

IRAN REFINED PETROLEUM SANCTIONS ACT OF 2009

MARKUP BEFORE THE COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

ON

H.R. 2194

OCTOBER 28, 2009

Serial No. 111-66

Printed for the use of the Committee on Foreign Affairs



Available via the World Wide Web: <http://www.foreignaffairs.house.gov/>

U.S. GOVERNMENT PRINTING OFFICE

53-137PDF

WASHINGTON : 2010

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

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IRAN REFINED PETROLEUM SANCTIONS ACT OF 2009

WEDNESDAY, OCTOBER 28, 2009

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m., in room 2172, Rayburn House Office Building, Hon. Howard L. Berman (chairman of the committee) presiding.

Chairman BERMAN. The committee will come to order.

Before we begin, I wanted to take a couple of moments to acknowledge the departure of two very key staffers for the committee, David Abramowitz, our chief counsel, and Kristin Wells, our deputy chief counsel.

David has been on the committee since 1999, and prior to that, he served for a decade in the State Department's Office of the Legal Advisor.

Kristin has been with the committee since 2007, and previously served with the Committee on the Judiciary beginning in 2001.

David and Kristin have made major contributions to the committee's legislative agenda and to our Nation's foreign policy. Both played key roles in the committee's recent passage of the State Department authorization bill.

David's role while in the minority, as well as in the majority, working on such issues as the Trafficking Victims Protection Act, the Millennium Challenge Assistance Program and PEPFAR are well-known to many of us. I think it is fair to say that David has been instrumental in everything this committee has done. His work has resulted in improving the lives of millions of recipients of U.S. assistance programs, including trafficking victims. We will miss him greatly, but not for long, because he will likely be back in his new capacity working for Humanity United, an antitrafficking organization.

Kristin, too, has been a major force in the committee, working on behalf of the innocent and disadvantaged. She too was instrumental in the Wilberforce Trafficking Reauthorization Act of 2007, the United States Caribbean Educational Exchange Act, legislation pertaining to Iraqi refugees, the International Violence Against Women Act, and she has played a key role up to today, up until late last night—today is her last day—in working with Mr. Smith's staff on a bipartisan basis to further protections of the innocent. She put global women's issues front and center for this committee and her contributions will be long remembered.

So I thank you, both of you, for your service and say, "Good luck." As I mentioned, they are going on to new professional challenges, David to Humanity United, a foundation which is dedicated to ending modern-day slavery and mass atrocities. Kristin will be a partner in Patton Boggs, where she will be a key figure in their widening practice.

When you really realize the value of the incredible staff that we all have working for us is when they come in to tell you they are leaving and you can gauge how depressed you get when you hear that news. And in this case, the indicator definitely went up on that issue.

We thank both of them, and we will miss you.

And now, pursuant to notice, I will call up H.R. 2194, the Iran Refined Petroleum Sanctions Act.

Without objection, the amendment in the nature of a substitute before the members will be considered as base text for purposes of amendment, will be considered as read, and will be open for amendment at any time. A summary of the amendment in the nature of a substitute is on each member's desk.

[The information referred to follows:]

111TH CONGRESS
1ST SESSION

H. R. 2194

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 2009

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

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (3) the people of the United States—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (A) in paragraph (1)—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (1) in paragraph (13)(B)—

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

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

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

16 “(14) PETROLEUM RESOURCES.—

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

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

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

5 (g) CONFORMING AMENDMENTS.—

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

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

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

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

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2194
OFFERED BY MR. BERMAN OF CALIFORNIA**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. FINDINGS; SENSE OF CONGRESS; STATEMENT OF
5 POLICY.**

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

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

14 (2) The United States and other responsible na-
15 tions have a vital interest in working together to
16 prevent the Government of Iran from acquiring a
17 nuclear weapons capability.

1 (3) The International Atomic Energy Agency
2 has repeatedly called attention to Iran’s unlawful
3 nuclear activities, and, as a result, the United Na-
4 tions Security Council has adopted a range of sanc-
5 tions designed to encourage the Government of Iran
6 to suspend those activities and comply with its obli-
7 gations under the Treaty on the Non-Proliferation of
8 Nuclear Weapons (commonly known as the “Nuclear
9 Non-Proliferation Treaty”).

10 (4) As a presidential candidate, then-Senator
11 Obama stated that additional sanctions, especially
12 those targeting Iran’s dependence on imported re-
13 fined petroleum, may help to persuade the Govern-
14 ment of Iran to abandon its illicit nuclear activities.

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

23 (6) On June 4, 2008, then-Senator Obama
24 stated, “We should work with Europe, Japan, and
25 the Gulf states to find every avenue outside the U.N.

1 to isolate the Iranian regime—from cutting off loan
2 guarantees and expanding financial sanctions, to
3 banning the export of refined petroleum to Iran.”.

4 (7) Major European allies, including the United
5 Kingdom, France, and Germany, have advocated
6 that sanctions be significantly toughened should
7 international diplomatic efforts fail to achieve
8 verifiable suspension of Iran’s uranium enrichment
9 program and an end to its nuclear weapons program
10 and other illicit nuclear activities.

11 (8) The serious and urgent nature of the threat
12 from Iran demands that the United States work to-
13 gether with U.S. allies to do everything possible—
14 diplomatically, politically, and economically—to pre-
15 vent Iran from acquiring a nuclear weapons capa-
16 bility.

17 (9) The human rights situation in Iran has
18 steadily deteriorated in 2009, as punctuated by the
19 transparent fraud that occurred on June 12, the
20 brutal repression and murder, arbitrary arrests, and
21 show trials of peaceful dissidents, and ongoing sup-
22 pression of freedom of expression.

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

1 (1) international diplomatic efforts to address
2 Iran's illicit nuclear efforts, unconventional and bal-
3 listic missile development programs, and support for
4 international terrorism are more likely to be effective
5 if the President is empowered with the explicit au-
6 thority to impose additional sanctions on the Gov-
7 ernment of Iran;

8 (2) the concerns of the United States regarding
9 Iran are strictly the result of the actions of the Gov-
10 ernment of Iran;

11 (3) the revelation in September 2009 that Iran
12 is developing a secret uranium enrichment site on an
13 Islamic Revolutionary Guard Corps base near Qom,
14 which appears to have no civilian application, high-
15 lights the urgency for Iran to fully disclose the full
16 nature of its nuclear program, including any other
17 secret locations, and provide the International Atom-
18 ic Energy Agency (IAEA) unfettered access to its
19 facilities pursuant to Iran's legal obligations under
20 the Treaty on the Non-Proliferation of Nuclear
21 Weapons and Iran's Safeguards Agreement with the
22 IAEA;

23 (4) because of its involvement in Iran's nuclear
24 program and other destabilizing activities, the Presi-
25 dent should impose sanctions, including the full

1 range of sanctions otherwise applicable to Iran, on
2 any individual or entity that is an agent, alias, front,
3 instrumentality, representative, official, or affiliate
4 of the Islamic Revolutionary Guard Corps or is an
5 individual serving as a representative of the Islamic
6 Revolutionary Guard Corps, or on any person that
7 has conducted any commercial transaction or finan-
8 cial transaction with such entities;

9 (5) Government to Government agreements
10 with Iran to provide the regime with refined petro-
11 leum products, such as the September 2009 agree-
12 ment under which the Government of Venezuela
13 committed to provide 20,000 barrels of gasoline per
14 day to Iran, undermine efforts to pressure Iran to
15 suspend its nuclear weapons program and cease all
16 enrichment activities; and

17 (6) the people of the United States—

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

20 (B) hold the people of Iran, their culture,
21 and their ancient and rich history in the highest
22 esteem.

