENTS.—The United States may not
2 enter into an agreement for cooperation with Russia
3 pursuant to section 123 of the Atomic Energy Act
4 (42 U.S.C. 2153).

5 (2) LICENSES TO EXPORT NUCLEAR MATERIAL,
6 FACILITIES, OR COMPONENTS.—The United States
7 may not issue a license to export directly or indi-
8 rectly to Russia any nuclear material, facilities, com-
9 ponents, or other goods, services, or technology that
10 would be subject to an agreement under section 123
11 of the Atomic Energy Act (42 U.S.C. 2153).

12 (3) TRANSFERS OF NUCLEAR MATERIAL, FA-
13 CILITIES, OR COMPONENTS.—The United States
14 may not approve the transfer or retransfer directly
15 or indirectly to Russia of any nuclear material, fa-
16 cilities, components, or other goods, services, or
17 technology that would be subject to an agreement
18 under section 123 of the Atomic Energy Act (42
19 U.S.C. 2153).

20 (c) CERTIFICATION.—The certification described in
21 this subsection means a certification made by the Presi-
22 dent to Congress on or after the date that is 15 days after
23 the date of the enactment of this Act that the President
24 has determined that—

1 (1) Russia has suspended all nuclear assistance
2 to Iran and all transfers of advanced conventional
3 weapons and missiles to Iran; or

4 (2) Iran has completely, verifiably, and irrevers-
5 ibly dismantled all nuclear enrichment-related and
6 reprocessing-related programs.

7 (d) **TERMINATION OF POLICIES.**—The policies de-
8 scribed in subsection (b) shall remain in effect until such
9 time as the President makes the certification to Congress
10 described in subsection (c).

11 **SEC. 8. ECONOMIC SANCTIONS RELATING TO IRAN.**

12 (a) **IN GENERAL.**—Notwithstanding any other provi-
13 sion of law, and in addition to any other sanction in effect,
14 beginning on the date that is 15 days after the date of
15 the enactment of this Act, the economic sanctions de-
16 scribed in subsection (b) shall apply with respect to Iran.

17 (b) **SANCTIONS.**—The sanctions described in this
18 subsection are the following:

19 (1) **PROHIBITION ON IMPORTS.**—No article of
20 Iranian origin may be imported directly or indirectly
21 into the United States.

22 (2) **PROHIBITION ON EXPORTS.**—

23 (A) **IN GENERAL.**—Except as provided in
24 subparagraph (B), no article that is of United

1 States origin may be exported directly or indi-
2 rectly to Iran.

3 (B) EXCEPTIONS.—

4 (i) IN GENERAL.—The prohibition in
5 subparagraph (A) does not apply to ex-
6 ports to Iran of—

7 (I) agricultural commodities;

8 (II) medicine or medical devices;

9 or

10 (III) other articles exported to
11 Iran to provide humanitarian assist-
12 ance to the people of Iran.

13 (ii) INFORMATIONAL MATERIALS.—

14 (I) IN GENERAL.—The President
15 may not regulate or prohibit the ex-
16 portation, directly or indirectly, to
17 Iran of informational materials, in-
18 cluding publications, films, posters,
19 phonograph records, photographs,
20 microfilms, microfiche, tapes, compact
21 discs, CD ROMs, artworks, and news
22 wire feeds that are classifiable under
23 headings 9701, 9702, or 9703 of the
24 Harmonized Tariff Schedule of the
25 United States.

1 (II) EXCEPTION.—The limitation
2 on regulation or prohibition of expor-
3 tation under subclause (I) does not
4 apply to informational materials the
5 exportation of which are otherwise
6 controlled—

7 (aa) under section 5 of the
8 Export Administration Act of
9 1979 (50 U.S.C. App. 2404) (as
10 in effect pursuant to the Inter-
11 national Emergency Economic
12 Powers Act (50 U.S.C. 1701 et
13 seq.)); or

14 (bb) under section 6 of that
15 Act (50 U.S.C. App. 2405), to
16 the extent that such controls pro-
17 mote the nonproliferation or
18 antiterrorism policies of the
19 United States or with respect to
20 which acts are prohibited by
21 chapter 37 of title 18, United
22 States Code.

23 (3) ACCESSION TO WTO.—The United States
24 Trade Representative or any other Federal official
25 may not take any action that would extend pref-

1 differential trade treatment to, or lead to the accession
2 to the World Trade Organization of, Iran.

3 (4) FREEZING ASSETS.—

4 (A) IN GENERAL.—At such time as the
5 United States has access to the names of Ira-
6 nian diplomats and representatives of other
7 government and military or quasi-governmental
8 institutions of Iran that are subject to sanctions
9 imposed under the authority of the Inter-
10 national Emergency Economic Powers Act (50
11 U.S.C. 1701 et seq.) or any other provision of
12 law relating to the imposition of sanctions with
13 respect to Iran, the President shall take such
14 action as may be necessary to freeze imme-
15 diately the funds and other assets belonging to
16 anyone so named and any family members or
17 associates of those so named to whom assets or
18 property of those so named were transferred on
19 or after January 1, 2008. The action described
20 in the preceding sentence includes requiring any
21 United States financial institution that holds
22 funds and assets of a person so named to re-
23 port promptly to the Office of Foreign Assets
24 Control information regarding such funds and
25 assets.

1 (B) ASSET REPORTING REQUIREMENT.—
2 Not later than 14 days after a decision is made
3 to freeze the property or assets of any person
4 under this paragraph, the President shall report
5 the name of such person to the appropriate con-
6 gressional committees.

7 (5) UNITED STATES GOVERNMENT CON-
8 TRACTS.—The head of an executive agency may not
9 procure, or enter into a contract for the procurement
10 of, any goods or services from a person that meets
11 the criteria for the imposition of sanctions under
12 section 5(a) of the Iran Sanctions Act of 1996 (Pub-
13 lic Law 104–172; 50 U.S.C. 1701 note).

14 **SEC. 9. LIABILITY OF PARENT COMPANIES FOR VIOLA-**
15 **TIONS OF SANCTIONS BY FOREIGN ENTITIES.**

16 (a) IN GENERAL.—In any case in which an entity,
17 the parent company of which is a United States person,
18 engages in an act outside the United States that, if com-
19 mitted in the United States or by a United States person,
20 would violate the provisions of Executive Order 12959 (50
21 U.S.C. 1701 note) or Executive Order 13059 (50 U.S.C.
22 1701 note), or any other prohibition on transactions with
23 respect to Iran imposed under the authority of the Inter-
24 national Emergency Economic Powers Act (50 U.S.C.
25 1701 et seq.) or any other provision of law, the parent

1 company of the entity shall be subject to the penalties for
2 the act if the parent company knowingly participates in
3 the act.

4 (b) EFFECTIVE DATE.—

5 (1) IN GENERAL.—Subsection (a) shall take ef-
6 fect on the date of the enactment of this Act and
7 apply with respect to acts described in that sub-
8 section that are—

9 (A) commenced on or after the date of the
10 enactment of this Act; or

11 (B) except as provided in paragraph (2),
12 commenced before such date of enactment, if
13 such acts continue on or after such date of en-
14 actment.

15 (2) EXCEPTION.—Subsection (a) shall not
16 apply with respect to an act described in paragraph
17 (1)(B) by an entity if the parent company of the en-
18 tity divests or terminates its business with that enti-
19 ty not later than 90 days after such date of enact-
20 ment.

21 (c) DEFINITIONS.—In this section:

22 (1) ENTITY.—The term “entity” means a part-
23 nership, association, trust, joint venture, corpora-
24 tion, or other organization.

1 (2) PARENT COMPANY.—The term “parent
2 company” means an entity—

3 (A) that is a United States person; and

4 (B)(i) that owns, directly or indirectly,
5 more than 50 percent of the equity interest by
6 vote or value in another entity;

7 (ii) board members or employees of which
8 hold a majority of the seats on the board of di-
9 rectors of another entity; or

10 (iii) that otherwise controls or is able to
11 control the actions, policies, or personnel deci-
12 sions of another entity.

13 (3) UNITED STATES PERSON.—The term
14 “United States person” means—

15 (A) a natural person who is a citizen, resi-
16 dent, or national of the United States; and

17 (B) an entity that is organized under the
18 laws of the United States, any State or terri-
19 tory thereof, or the District of Columbia, if nat-
20 ural persons described in subparagraph (A)
21 own, directly or indirectly, more than 50 per-
22 cent of the outstanding capital stock or other
23 beneficial interest in such entity.