23 (c) STATEMENT OF POLICY.—It shall be the policy
24 of the United States—

1 (1) to prevent Iran from achieving the capa-
2 bility to make nuclear weapons, including by sup-
3 porting international diplomatic efforts to halt Iran's
4 uranium enrichment program;

5 (2) to fully implement and enforce the Iran
6 Sanctions Act of 1996 as a means of encouraging
7 foreign governments to—

8 (A) direct state-owned entities to cease all
9 investment in, and support of, Iran's energy
10 sector and all exports of refined petroleum
11 products to Iran; and

12 (B) require private entities based in their
13 territories to cease all investment in, and sup-
14 port of, Iran's energy sector and all exports of
15 refined petroleum products to Iran;

16 (3) to impose sanctions on—

17 (A) the Central Bank of Iran, and any
18 other financial institution in Iran that is en-
19 gaged in proliferation activities or support of
20 terrorist groups, and

21 (B) any other financial institution that
22 conducts financial transactions with the Central
23 Bank of Iran or with another financial institu-
24 tion described in subparagraph (A),

1 including through the use of Executive Orders
2 13224, 13382, and 13438 and United Nations Security
3 Council Resolutions 1737, 1747, 1803, and
4 1835;

5 (4) to persuade the allies of the United States
6 and other countries to take appropriate measures to
7 deny access to the international financial system by
8 Iranian banks and financial institutions involved in
9 proliferation activities or support of terrorist groups;

10 (5) to support all Iranian citizens who embrace
11 the values of freedom, human rights, civil liberties,
12 and the rule of law; and

13 (6) for the Secretary of State to make every ef-
14 fort to assist United States citizens held hostage in
15 Iran at any time during the period beginning on No-
16 vember 4, 1979 and ending on January 20, 1981,
17 and their survivors in matters of compensation re-
18 lated to such citizens' detention.

19 **SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF**
20 **1996.**

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

1 “(a) SANCTIONS WITH RESPECT TO THE DEVELOP-
2 MENT OF PETROLEUM RESOURCES OF IRAN AND EXPOR-
3 TATION OF REFINED PETROLEUM TO IRAN.—

4 “(1) DEVELOPMENT OF PETROLEUM RE-
5 SOURCES OF IRAN.—

6 “(A) INVESTMENT.—Except as provided in
7 subsection (f), the President shall impose 2 or
8 more of the sanctions described in paragraphs
9 (1) through (6) of section 6(a) if the President
10 determines that a person has knowingly, on or
11 after the date of the enactment of this Act,
12 made an investment of \$20,000,000 or more (or
13 any combination of investments of at least
14 \$5,000,000 each, which in the aggregate equals
15 or exceeds \$20,000,000 in any 12-month pe-
16 riod), that directly and significantly contributed
17 to the enhancement of Iran’s ability to develop
18 petroleum resources of Iran.

19 “(B) PRODUCTION OF REFINED PETRO-
20 LEUM PRODUCTS.—Except as provided in sub-
21 section (f), the President shall impose the sanc-
22 tions described in section 6(b) if the President
23 determines that a person knowingly sells,
24 leases, or provides to Iran any goods, services,
25 technology, information, or support, or enters

1 into a contract to sell, lease, or provide to Iran
2 any goods, services, technology, information, or
3 support, that would allow Iran to maintain or
4 expand its domestic production of refined petro-
5 leum products, including any assistance in the
6 construction, modernization, or repair of refin-
7 eries that make refined petroleum products,
8 if—

9 “(i) the value of the goods, services,
10 technology, information, or support pro-
11 vided in such sale, lease, or provision, or to
12 be provided in such contract, exceeds
13 \$200,000; or

14 “(ii) the value of the goods, services,
15 technology, information, or support pro-
16 vided in any combination of such sales,
17 leases, or provision in any 12-month pe-
18 riod, or to be provided under contracts en-
19 tered into in any 12-month period, exceeds
20 \$500,000.

21 “(2) EXPORTATION OF REFINED PETROLEUM
22 PRODUCTS TO IRAN.—

23 “(A) IN GENERAL.—Except as provided in
24 subsection (f), the President shall impose the
25 sanctions described in section 6(b) if the Presi-

1 dent determines that a person knowingly pro-
2 vides Iran with refined petroleum products or
3 engages in any of the activities described in
4 subparagraph (B), if—

5 “(i) the value of such products or of
6 the goods, services, technology, informa-
7 tion, or support provided or to be provided
8 in connection with such activity exceeds
9 \$200,000; or

10 “(ii) the value of such products, or of
11 the goods, services, technology, informa-
12 tion, or support, provided or to be provided
13 in connection with any combination of pro-
14 viding such products or such activities, in
15 any 12-month period exceeds \$500,000.

16 “(B) ACTIVITIES DESCRIBED.—The activi-
17 ties referred to in subparagraph (A) are the fol-
18 lowing:

19 “(i) Providing ships, vehicles, or other
20 means of transportation to deliver refined
21 petroleum products to Iran, or providing
22 services relating to the shipping or other
23 transportation of refined petroleum prod-
24 ucts to Iran.

1 “(ii) Underwriting or otherwise pro-
2 viding insurance or reinsurance for an ac-
3 tivity described in clause (i).

4 “(iii) Financing or brokering an activ-
5 ity describe in clause (ii).”.

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

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

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

14 (2) in paragraph (4), by striking “section 5”
15 each place it appears and inserting “subsections
16 (a)(1)(A) and (b) of section 5”; and

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

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

21 “(1) FOREIGN EXCHANGE.—The President
22 shall prohibit any transactions in foreign exchange
23 by the sanctioned person.

24 “(2) BANKING TRANSACTIONS.—The President
25 shall prohibit any transfers of credit or payments be-

1 tween, by, through, or to any financial institution, to
2 the extent that such transfers or payments involve
3 any interest of the sanctioned person.

4 “(3) PROPERTY TRANSACTIONS.—The Presi-
5 dent shall prohibit any acquisition, holding, with-
6 holding, use, transfer, withdrawal, transportation,
7 importation, or exportation of, dealing in, or exer-
8 cising any right, power, or privilege with respect to,
9 or transactions involving, any property in which the
10 sanctioned person has any interest by any person, or
11 with respect to any property, subject to the jurisdic-
12 tion of the United States.

13 “(c) ADDITIONAL MEASURE RELATING TO REFINED
14 PETROLEUM PRODUCTS.—

15 “(1) IN GENERAL.—The head of each executive
16 agency shall ensure that each contract with a person
17 entered into by such executive agency for the pro-
18 curement of goods or services, or agreement for the
19 use of Federal funds as part of a grant, loan, or
20 loan guarantee to a person, includes a clause that
21 requires the person to certify to the contracting offi-
22 cer or other appropriate official of such agency that
23 the person does not conduct any activity described in
24 paragraph (1)(B) or (2) of section 5(a).

25 “(2) REMEDIES.—

1 “(A) IN GENERAL.—If the head of the ex-
2 ecutive agency determines that such person has
3 submitted a false certification under paragraph
4 (1) after the date on which the Federal Acquisi-
5 tion Regulation is revised to implement the re-
6 quirements of this subsection, the head of an
7 executive agency may terminate a contract, or
8 agreement described in paragraph (1), with
9 such person or debar or suspend such person
10 from eligibility for Federal contracts or such
11 agreements for a period not to exceed 15 years.

12 “(B) INCLUSION ON LIST OF PARTIES EX-
13 CLUDED FROM FEDERAL PROCUREMENT AND
14 NONPROCUREMENT PROGRAMS.—The Adminis-
15 trator of General Services shall include on the
16 List of Parties Excluded from Federal Procure-
17 ment and Nonprocurement Programs main-
18 tained by the Administrator under part 9 of the
19 Federal Acquisition Regulation issued under
20 section 25 of the Office of Federal Procurement
21 Policy Act (41 U.S.C. 421) each person that is
22 debarred, suspended, proposed for debarment or
23 suspension, or declared ineligible by the head of
24 an executive agency on the basis of a deter-

1 mination of a false certification under subpara-
2 graph (A).

3 “(C) RULE OF CONSTRUCTION.—This sub-
4 section shall not be construed to limit the use
5 of other remedies available to the head of an ex-
6 ecutive agency or any other official of the Fed-
7 eral Government on the basis of a determina-
8 tion of a false certification under paragraph
9 (1).

10 “(3) IMPLEMENTATION THROUGH THE FED-
11 ERAL ACQUISITION REGULATION.—Not later than
12 120 days after the date of the enactment of the Iran
13 Refined Petroleum Sanctions Act of 2009, the Fed-
14 eral Acquisition Regulation issued pursuant to sec-
15 tion 25 of the Office of Federal Procurement Policy
16 Act (41 U.S.C. 421) shall be revised to provide for
17 the implementation of the requirements of this sub-
18 section.”.

19 (c) ADDITIONAL MANDATORY SANCTIONS RELATING
20 TO TRANSFER OF NUCLEAR TECHNOLOGY.—Section 5(b)
21 of the Iran Sanctions Act of 1996 is amended—

22 (1) by redesignating paragraphs (1) and (2) as
23 subparagraphs (A) and (B), respectively, and mov-
24 ing such paragraphs 2 ems to the right;

1 (2) by striking “The President shall impose”
2 and inserting the following:

3 “(1) IN GENERAL.—The President shall im-
4 pose”;

5 (3) by striking “section 6” and inserting “sec-
6 tion 6(a)”; and

7 (4) by adding at the end the following:

8 “(2) ADDITIONAL SANCTION.—

9 “(A) RESTRICTION.—In any case in which
10 a person is subject to sanctions under para-
11 graph (1) because of an activity described in
12 such paragraph that relates to the acquisition
13 or development of nuclear weapons or related
14 technology or of missiles or other advanced con-
15 ventional weapons that are capable of delivering
16 a nuclear weapon, then notwithstanding any
17 other provision of law, the following measures
18 shall apply with respect to the country that has
19 jurisdiction over such person, unless the Presi-
20 dent determines and notifies the appropriate
21 congressional committees that the government
22 of such country has taken, or is taking, effec-
23 tive actions to penalize such person and to pre-
24 vent a reoccurrence of such activity in the fu-
25 ture:

1 “(i) No agreement for cooperation be-
2 tween the United States and the govern-
3 ment of such country may be submitted to
4 the President or to Congress pursuant to
5 section 123 of the Atomic Energy Act of
6 1954 (42 U.S.C. 2153), or may enter into
7 force.

8 “(ii) No license may be issued for the
9 export, and no approval may be given for
10 the transfer or retransfer, directly or indi-
11 rectly, to such country of any nuclear ma-
12 terial, facilities, components, or other
13 goods, services, or technology that would
14 be subject to an agreement to cooperation.

15 “(B) CONSTRUCTION.—The restrictions in
16 subparagraph (A) shall apply in addition to all
17 other applicable procedures, requirements, and
18 restrictions contained in the Atomic Energy Act
19 of 1954 and other laws.

20 “(C) DEFINITION.—In this paragraph, the
21 term ‘agreement for cooperation’ has the mean-
22 ing given that term in section 11 b. of the
23 Atomic Energy Act of 1954 (42 U.S.C.
24 2014(b)).”.

1 (d) STRENGTHENING OF WAIVER AUTHORITY AND
2 SANCTIONS IMPLEMENTATION.—

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

6 (A) in paragraph (1)—

7 (i) by striking “should initiate” and
8 inserting “shall immediately initiate”;

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

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

16 (B) in paragraph (2), by striking “should
17 determine, pursuant to section 5(a), if a person
18 has engaged in investment activity in Iran as
19 described in such section” and inserting “shall
20 determine, pursuant to section 5(a) or (b) (as
21 the case may be), if a person has engaged in in-
22 vestment activity in Iran as described in section
23 5(a)(1) or other activity described in section
24 5(a)(2) or 5(b) (as the case may be)”.

1 (2) GENERAL WAIVER AUTHORITY.—Section
2 9(c) of the Iran Sanctions Act of 1996 (50 U.S.C.
3 1701 note) is amended—

4 (A) in paragraph (1)—

5 (i) by inserting after “on a person de-
6 scribed in section 5(c),” the following: “or
7 on a country described in section
8 5(b)(2)(A) (if the President certifies to the
9 appropriate congressional committees that
10 the President is unable to make the deter-
11 mination described in such section
12 5(b)(2)(A)),”; and

13 (ii) by striking “important to the na-
14 tional interest of the United States” and
15 inserting “vital to the national security in-
16 terest of the United States”; and

17 (B) in paragraph (2)—

18 (i) in subparagraphs (A), (B), and
19 (D), by striking “or (b)” each place it ap-
20 pears and inserting “or (b)(1)”; and

21 (ii) by amending subparagraph (C) to
22 read as follows:

23 “(C) an estimate of the significance of the
24 provision of the items described in paragraph
25 (1) or (2) of section 5(a) or section 5(b)(1) to

1 Iran's ability to develop its petroleum resources,
2 to maintain or expand its domestic production
3 of refined petroleum products, to import refined
4 petroleum products, or to develop its weapons
5 of mass destruction or other military capabili-
6 ties (as the case may be); and”.

7 (e) REPORTS ON UNITED STATES EFFORTS TO CUR-
8 TAIL CERTAIN BUSINESS AND OTHER TRANSACTIONS RE-
9 LATING TO IRAN.—Section 10 of such Act is amended—

10 (1) in subsection (a), by amending paragraph
11 (4) to read as follows:

12 “(4) Iran’s use in the Middle East, the Western
13 Hemisphere, Africa, and other regions, of Iranian
14 diplomats and representatives of other government
15 and military or quasi-governmental institutions or
16 proxies of Iran, including, but not limited to,
17 Hezbollah, to promote acts of international terrorism
18 or to develop or sustain Iran’s nuclear, chemical, bi-
19 ological and missile weapons programs.”; and

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

21 “(d) REPORTS ON CERTAIN BUSINESS AND OTHER
22 TRANSACTIONS RELATING TO IRAN.—

23 “(1) IN GENERAL.—Not later than 90 days
24 after the date of the enactment of the Iran Refined
25 Petroleum Sanctions Act of 2009, and every 6

1 months thereafter, the President shall submit a re-
2 port to the appropriate congressional committees re-
3 garding any person who has—

4 “(A) provided Iran with refined petroleum
5 products;

6 “(B) sold, leased, or provided to Iran any
7 goods, services, or technology that would allow
8 Iran to maintain or expand its domestic produc-
9 tion of refined petroleum products; or

10 “(C) engaged in any activity that could
11 contribute to the enhancement of Iran’s ability
12 to import refined petroleum products.

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

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

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

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

22 “(D) any Federal Government contracts to
23 which the persons referred to in subparagraph
24 (B) are parties; and

1 “(E) the steps taken by the United States
2 to respond to such activity.

3 “(3) ADDITIONAL INFORMATION.—The report
4 required by this subsection shall also include a list
5 of—

6 “(A) any person that the President deter-
7 mines is an agent, alias, front, instrumentality,
8 representative, official, or affiliate of the Is-
9 lamic Revolutionary Guard Corps or is an indi-
10 vidual serving as a representative of the Islamic
11 Revolutionary Guard Corps;

12 “(B) any person that the President deter-
13 mines has knowingly provided material support
14 to the Islamic Revolutionary Guard Corps or an
15 agent, alias, front, instrumentality, representa-
16 tive, official, or affiliate of the Islamic Revolu-
17 tionary Guard Corps; and

18 “(C) any person who has conducted any
19 commercial transaction or financial transaction
20 with the Islamic Revolutionary Guards Corps or
21 an agent, alias, front, instrumentality, rep-
22 resentative, official, or affiliate of the Islamic
23 Revolutionary Guard Corps.

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

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

3 “(B) published in the Federal Register.

4 “(c) REPORTS ON GLOBAL TRADE RELATING TO
5 IRAN.—Not later than one year after the date of the en-
6 actment of the Iran Refined Petroleum Sanctions Act of
7 2009 and annually thereafter, the President shall transmit
8 to the appropriate congressional committees a report, with
9 respect to the immediately preceding 12-month period, on
10 the dollar value amount of trade, including in the energy
11 sector, between Iran and each country maintaining mem-
12 bership in the Group of Twenty Finance Ministers and
13 Central Bank Governors.”.

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

16 (1) in paragraph (13)(B)—

17 (A) by inserting “financial institution, in-
18 surer, underwriter, guarantor, any other busi-
19 ness organization, including any foreign sub-
20 sidiary, parent, or affiliate of such a business
21 organization,” after “trust,”; and

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

24 (3) by redesignating paragraphs (15) and (16)
25 as paragraphs (17) and (18), respectively; and

1 (4) by striking paragraph (14) and inserting
2 the following:

3 “(14) KNOWINGLY.—The term ‘knowingly’
4 means—

5 “(A) having actual knowledge; or

6 “(B) having the constructive knowledge
7 deemed to be possessed by a reasonable indi-
8 vidual who acts under similar circumstances.

9 “(15) PETROLEUM RESOURCES.—The term ‘pe-
10 troleum resources’ includes petroleum, oil or lique-
11 fied natural gas, oil or liquefied natural gas tankers,
12 and products used to construct or maintain pipelines
13 used to transport oil or compressed or liquefied nat-
14 ural gas.

15 “(16) REFINED PETROLEUM PRODUCTS.—The
16 term ‘refined petroleum products’ means gasoline,
17 kerosene, diesel fuel, residual fuel oil, and distillates
18 and other goods classified in headings 2709 and
19 2710 of the Harmonized Tariff Schedule of the
20 United States.”.