1 **SEC. 10. MANDATORY INVESTIGATIONS INTO THE IMPOSI-**
2 **TION OF SANCTIONS.**

3 (a) IN GENERAL.—Section 4(f) of the Iran Sanctions
4 Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note)
5 is amended—

6 (1) in paragraph (1), by striking “should” and
7 inserting “shall”;

8 (2) in paragraph (2), by striking “should” and
9 inserting “shall”; and

10 (3) by adding at the end the following:

11 “(3) EXTENSION OF TIME FOR INVESTIGA-
12 TIONS.—The President may extend the time period
13 for making a determination under paragraph (2) by
14 not more than an additional 180 days if the Presi-
15 dent determines that the President will be unable to
16 make a determination during the time period re-
17 quired under paragraph (2).”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 subsection (a) shall apply with respect to investigations
20 initiated based on information indicating that a person is
21 engaged in investment activity described in section 5(a)
22 of the Iran Sanctions Act of 1996 (Public Law 104–172;
23 50 U.S.C. 1701 note) that is received by the United States
24 on or after the date that is 90 days after the date of the
25 enactment of this Act.

1 **SEC. 11. MODIFICATION OF CERTAIN TAX INCENTIVES FOR**
2 **OIL COMPANIES INVESTING IN IRAN.**

3 (a) IN GENERAL.—Subsection (h) of section 167 of
4 the Internal Revenue Code of 1986 (relating to amortiza-
5 tion of geological and geophysical expenditures) is amend-
6 ed by adding at the end the following new paragraph:

7 “(6) LONGER AMORTIZATION PERIOD WHEN
8 IRAN SANCTIONS IN EFFECT.—

9 “(A) IN GENERAL.—In the case of geologi-
10 cal and geophysical expenses paid or incurred
11 during any taxable year ending during a sanc-
12 tion period with respect to the taxpayer—

13 “(i) paragraphs (1) and (4) shall be
14 applied by substituting ‘10-year’ for ‘24-
15 month’, and

16 “(ii) paragraph (5)(A) shall be applied
17 by substituting ‘10-year’ for ‘7-year’.

18 “(B) SPECIAL RULE FOR UNAMORTIZED
19 EXPENSES AS OF BEGINNING OF SANCTION PE-
20 RIOD.—In the case of geological and geo-
21 physical expenses paid or incurred after Decem-
22 ber 31, 2008, and remaining unamortized as of
23 the beginning of the first taxable year ending
24 during a sanction period with respect to the
25 taxpayer, such unamortized expenses shall be
26 treated as having been paid or incurred during

1 such first taxable year for purposes of applying
2 subparagraph (A).

3 “(C) SPECIAL RULE FOR UNAMORTIZED
4 EXPENSES AS OF END OF SANCTION PERIOD.—
5 In the case of geological and geophysical ex-
6 penses paid or incurred after December 31,
7 2008, and remaining unamortized as of the be-
8 ginning of the first taxable year ending after
9 the last day of a sanction period, the taxpayer
10 may elect to treat such unamortized expenses
11 as having been paid or incurred during such
12 first taxable year for purposes of applying this
13 subsection.

14 “(D) SANCTION PERIOD.—For purposes of
15 this paragraph, the term ‘sanction period’
16 means, with respect to any taxpayer, any period
17 during which sanctions under section 5(a) of
18 the Iran Sanctions Act of 1996 or section 8 of
19 the Iran Sanctions Act of 2008 (relating to
20 sanctions with respect to the development of pe-
21 troleum resources of Iran)—

22 “(i) are imposed on the taxpayer, or

23 “(ii) are imposed on any other mem-
24 ber of the expanded affiliated group which
25 includes the taxpayer, or would be so im-

1 posed if such other member were a domes-
2 tic corporation.

3 “(E) EXPANDED AFFILIATED GROUP.—

4 For purposes of this paragraph—

5 “(i) IN GENERAL.—The term ‘ex-
6 panded affiliated group’ means an affili-
7 ated group as defined in section 1504(a),
8 determined—

9 “(I) by substituting ‘more than
10 50 percent’ for ‘at least 80 percent’
11 each place it appears, and

12 “(II) without regard to para-
13 graphs (2), (3), and (4) of section
14 1504(b).