21 (g) TERMINATION OF CERTAIN PROVISIONS.—Sec-
22 tion 8 of the Iran Sanctions Act of 1996 is amended—

23 (1) by striking “The requirement under section
24 5(a)” and inserting “(a) SANCTIONS RELATING TO

1 INVESTMENT—The requirement under section
2 5(a)(1)(A)”;

3 (2) by striking “with respect to Iran”; and

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

5 “(b) REFINED PETROLEUM PRODUCTS.—The re-
6 quirement under paragraphs (1)(B) and (2) of section
7 5(a) and section 6(b) to impose sanctions shall no longer
8 have force or effect if the President determines and cer-
9 tifies to the appropriate congressional committees that
10 Iran—

11 “(1) has ceased its efforts to design, develop,
12 manufacture, or acquire a nuclear explosive device or
13 related materials and technology; and

14 “(2) has ceased nuclear-related activities, in-
15 cluding uranium enrichment, that would facilitate
16 the efforts described in paragraph (1).”.

17 (h) EXTENSION OF ACT.—Section 13(b) of the Iran
18 Sanctions Act of 1996 is amended by striking “2011” and
19 inserting “2016”.

20 (i) TECHNICAL AMENDMENTS.—

21 (1) MULTILATERAL REGIME.—Section 4 of
22 such Act is amended—

23 (A) in subsection (b)(2), by striking “(in
24 addition to that provided in subsection (d))”;

25 and

1 (B) by striking subsection (d) and redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

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3
4 (2) REFERENCE TO COMMITTEE ON FOREIGN AFFAIRS.—Section 14(2) of such Act is amended by striking “International Relations” and inserting “Foreign Affairs”.

5
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7
8 (3) CONFORMING AMENDMENTS.—(A) Section 5(c)(1) of such Act is amended by striking “or (b)” and inserting “or (b)(1)”.

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11 (B) Section 9(a) of such Act is amended by striking “or 5(b)” each place it appears and inserting “or 5(b)(1)”.

12
13
14 **SEC. 4. EFFECTIVE DATE; RULE OF CONSTRUCTION.**

15 (a) IN GENERAL.—The amendments made by this Act shall take effect upon the expiration of the 60-day period beginning on the date of the enactment of this Act, except that—

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17
18
19 (1) paragraphs (1) and (2) of section 5(a), section 5(b)(2), and section 6(b), of the Iran Sanctions Act of 1996, as amended by this Act, shall apply to conduct engaged in on or after October 28, 2009, notwithstanding section 5(f)(3) of the Iran Sanctions Act of 1996; and

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1 (2) the amendments made by subsection (d) of
2 section 3 of this Act shall apply with respect to con-
3 duct engaged in before, on, or after the date of the
4 enactment of this Act.

5 (b) RULE OF CONSTRUCTION.—

6 (1) EXISTING SANCTIONS NOT AFFECTED.—
7 The amendments made by subsections (a) and (b) of
8 section 3 of this Act shall not be construed to affect
9 the requirements of section 5(a) of the Iran Sanc-
10 tions Act of 1996 as in effect before the date of the
11 enactment of this Act, and such requirements con-
12 tinue to apply, on and after such date of enactment,
13 to conduct engaged in before October 28, 2009.

14 (2) WAIVER AUTHORITY.—The amendments
15 made by subsection (d) of section 3 of this Act shall
16 not be construed to affect any exercise of the au-
17 thority under section 4(f) or section 9(c) of the Iran
18 Sanctions Act of 1996 as in effect on the day before
19 the date of the enactment of this Act.

☒

Chairman BERMAN. In a moment, I will yield myself 5 minutes to explain the bill and then 5 minutes to the ranking member to allow her to provide her views on the legislation.

If a member wishes to make a general statement on the bill, they may do so by asking to strike the last word once the bill is being considered for amendment.

Without objection, I may recess the committee from time to time.

In addition, I may exercise the chair's prerogative under rule IV of the committee rules to postpone votes for the convenience of the members. I will give members as much notice as I can on when such postponed votes will occur.

And without objection, I recognize myself for 5 minutes.

In marking up H.R. 2194, I have one transcendent goal in mind: To maximize the chances that Iran, the leading state sponsor of terrorism, will be prevented from acquiring the capacity to produce nuclear arms. That capacity would pose perhaps the most serious strategic threat to our Nation.

Why? Four reasons: First, a nuclear-armed Iran would be able to bully its neighbors and dominate its region and would be much less susceptible to pressure from the international community. Second, its terrorist protégés, like Hezbollah and Hamas, would be emboldened. Third, it would likely spark a nuclear arms race in the Middle East and the Persian Gulf that would lead to the collapse of the global nuclear nonproliferation regime. And finally, and very importantly, we could never be sure that it wouldn't share its nuclear know-how with others, including terrorists, or possibly even use nuclear weapons against Israel or other United States allies in the region.

This legislation seeks to target Iran's ongoing dependence on refined petroleum imports. It is not a magic bullet, but it will—at least—force the Iranians to think twice about continuing to flout the will of the international community.

Unlike previous Iran sanctions legislation, which has been ignored by every administration, this bill requires the administration to report to Congress all activities that would trigger sanctions. Three hundred and thirty members of the House, including the overwhelming majority of this committee, are cosponsors of this bill.

When I introduced H.R. 2194 6 months ago, I said that I did not want to mark it up right away because I wanted to give diplomacy a chance to succeed. And I still do.

In recent weeks, there has been a potential development on the diplomatic front as the United States, its partners and Iran have discussed the prospect that Iran would ship 75 percent of its existing stockpile of low-enriched uranium outside the country to be further enriched for use in making medical isotopes. If this deal is realized, as agreed to in principle, and not with significant modifications—and assuming that Iran has no covert stockpile of low-enriched uranium—we will have pushed back Iran's nuclear clock perhaps 9 months to 1 year.

In marking up this bill today, we must recognize that whatever the progress on that recent arrangement, it does not address the international community's central concern: Suspension of Iran's uranium enrichment program.

Iran is still refusing to suspend enrichment, as demanded in four separate United Nations Security Council resolutions, and has thus far not even committed to engage on that core issue in the recent round of talks. In fact, as we now know, Iran has been seeking to covertly expand its uranium enrichment program.

The Iranian Government should know that the U.S. Congress remains intently focused on this issue, and that there will be consequences if it continues to stonewall. That is why, after 6 months of waiting, it is time to begin moving this bill through the legislative process.

I am not giving up on the possibility that diplomacy will succeed in bringing about a suspension of Iran's uranium enrichment program. But if diplomacy does not produce the desired results within a very short period of time, there should be a robust sanctions regime imposed by the U.N. Security Council—or, failing that, by a coalition of economically powerful, like-minded states that, one hopes, would include the United States, the EU nations, Japan, and several of the key oil-producing Arab states.

Only when we judge that these other options will not succeed in a timely manner should we turn to additional unilateral and extraterritorial sanctions such as those included in H.R. 2194.

As I said in my statement 2 weeks ago announcing this markup, by approving the Iran Refined Petroleum Sanctions Act, this committee will take the first key step to ensure that President Obama is empowered with the full range of tools he needs to address the looming nuclear threat from Iran, even as he pursues diplomacy and, if necessary, the multilateral sanctions track. Given the length of time it ordinarily takes the House and Senate to move a significant piece of legislation to the President's desk, it is important that we initiate this process today.

All of us are aware that if the provisions of this bill are ever implemented, they would likely have a significant impact on the Iranian economy, including quite possibly on average Iranians. While that is a distasteful—I ask for unanimous consent to have 2 additional minutes.

Mr. BURTON. Of course.

Chairman BERMAN. And I will give myself that.

While that is a distasteful prospect—that is the significant impact on average Iranians—the urgency of dealing with the Iranian nuclear project—and the immense danger that a nuclear-armed Iran would pose to tens, if not hundreds, of millions of people who will fall within the range of its missiles—compels us to go forward with this legislation. Should its implementation prove necessary, it would be our hope that the Iranian regime would come to its senses and suspend its enrichment program at the earliest possible time.

Iranians should understand that Americans, while distressed by the actions of the Iranian regime, have feelings of real friendship for the Iranian people themselves, and we believe most Iranians reciprocate those feelings. Many of us regret that developments in recent decades have created impediments to our mutual friendship.

We look forward to a day when the United States-Iranian friendship can blossom anew, when a government in Tehran is willing to restore Iran to membership in good standing among the community

of nations. For Iran, the first step down that path is the complete abandonment of its nuclear weapons program.

We know that sanctions can work. We have seen them succeed, for example, in the cases of South Africa and Zimbabwe, when it was known as Rhodesia. But sanctions usually take time. Given the advanced state even of the overt Iranian nuclear program; given Iran's achievements in missile development; and given persistent reports that Iran has made considerable progress on nuclear-weapon design, we have very little time to lose. Should diplomacy fail, we must be prepared.

I urge all members of the committee to support this bill, and I turn to the ranking member to express her views on the legislation.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman.

I am extremely pleased that this urgently needed sanctions legislation is being marked up today. The extent of the Iranian threat is far greater today than when the Iran-Libya Sanctions Act, also known as ILSA, was passed in 1996 or even when the Iran Freedom Support Act, which I authored to strengthen Iran sanctions, was enacted into law in 2006.

Throughout, Iran has poured massive resources into its nuclear weapons program and has made great strides in its development of ballistic missiles and other advanced conventional weapons. Its support for militant, Islamic extremists has greatly expanded as well. And it has adopted increasingly aggressive policies toward other countries in the region.

By sanctioning foreign companies that invested in Iran's energy infrastructure, ILSA sought to cut off investment in Iran's struggling petroleum sector, the regime's economic life line. As a result, Iran's petroleum sector has been denied critical foreign investment. Today's legislation, the Iran Refined Petroleum Sanctions Act, seeks to ratchet up the pressure on the regime by targeting a new vulnerability, namely Iran's inability to produce sufficient gasoline and other refined-petroleum products.

The bipartisan bill, as you have stated, Mr. Chairman, also has 330 cosponsors. There is no question that it will be adopted overwhelmingly when it is sent to the floor, which I hope will be soon.

The amendment in the nature of a substitute which we are considering today contains a number of important changes to the introduced bill. I will highlight just a few: A requirement that investigations into possible violations of the Iran's Sanctions Act be concluded within 180 days; an expansion of sanctions beyond the maritime shipment of refined-petroleum products to Iran to also include truck and rail shipping; a prohibition on new nuclear cooperation agreements with governments that do not take effective action against those under its jurisdiction who provide Iran with materials and technology used in its nuclear weapons program; additional reporting requirements regarding the Iranian Revolutionary Guard Corps, activity by Iranian diplomats, quasi-official entities and proxies, such as Hezbollah in the Middle East, Western Hemisphere, Africa and beyond, and trade between Iran and the G-20 nations; and an additional sense of Congress regarding newly discovered nuclear facilities, as well as additional statements of policy, such as calling on the Secretary of State to make every effort to assist the American hostages taken when Iranian militants seized

our embassy in 1979 and their survivors in achieving full compensation for their injuries.

These and other additions greatly strengthen the bill's effectiveness. Major opportunities have been thrown away because successive administrations refused to use the many powerful tools that Congress has given to them or did so only halfheartedly.

It is my expectation that we will work in a bipartisan manner to ensure that congressional mandates and intents are no longer ignored by the executive. I further hope that the current administration, as with its predecessor in the second term, does not allow itself to be manipulated by Iran into an indefinite holding pattern to delay and extract greater concessions while the clock on their break-out capacity continues to tick.

I used a reference at last week's Burma hearing with respect to the proposed new approach to that regime that, unfortunately, also fits perfectly when discussing dealings with the Iranian regime. And that is a Winston Churchill quote, when he warned, "There is no greater mistake than to suppose that platitudes, smooth words, and timid policies offer a path to safety." I fear that I will have many opportunities to use that Churchill quote in the future.

After years of failed efforts at engagement and offers of inducement, it should be clear that unless we impose the maximum pressure on Iran, and this bill is a major step forward in that direction, the regime will continue its march toward acquiring nuclear weapons, dominating the Persian Gulf, and expanding its network of radical militants around the world. We still have time to act but we must do so quickly.

And Mr. Chairman, one last note, I join you in wishing much success to David and Kristin in their new endeavors. And indeed, it is delight to work with all of your staff members on your side. I know that that is the feeling on our side of the aisle.

I enjoy working with you as well, Mr. Chairman, in a bipartisan manner and will continue to do so as we move this bill along in other committees and on to the floor action.

Thank you so very much, Mr. Chairman.

Chairman BERMAN. Thank you very much, and I share that enjoyment of course. Sometimes at 11 o'clock at night, it is—for what purpose?

Mr. ACKERMAN. Move to strike next to the last word.

Chairman BERMAN. The gentleman is recognized to next of 5 minutes.

Mr. ACKERMAN. Mr. Chairman, I have been and remain a strong advocate for sanctions on Iran. For many years, through Democratic and Republican administrations, I have felt it to be vital to force Iran to pay a price, some price, any price, for its general subversion and state sponsorship of terrorism and, most of all, its nuclear proliferation.

Today we are going to move forward a sanctions bill that I believe will strengthen the Obama administration's ability to conduct effective diplomacy. The world, and I mean both our allies and others, needs to know that the U.S. Congress is dead serious about sanctions should diplomacy fail to resolve the real concerns about Iran's nuclear program.

For those who worry that sanctions may lead to conflict, I would suggest that the opposite is true. With Iranian proliferation on the horizon, what is feckless is reckless. If you don't want war, it seems to me that you must back the toughest possible sanctions.

But sanctions alone almost certainly are not going to be sufficient to force the Iran regime to change course. The violence throughout Iran in June following the rigged Presidential election as well as the subsequent escalation of political repression have both demonstrated Iran's rulers are ready to do whatever it takes to preserve their grip on power. And given the 10 years of sanctions followed by the war against Saddam's Iraq and what hasn't happened to nuclear North Korea, I suspect Iranian's thugocracy sees nuclear arms as their ultimate insurance policy.

So even as we proceed, as we must, on enhancing our capacity for unilateral sanctions and even as we continue, as we must, on developing crippling multilateral sanctions that can be applied if diplomacy proves to be ineffectual, we should bear in mind that there may not be any level of sanctions sufficient enough to compel a change in Iran's nuclear program. I would suggest we need a strategy more comprehensive than just diplomatic engagement followed by sanctions.

President Obama's support for direct engagement with Iran has already helped to heal a variety of political woes. But by itself, diplomatic engagement still leaves too much initiative in Iranian hands. Likewise with political and economic sanctions if the Iranians remain recalcitrant and sanctions are applied, no matter how crippling, and I would want them to be absolutely suffocating of the regime, the initiative is still left to the Ayatollahs to decide when they have had enough.

After bemoaning for years the insufficiency of our leverage over Iran, why have we chosen to ignore Iran's green movement, which so clearly has the Ayatollahs absolutely terrified. Iran is sowing chaos and terror throughout the Middle East. Where is the Truman-like policy of declaring our support for any nation trying to remain free from Iranian threats?

We do need to pursue engagement, and we do need to have sanctions ready in case it fails. But we also need a policy that supports the democratic movement within Iran, that strengthens our abilities to resist Iranian subversion, that enhances our political and military coordination within the Persian Gulf, that makes clear to all nations that political support for Iran will come at a price in their relations to the United States.

If we don't come up with a comprehensive policy, one that applies pressure to Iran across the board, I suspect President Obama is soon going to have to decide whether an Iranian nuclear weapons is truly unacceptable in the full meaning of the word and with full knowledge of what that really means.

Mr. Chairman, I withdraw my motion.

Chairman BERMAN. The time of the gentleman has expired.

And the gentleman from Indiana, Mr. Burton, for what purpose do you seek recognition?

Mr. BURTON. Strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. BURTON. First of all, Mr. Chairman, I am very happy we are finally getting to this legislation. You introduced it 6 months ago, and you and I have discussed this many times about how quickly we should bring it to the full committee.

I would just like to ask you, Mr. Chairman, if you would yield to me.

Chairman BERMAN. You have the time.

Mr. BURTON. Well, I will yield to you for an answer, then. Do we have any assurance that the other committees of jurisdiction are going to work with us to bring this bill to the floor expeditiously?

Chairman BERMAN. If the gentleman will yield.

Mr. BURTON. I am yielding.

Chairman BERMAN. What I—I am not going to let—I will do—put it this way, I will do everything in my power to make sure that the timing of this bill is not negatively affected by the sequential referrals to the three committees that come from this legislation. And I am not—I am not going to use the sequential referral process as an excuse to keep from bringing this bill up at the time I think it achieves its purpose.