15 “(ii) OTHER AFFILIATED ENTITIES.—

16 Under regulations prescribed by the Sec-
17 retary, the term ‘expanded affiliated group’
18 shall include entities other than corpora-
19 tions which, based on principles similar to
20 the principles which apply in the case of
21 clause (i), are members of the same affili-
22 ated group.”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a) shall apply to expenses paid or incurred on
25 or after January 1, 2009.

1 **SEC. 12. WORLD BANK LOANS TO IRAN.**

2 (a) REPORT.—Not later than 180 days after the date
3 of the enactment of this Act, and every 180 days there-
4 after, the Secretary of the Treasury shall submit to the
5 appropriate congressional committees a report on—

6 (1) the number of loans provided by the World
7 Bank to entities in Iran and for projects or activities
8 in Iran;

9 (2) the dollar amount of such loans; and

10 (3) the voting record of each member of the
11 World Bank on such loans.

12 (b) REDUCTION OF CONTRIBUTION OF THE UNITED
13 STATES.—If the World Bank extends any new loans to
14 entities in Iran, or for projects and activities in Iran, after
15 December 31, 2008, the President shall reduce the total
16 amount otherwise payable on behalf of the United States
17 to the World Bank for fiscal year 2010 and each fiscal
18 year thereafter by an amount that bears the same ratio
19 to the total amount otherwise payable as—

20 (1) the total of the amounts provided by the
21 Bank to entities in Iran, and for projects and activi-
22 ties in Iran, in the preceding fiscal year, bears to

23 (2) the total of the amounts provided by the
24 Bank to all entities, and for all projects and activi-
25 ties, in the preceding fiscal year.

1 (c) ALLOCATION OF AMOUNTS NOT CONTRIBUTED
2 TO THE WORLD BANK.—There is authorized to be appro-
3 priated to the United States Agency for International De-
4 velopment for fiscal year 2010 and each fiscal year there-
5 after an amount equal to the amount made available as
6 a result of the application of subsection (b). Funds appro-
7 priated pursuant to this subsection shall be made available
8 for the Child Survival and Health Programs Fund to carry
9 out programs relating to maternal and child health, vul-
10 nerable children, and infectious diseases other than HIV/
11 AIDS.

12 **SEC. 13. INCREASED CAPACITY FOR EFFORTS TO COMBAT**
13 **UNLAWFUL OR TERRORIST FINANCING.**

14 (a) FINDINGS.—The work of the Office of Terrorism
15 and Financial Intelligence of the Department of the
16 Treasury, which includes the Office of Foreign Assets
17 Control and the Financial Crimes Enforcement Network,
18 is critical to ensuring that the international financial sys-
19 tem is not used for purposes of supporting terrorism and
20 developing weapons of mass destruction.

21 (b) AUTHORIZATION OF APPROPRIATIONS FOR OF-
22 FICE OF TERRORISM AND FINANCIAL INTELLIGENCE.—
23 There is authorized to be appropriated to the Secretary
24 of the Treasury for the Office of Terrorism and Financial
25 Intelligence—

1 (1) \$61,712,000 for fiscal year 2009; and

2 (2) such sums as may be necessary for each of
3 the fiscal years 2010 and 2011.

4 (c) **AUTHORIZATION OF APPROPRIATIONS FOR FI-**
5 **NANCIAL CRIMES ENFORCEMENT NETWORK.**—Section
6 310(d)(1) of title 31, United States Code, is amended by
7 striking “such sums as may be necessary for fiscal years
8 2002, 2003, 2004, and 2005” and inserting “\$91,335,000
9 for fiscal year 2009 and such sums as may be necessary
10 for each of the fiscal years 2010 and 2011”.

11 **SEC. 14. EXCHANGE PROGRAMS WITH THE PEOPLE OF**
12 **IRAN.**

13 (a) **SENSE OF CONGRESS.**—It is the sense of Con-
14 gress that the United States should seek to enhance its
15 friendship with the people of Iran, particularly by identi-
16 fying young people of Iran to come to the United States
17 under United States exchange programs.

18 (b) **EXCHANGE PROGRAMS AUTHORIZED.**—The
19 President is authorized to carry out exchange programs
20 with the people of Iran, particularly the young people of
21 Iran. To the extent practicable, such programs shall be
22 carried out in a manner consistent with the requirements
23 for eligibility for assistance specified in section 302(b) of
24 the Iran Freedom Support Act (Public Law 109–293; 120
25 Stat. 1348).