Mr. BURTON. Mr. Chairman, I do appreciate that, but we have waited 6 months for this one.

And if the other committees of jurisdiction drag their heels, we could be messing around with this for another 6 months or longer.

I don't trust Iran. You know, in I think 1939, Lord Chamberlain went to Munich to talk to Hitler, and he got assurances that Hitler wasn't going to do anything to expand his aggressive moves. And yet a short time after that, we were in the middle of World War II that killed 50 million or 60 million people.

We are in the nuclear age right now. We can't drag our feet. More currently, the Clinton administration trusted and worked with and got some concessions out of North Korea which were thrown right down the receptacle we find in our bathrooms, and they went right ahead with their nuclear program.

And so let me just say, Mr. Chairman, I think it is essential that this Congress move and move as rapidly as possible and try to get our allies to move as rapidly as possible to put these sanctions on them. I don't believe that they are going to stop their nuclear program.

We have heard time and again that one of their major goals is to destroy Israel, to wipe it off the face of the earth. They likewise call us the Great Satan. I haven't heard anything in their rhetoric that would change that. And now they are saying, well, that they are thinking about it. At Geneva, they said that they would start trying to work out something so they could send part of their nuclear material back to Russia, 75 percent or whatever it is. They shouldn't have any of that nuclear material.

And right now, as we speak today, the centrifuges are still spinning. They are working today to develop a nuclear weapons capability and their missile capability as well. And the longer we wait, the more we risk a major conflagration other there.

I know some of the leaders in Israel, and I know that their number one concern is protecting their country. It is a very small country and could be almost annihilated with a couple of nuclear weapons. And I truly believe, the longer we drag our feet, the more we

risk a conflict over there that could kill an awful lot of innocent people both in Iran and in Israel.

And so I think we need to move as quickly as possible, and I hope you will use all the power you have, as you just stated, Mr. Chairman, to get this legislation through the other committees and get it to the floor so we can vote on it. We get this thing passed and then start talking to our allies about working with us and the United Nations. Then, I think, we can start putting some real pressure on Iran. But right now, solving this problem with just words is not going to get the job done.

With that, I yield back the balance of my time.

Chairman BERMAN. Time of the gentleman has expired.

The gentleman from California, Mr. Sherman. For what purpose do you seek recognition?

Mr. SHERMAN. To strike one of the words. You can decide which one.

Chairman BERMAN. Okay, the gentleman is recognized for 5 minutes.

Mr. SHERMAN. Our policy of engagement needs to be complimented by immediate, harsh and extraterritorial sanctions. And we need to get the administration to enforce the bills that have already become law, especially the Iran Sanctions Act. We need to pass several additional sanctions through this Congress; then the sanctions can be frozen or waived when the centrifuges are frozen, and then talks can continue in a more relaxed atmosphere.

With that being said, this is a good bill. I am proud to cosponsor it. It is not comprehensive; it is not intended to be comprehensive. And I am not going to offer amendments that are outside the objectives of the author. Rather, I hope that those other objectives already embodied in bills that I have authored or cosponsored, or that others have put forward, will be taken up expeditiously so that we will pass every possible useful sanction through this Congress. That would include making sure that U.S. subsidiaries don't do business with Iran, that is to say foreign incorporated subsidiaries of U.S. firms. Also, a ban on Iranian exports to the United States. It wouldn't even be extraterritorial to say that we are going to stop imports from Iran. We don't import oil from Iran. We only import the stuff that we don't need and they couldn't sell anywhere else.

There are a number of other sanctions, including those designed to prevent Iran from getting mining and milling equipment. I believe the ranking member and I are working on that. I look forward to working on these other pieces of legislation.

Finally, I want to thank the chairman for including in this bill language that would target the Iran Revolutionary Guard Corps. That Corps has operated through hundreds of fronts and affiliates. It is time that we designate these entities under appropriate statutes and executive orders. The amendment put forward by the chairman would require that the administration identify these fronts and affiliates in reports required by the bill, and calls on the President to sanction these entities as well as those who do business with them. If you sell to the IRGC or any of its fronts or affiliates, you should not be selling to us.

I look forward to the passage of this important legislation, commend the chairman for drafting it and yield back.

Chairman BERMAN. The time of the gentleman has expired.

And the gentleman from Indiana, for what purpose—

Mr. BURTON. I will speak again.

Chairman BERMAN. The other gentleman from Indiana. There are more than one.

Mr. PENCE. Thank you, Mr. Chairman. I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. PENCE. I am glad to be here today, and I appreciate the chairman and the ranking member's leadership in bringing H.R. 2194 before this committee, which has extraordinary bipartisan support in this committee and before the Congress. The bill before us today, if enacted, would amend the Iran Sanctions Act of 1996 to provide additional tools the administration should use to pressure Iran where words have failed.

Despite the fact that the prevailing diplomatic wins these days blow in the direction of diplomacy alone, I believe with all my heart that diplomacy and sanctions are not mutually exclusive. And the action that this committee will take today. And I hope that this Congress will take in the very near future in moving and enacting the Iran Refined Petroleum Sanctions Act will greatly strengthen the position of the United States at the negotiation table with our allies relative to Iran.

This past summer, we saw vivid images of violent acts the Iranian regime was willing to commit against its own citizens to maintain its illegitimate grip on power. Dissidents took to the streets, by the millions to express their opposition to the fraudulent elections. The crackdown began with tragic results.

Mr. Chairman, it was a great privilege for me to partner with you in bringing a bipartisan resolution to the floor of the Congress that gave the American people an opportunity to speak in solidarity with the dissidents in Iran and also to condemn the violence that took place there.

The reality was at that time Iran effectively declared war on its own people. We ought to ponder that as we think about the strength of this legislation and U.S. resolve. If this is the level of violence that a regime in Tehran is willing to use against its own citizens, what does that tell us about the level of violence they would be willing to use against other nations?

Iran's support for terrorism and pursuit of weapons of mass destruction have long threatened global peace and security. To the Iranian regime, the United States is the Great Satan and our cherished ally Israel has no right to exist.

Last week Iran missed the deadline to respond to a proposed agreement between Iran and six world powers, including the United States. Under the deal, Russia and France would accept 80 percent of Iran's known low-enriched uranium, process it for civilian purposes, and then give it back to Iran. Yesterday, Iran agreed to this general framework we are told, but they said they would seek important changes. This announcement should be seen for what it is, little more than a two-step to keep the negotiation proc-

ess going while Iran continues in its headlong rush to obtain usable nuclear weapons.

Iran's failure to meet deadlines in this current ploy to drag out negotiations further should come as no surprise. Iran deceived the world community time and time again, and any assurance that their nuclear program is peaceful should be seen for what it is.

The revelation last month of Iranian's secret uranium enrichment facility near Qom has already shown Iran's propensity—Tehran's propensity for double dealing. The world is left to wonder what other sites might be hiding thousands more centrifuges busily churning out highly-enriched uranium and how long it will be before they have enough for a bomb. Already the leading state sponsor of terror, it would only be a matter of time before a nuclear-armed Iran made good on its threat.

The international community and I would argue this country has talked long enough about Iran's nuclear ambitions. It is time for deeds. It is time to take real concrete steps to begin to economically isolate this discredited regime in Tehran. And I urge support for the strongest possible measures to be included in the Iran Refined Petroleum Sanctions Act and, again, commend the chairman of this committee and the ranking member of this committee for their strong leadership in bringing this legislation before the Congress.

I yield back.

Chairman BERMAN. Thank you.

And the gentleman from New York seeks recognition.

Mr. ENGEL. Yes, Mr. Chairman, I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. ENGEL. Thank you. I want to associate myself with Mr. Pence's remarks, which I think are quite right and on the money.

So I thank you for making those remarks, Mr. Pence, and I certainly agree with everything you have said.

And Mr. Chairman, I strongly support H.R. 2194, the Iran Refined Petroleum Sanctions Act of 2009. I am a proud cosponsor of this excellent piece of legislation which seeks to increase the pressure on Iran for its pursuit of nuclear weapons. And I would especially like to commend you, Mr. Chairman, for sponsoring this thoughtful initiative.

As you know, I was the author of a Syria Accountability Act some years ago. Ms. Ros-Lehtinen and I introduced that bill. It slapped sanctions on Syria for the first time ever. We pursued diplomacy while we pursued sanctions, and I think that is an important thing to remember.