1 (c) AUTHORIZATION OF APPROPRIATIONS.—Of the
2 amounts available under the heading “Educational and
3 Cultural Exchange Programs”, under the heading “Ad-
4 ministration of Foreign Affairs”, under title IV of the
5 Science, State, Justice, Commerce, and Related Agencies
6 Appropriations Act, 2006 (Public Law 109–108; 119 Stat.
7 2321), there are authorized to be appropriated to the
8 President to carry out this section \$15,000,000 for fiscal
9 year 2009.

10 **SEC. 15. SENSE OF CONGRESS ON RADIO BROADCASTING**
11 **TO IRAN.**

12 It is the sense of Congress that the Broadcasting
13 Board of Governors should devote a greater proportion of
14 the programming of the Radio Farda service to programs
15 offering news and analysis to further the open communica-
16 tion of information and ideas to Iran.

17 **SEC. 16. SENSE OF CONGRESS REGARDING THE INTER-**
18 **NATIONAL REGIME FOR THE ASSURED SUP-**
19 **PLY OF NUCLEAR FUEL FOR PEACEFUL**
20 **MEANS.**

21 (a) POLICY.—It is the policy of the United States to
22 support the establishment of an international regime for
23 the assured supply of nuclear fuel for peaceful means
24 under a multilateral authority, such as the International
25 Atomic Energy Agency.

1 (b) SENSE OF CONGRESS ON AN INTERNATIONAL RE-
2 GIME FOR THE ASSURED SUPPLY OF NUCLEAR FUEL.—

3 It is the sense of Congress that—

4 (1) the Concept for a Multilateral Mechanism
5 for Reliable Access to Nuclear Fuel, proposed by the
6 United States, France, the Russian Federation, the
7 Federal Republic of Germany, the United Kingdom,
8 and the Netherlands on May 31, 2006, is welcome
9 and should be expanded upon at the earliest possible
10 opportunity;

11 (2) the proposal by the Government of the Rus-
12 sian Federation to bring one of its uranium enrich-
13 ment facilities under international management and
14 oversight is also a welcome development and should
15 be encouraged by the United States;

16 (3) the offer by the Nuclear Threat Initiative of
17 \$50,000,000 in funds to support the creation of an
18 international nuclear fuel bank by the International
19 Atomic Energy Agency is also welcome, and the
20 United States and other member states of the Inter-
21 national Atomic Energy Agency should pledge collec-
22 tively at least an additional \$100,000,000 in match-
23 ing funds to fulfill the proposal made by the Nuclear
24 Threat Initiative; and

1 (4) the Global Nuclear Energy Partnership, ini-
2 tiated by President George W. Bush in January
3 2006, is intended to provide a reliable fuel supply
4 throughout the fuel cycle and promote the non-
5 proliferation goals of the United States.

6 (c) SENSE OF CONGRESS ON CONTRIBUTIONS TO
7 IAEA TO ESTABLISH AN INTERNATIONAL NUCLEAR
8 FUEL BANK.—

9 (1) IN GENERAL.—It is the sense of Congress
10 that the President should determine the appropriate-
11 ness of making voluntary contributions on a grant
12 basis to the International Atomic Energy Agency (in
13 this subsection referred to as the “IAEA”) to sup-
14 port the establishment of an international nuclear
15 fuel bank to maintain a reserve of low-enriched ura-
16 nium for the production of reactor fuel to be pro-
17 vided to eligible countries in the case of a disruption
18 in the supply of reactor fuel by normal market
19 mechanisms.

20 (2) DETERMINATIONS.—It is the sense of Con-
21 gress that, in making a determination under para-
22 graph (1), the President should consider whether—

23 (A) the IAEA has received pledges in a
24 total amount of not less than \$100,000,000
25 from other governments or entities for the pur-

1 pose of supporting the establishment of the
2 international nuclear fuel bank referred to in
3 paragraph (1);

4 (B) the international nuclear fuel bank re-
5 ferred to in paragraph (1) will be under the
6 oversight of the IAEA or another multilateral
7 authority; and

8 (C) the international nuclear fuel bank will
9 provide nuclear reactor fuel to a country only
10 if—

11 (i) at the time of the request for nu-
12 clear reactor fuel, the country is in full
13 compliance with its IAEA safeguards
14 agreement and has an additional protocol
15 for safeguards in force;

16 (ii) in the case of a country that at
17 any time prior to the request for nuclear
18 reactor fuel has been determined to be in
19 noncompliance with its IAEA safeguards
20 agreement, the IAEA Board of Governors
21 determines that the country has taken all
22 necessary actions to satisfy any concerns of
23 the IAEA Director General regarding the
24 activities that led to the prior determina-
25 tion of noncompliance;

1 (iii) the country agrees to use the nu-
2 clear reactor fuel in accordance with its
3 IAEA safeguards agreement; and

4 (iv) the country does not operate ura-
5 nium enrichment or spent-fuel reprocessing
6 facilities of any scale.

7 (3) AUTHORIZATION OF APPROPRIATIONS.—

8 There are authorized to be appropriated
9 \$50,000,000 to carry out this section for fiscal year
10 2009. Amounts appropriated pursuant to this sec-
11 tion shall remain available until September 30,
12 2011.

13 **SEC. 17. REPORTING REQUIREMENTS.**

14 (a) FOREIGN INVESTMENT IN IRAN.—Not later than
15 180 days after the date of the enactment of this Act, and
16 every 180 days thereafter, the Secretary of the Treasury
17 shall submit to the appropriate congressional committees
18 a report on—

19 (1) any foreign investments made in Iran's en-
20 ergy sector on or after January 1, 2008; and

21 (2) the determination of the President on
22 whether each such investment qualifies as a
23 sanctionable offense under section 5(a) of the Iran
24 Sanctions Act of 1996 (Public Law 104–172; 50
25 U.S.C. 1701 note).

1 (b) INVESTMENT BY UNITED STATES COMPANIES IN
2 IRAN.—Not later than 180 days after the date of the en-
3 actment of this Act, and annually thereafter, the Secretary
4 of the Treasury shall report to the appropriate congres-
5 sional committees the names of persons that have oper-
6 ations or conduct business in the United States that have
7 invested in Iran and the dollar amount of each such invest-
8 ment.

9 (c) ESTABLISHMENT OF INTERNATIONAL REGIME.—
10 Not later than 180 days after the date of the enactment
11 of this Act, the President shall submit to the Committee
12 on Foreign Affairs of the House of Representatives and
13 the Committee on Foreign Relations of the Senate a re-
14 port on the activities of the United States to support the
15 establishment of an international regime for the assured
16 supply of nuclear fuel for peaceful means under a multilat-
17 eral authority, such as the International Atomic Energy
18 Agency.

19 (d) EXPORT CREDITS.—Not later than 90 days after
20 the date of the enactment of this Act, and every 90 days
21 thereafter, the Secretary of the Treasury shall report to
22 the appropriate congressional committees on the export
23 credits issued by foreign banks to persons investing in the
24 energy sector of Iran, and any fines, restrictions, or other

1 actions taken by the President to discourage or prevent
2 the issuance of such export credits.

3 (e) SENSE OF CONGRESS ON INVESTMENT BY THE
4 FEDERAL THRIFT SAVINGS PLAN IN IRAN.—It is the
5 sense of Congress that not later than 180 days after the
6 date of the enactment of this Act, and annually thereafter,
7 the Executive Director of the Federal Retirement Thrift
8 Investment Board should report to the appropriate con-
9 gressional committees on any investment in entities that
10 invest in Iran from the Thrift Savings Fund established
11 under section 8437 of title 5, United States Code.

12 **SEC. 18. WAIVER AUTHORITY.**

13 The President may waive the imposition of sanctions
14 under section 8, 9, or 12 if the President—

15 (1) determines that such a waiver is in the na-
16 tional interest of the United States; and

17 (2) submits to the appropriate congressional
18 committees a report describing the reasons for the
19 determination.

20 **SEC. 19. TERMINATION.**

21 Except as provided in section 7, the provisions of, and
22 amendments made by, this Act shall terminate on the ear-
23 lier of—

24 (1) the date on which the President determines
25 and certifies to the appropriate congressional com-

1 mittees that Iran has completely, verifiably, and irre-
2 versibly dismantled all uranium enrichment-related
3 and reprocessing-related programs; or

4 (2) the date that is 5 years after the date of the
5 enactment of this Act.

Calendar No. 863

110TH CONGRESS
2^D SESSION

S. 3227

[Report No. 110-408]

A BILL

To impose sanctions on Iran and for other purposes.

JULY 7, 2008

Read twice and placed on the calendar