Only a few short weeks ago, the world learned of a secret uranium-enrichment facility near the city of Qom. If there was ever any doubt Iran was trying to build nuclear weapons, I believe that this revelation dispels any shred of that doubt. The facility, kept secret from the IAEA, was built deep on a mountain, on a protected military base. This is how a country conceals a nuclear weapons program, not how it develops peaceful energy technologies.

As Iran continues to disregard its legal obligations and flouts U.N. Security Council resolutions demanding that it halt its nuclear enrichment program, this committee can play a critical role in impeding Iran from acquiring a nuclear weapons capability. By passing this Iran Refined Petroleum Sanctions Act, Congress will

create critical tools to increase the pressure on Iran. Although Iran is a leading producer of crude oil, it has limited refining capability. This bill seeks to increase leverage against Iran by sanctioning entities that export refined-petroleum products to Iran or support the development of Iran's domestic refining capabilities.

It is my hope that the administration will apply these additional sanctions to make absolutely clear to the Ahmadinejad regime that the world will not accept his nuclear ambitions.

Mr. Chairman, as chairman of the Subcommittee on the Western Hemisphere, I would like to raise one additional concern which arose at my hearing yesterday on Iran's role in the Western Hemisphere. Last month, Venezuelan leader Hugo Chavez agreed to provide 20,000 barrels per day of refined gasoline to Iran. It is anyone's guess as to whether this will ever be implemented, but the deal may be covered by the bill we are considering today. While some question whether Venezuela has the ability to provide gasoline to Iran since it imports some gasoline to meet its own domestic demand, President Chavez is clearly approaching a perilous area. I hope he reconsiders this unwise step. And if he doesn't, I hope these sanctions will apply in that regard.

The United States, our allies and the United Nations Security Council have recognized that a nuclear-armed Iran would be a danger to the Middle East and to the nuclear nonproliferation regime. A nuclear-armed Iran is simply unacceptable, and we must not stand for it. And while the rest of the world twiddles its thumbs, this is obviously a very, very important issue, not only for us in the United States, but for the people of Israel. I think the people of Israel will make decisions on how they act, but I believe that we in the United States can make decisions to try to block Iran. So I therefore strongly support the Iran Refined Petroleum Sanction Act, and I urge the committee to report this bill favorably, and I yield back the balance of my time.

Chairman BERMAN. The time of the gentleman has expired.

And the gentleman from New Jersey, Mr. Smith.

Mr. SMITH. Mr. Chairman, I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. SMITH. Thank you very much.

Mr. Chairman, first of all I, want to congratulate you and the ranking member in pushing this necessary tightening and enhancement of sanctions against Iran. It is important that sanctions against the Government of Iran be considered in the context not only of United States security interests and those of our allies and friends directly threatened, which includes especially Israel, but also in pursuit of respect for human rights and democratic freedom to which the people of Iran are entitled.

In fact, the two goals cannot be separated, regional and global security depend on Iran having a stable government and a society where human rights and the will of the Iranian people are respected. This bill underscores that point. The bill makes clear within the department, within the statement of policy that the United States supports "all Iranian citizens who embrace the values of freedom, human rights, civil liberties and the rule of law."

Mr. Chairman, I recently joined my friend and colleague Bob Inglis and other House members in sending a letter to Secretary of

State Hillary Clinton expressing concerns about reports that the State Department and USAID are being “extremely cautious as to whether and how they provide funding to promote democracy, human rights and the will of law in Iran.”

The how of it is an important issue for deliberation, but there should be no question whatsoever as to whether United States actively supports these essential goals of the Iranian people. There are reports that important initiatives are being undertaken by highly reputable groups such as Freedom House and the International Republican Institute, both here in the United States, in furtherance of these goals have had their U.S. funding renewal requests denied. And as a result, those initiatives may be discontinued. This would seem to be contrary to the best interest of the Iranian people and the United States.

The letter to Secretary Clinton asked for information as to what strategy the U.S. Government is pursuing in support of the green revolution.

In the meantime, this bill does provide the committee the opportunity to send the clear, unmistakable message to the Iranian Government that there are consequences to attempting to develop nuclear weapons, unconventional weapons and ballistic missiles and supporting international terrorism. I am very pleased to be one of the cosponsors of the bill.

And finally, I just want to say, Mr. Chairman, that we will deeply miss David Abramowitz and Kristin Wells. David and I and the members of this committee for years worked on human rights legislation. As a matter of fact, the Trafficking Victims Protection Act would not have become law without the bipartisan cooperation and the insights and the wordsmithing that he provided, as well as members of our own committee and the members of our own staff. That kind of bipartisan cooperation is what it is all about. I think this bill is another example that that tradition continues to live on. I thank you and yield back.

Chairman BERMAN. I thank the gentleman.

And does the gentleman from Missouri seek recognition? No.

The gentleman from New Jersey, Mr. Sires, for what purpose do you seek recognition?

Mr. SIRES. Thank you, Mr. Chairman, I move to strike the last word.

I would like to thank the chairman and the ranking member for their continued efforts on the complicated issues surrounding Iran and their dedicated work on this bill. I am a proud sponsor of this bill and the broad bipartisan support behind this initiative is commendable.

The Iran Refined Petroleum Sanctions Act will expand our options under the Iranian Sanctions Act by defining more sanctionable offenses and by expanding the available types of sanction. This bill allows sanction on firms that send refined gasoline to Iran or that send equipment to Iran that could support domestic oil refineries. These provisions are both appropriate and necessary as we confront Iran’s nuclear threat.

Talks are ongoing, and Iran has allowed U.N. officials to visit a previously unknown uranium enrichment site. But this type of engagement is buying Iran more time to stall. As we have seen be-

fore, these developers do not put me at ease about Iran's nuclear program, and I believe we must pursue tighter sanctions.

The country's dependence on gasoline import is widely known, and this bill will weaken Iran by limiting the country's ability to access the energy it needs to continue its nuclear ambitions. Our Government has been extremely generous with the often infuriating Iranian regime. Now it is time to move forward with these sanctions.

Thank you, Mr. Chairman.

Chairman BERMAN. The time of the gentleman has expired.

The gentleman from California, Mr. Rohrabacher.

Mr. ROHRABACHER. I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. ROHRABACHER. Mr. Chairman, first and foremost, I wholeheartedly support this resolution, and I identify myself with the remarks made by Mr. Pence earlier in this hearing.

With that said, I would hope that this act does not have a loophole that will permit the administration to turn a blind eye to China's significant involvement in Iran's oil and gas industry. It has been reported that China has already surpassed Germany as Iran's number one trade partner.

Sinopec, China's largest oil refiner, last year finalized a multibillion dollar deal to develop a giant oil field in Iran. And in addition to that, they made the deal of the century, a contract for natural gas from Iran's immense North Pars field.

Chinese contractors are also busy constructing oil terminals for Iran in the Caspian Sea, and this while China's arms sales to Iran has included such items as ballistic missile technology, air defense radars, cruise missiles. I might add, one of those cruise missiles took out an Israeli warship a couple of years ago. I would also point out that the Jerusalem Post reported that many Chinese Grad rockets have been fired from Gaza into Israel. And one of those grad rockets, by the way, is a Katyusha rocket, which was fired just yesterday into the sea, in the area of Galilee.

To conclude that—let me just note this, if we are serious about countering the threat that Iran poses to the United States and to its neighbors, we will do everything we can to stop the Chinese communist party from playing the spoiler role, not only with regard to oil and gas but also to military equipment with it provides Iran, which then ships it off to terrorist organizations.

We have to do this, even if it means upsetting the communist party leadership in Beijing. And whether it also, perhaps, upsets the American corporate elite lapdogs that send off to China all of our jobs and technology.

So while I support this legislation, let's hope that we don't lose focus on the role that China is playing and hold them accountable as part of this legislation.

Thank you, Mr. Chairman.

Chairman BERMAN. The time of the gentleman has expired.

The gentleman from Virginia, Mr. Connolly.

Mr. CONNOLLY. Thank you, Mr. Chairman, and I want to thank you and—

Chairman BERMAN. The gentleman moves to strike the last word?

Mr. CONNOLLY. I am sorry, Mr. Chairman, I move to strike the last and the penultimate word.

Chairman BERMAN. The gentleman is not the penultimate speaker, though.

The gentleman is recognized for 5 minutes.

Mr. CONNOLLY. Thank you, Mr. Chairman.

And again, I want to thank you and the ranking member for moving forward with this legislation.

The United States and its allies have made several diplomatic overtures to Iran with the goal of halting Iran's nuclear enrichment activity. Recent missile tests and the revelation of a secret enrichment facility in Qom add to the urgency of the situation.

Now a new deal is on the table. Just last week, the White House announced its official support for an IAEA proposed arrangement that would send most of Iran's uranium outside of the country for enrichment. Time will tell whether Iran supports the proposal. The clock is ticking.

While Iran may stall in accepting the deal, a common measure it has employed in the past, it is time to consider measures that will strengthen the United States and its allies' negotiating position or up the ante, so to speak.

The real threat of additional sanctions can do just that. The Iranian Refined Petroleum Sanctions Act, H.R. 2194, will strengthen the President's authority to impose economic sanctions on Iran and give the President additional tools to use when considering the Iran situation.

The message to Iran must be clear: Stop stalling and negotiate a deal, or there will be severe economic consequences.

I yield back.

Chairman BERMAN. For what purpose does the gentleman, Mr. Royce, seek recognition?

Mr. ROYCE. Mr. Chairman, I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. ROYCE. Well, thank you, Mr. Chairman.

Mr. Chairman, I think you noted that this issue has long been under consideration. And I think for those of us who have wrestled with this issue, as you have, one of the reasons it has been in abeyance for a while is because of that 2007 National Intelligence Estimate, which concluded that in the fall, and to use the words of the estimate, in the fall of 2003, Tehran halted its nuclear weapons program.

Now several of us at the time saw this as a poorly produced document, a poorly presented document, and we were rather vocal in trying to point out the likelihood that that assessment was dead wrong. It surely damaged our international efforts to pressure Iran.

And since that estimate, we have learned a lot about a North Korean built nuclear facility in Syria which we apparently were blind to at the time. I believe that that was likely linked to Iran. And one thing we do know is the Qom enrichment facility on an Iranian military base, which has now come to our attention.

Now the Washington Post on Saturday reported that the Qom site undermined one of the U.S. intelligence communities' key assessments of the Iranian's nuclear program. And that assessment was that Iran had abandoned its plans to enrich uranium in secret.

We now know it is exactly the opposite of what we were told by the intelligence community. And there is no doubt, Mr. Chairman, that we have lost valuable time in responding to this very serious threat. And one of the reasons is because of that report, and I hope we learn something from it.

I am also concerned by this administration's apparent walking away from the democratic movement in Iran. Other members have commented on this, but I wonder if members realize that the administration has now cut out grants to respected groups supporting democracy in Iran. We have had a bipartisan agreement for many years in this committee. And this is under our purview, our jurisdiction, for support for those doing work for human rights in Iran. And the idea that part of our outreach to the Iran regime should be undermining that support gives me concern.

I would make the observation that Andre Sakharov many years ago told us something that we probably should have sensed, and that is how a regime treats its own people tells you a great deal about how it is likely to treat its neighbors. And for those of us in America who watched the results of the Basiji or the attacks by those armed militia for the regime on those who were protesting, trying to get an honest and fair outcome of an election that had been stolen; for those of us who learned about the bodies that disappeared and later turned up dead, the current protesters who have been given sentences of death for participating in protesting a stolen election; for those of us who know how Iranian families grieve for family members that are yet to be accounted for, they have no idea what is currently happening to those individuals; I think for us, there is a great deal of concern for the cuts to these efforts to support human rights.

Now there is no guarantee that a democratic Iran would be nuclear weapons free, but they would be far more likely than in Iran in the grip of the Supreme Council, it be far more likely that we would have a regime that we could work with or at least we didn't have to fear; at least a regime that didn't tell us what the Soviets once told us. You know, the Soviet threat was that they were going to bury us. Well, we took action to contain that threat, and we listened to those dissidents in the Soviet Union who said, you know, supporting human rights over here is going to help change the system. And it is equally important here because smart diplomacy doesn't mean dropping any criticism of a regime's human rights abuse, and this it is a critical issue I hope this committee will look at, Mr. Chairman.

Thank you.

Chairman BERMAN. The time of the gentleman has expired.

And the gentleman from New York, Mr. McMahan, is recognized on a motion to strike for 5 minutes.

Mr. MCMAHON. Thank you, Mr. Chairman, I move to strike the last word.

And I commend you for your leadership on advancing the Iran Refined Petroleum Sanctions Act of 2009, a historic bipartisan piece of legislation which limits investment in Iran's hydrocarbon sector. H.R. 2194 would sanction companies that help Iran import or produce refined petroleum, companies that ultimately endanger the security of the United States, Israel, and the world as a whole.

Already due to the United States pressure, at least 40 banks, including Deutsche Bank and UBS, Credit Suisse, and Commerce Bank have all reduced business with Iran.

Yet despite increased pressure, Iran refuses to suspend its uranium-enrichment program. In fact, as we have heard this morning, the revelation this past September that Iran failed to disclose yet another enrichment facility in Qom points to the reason why we are all here today. A nuclear-armed Iran is unacceptable and is not consistent with a secure and safe United States and Israel.

Since Iran imports 40 percent of its refined petroleum this legislation will have a significant impact on Iran's economy and will send a clear message that Iran must stop its nuclear enrichment program. I am confident that this long-sought measure will undoubtedly give the administration the leverage that it needs to negotiate with the Ahmadinejad regime, but the United States will also need the full support of the international community to use limits on trade and the energy to help end Iran's nuclear ambitions.

Mr. Chairman, I urge all members to vote for H.R. 2194, but I also urge all my colleagues to support the manager's amendment. Among many other positive changes, the manager's amendment includes a provision that will require the President to report to Congress on the dollar value amount of trade, including the energy sector, between Iran and each country maintaining membership in the Group of Twenty Finance Ministers and Central Bank Governors.

I thank you, Chairman Berman, for working with me on this important provision, this amendment. I have devoted much of my efforts on the committee to promoting trans-Atlantic relations and nonproliferation efforts, and there is no better way to engage with allies and foes alike than to promote a nuclear nonproliferation regime.

Major European allies, including the United Kingdom, France, and Germany, have advocated that sanctions be significantly toughened. This reporting requirement will allow the United States to compare the efforts taken by the G-20 members in the fight against nuclear proliferation and will ultimately further secure the United States, Israel, and the global community. Through my provision, the manager's amendment will enhance an already comprehensive piece of legislation that I have proudly cosponsored.

Again, thank you, Mr. Chairman; and I yield the remainder of my time.

Chairman BERMAN. I thank the gentleman. The gentleman's time has expired.

The gentleman from Texas, Mr. Paul, for what purpose do you seek recognition?

Mr. PAUL. I ask unanimous consent to address the committee for 5 minutes—

Chairman BERMAN. Without objection.

Mr. PAUL [continuing]. And move to strike the last word.

Mr. Chairman, thank you, and I oppose this legislation. I do not challenge the motivation of those who support this legislation, but I think it is deeply flawed, and I think it is going to do a lot more harm than good. It reminds me of all the talk that preceded us

going into Iraq, all the wonderful things that could come by putting more pressure on a particular country starting first with sanctions.

Sanctions are an act of war. It was suggested that Venezuela may be going to send oil over there. That means maybe intercepts on the high sea. But the best way for others to look at this to see my point is how would we react if somebody closed down our oil imports? I mean, we would be pretty unhappy about that. To think that this is not a serious matter I think is being rather naive.

First off, the Iranians have a right to enrich for peaceful purposes. They have never been found in violation of the NPT treaty, not once. Our NIE report says they haven't been working on a weapon since 2003, and just because you disagree with it you can't just dismiss that report out of hand. So there is a lot of distortion on this information that we get.

When we went into Iraq, there were unintended consequences. There is still no stability there, but one thing for certain is Iraq is a much closer ally of Iran right now. We drove the Iraqis into the hands of the Iranians.

And there has been an expression here that this is a good bill, but we still should be concerned about China. Well, if you are concerned about China, this is the best thing in the world for China. They are motivated. They have already invested in Iran. The production of petroleum products has gone up significantly in Iran. So this is a big motivation for the Iranians to do exactly what you don't want them to do.

Now the theory is that if we really punish the people, take their gasoline from them, and they are going to get angry. And they will. They are going to get angry at us. They are not going to get angry at the Ayatollah.

What you are doing is you are deliberately undermining the dissidents there. They will lose all credibility. People, when attacked on the outside, as we were on 9/11, we come together. So all we do is keep pounding on people like this and we ruin the dissenting views that are operating in that country. So I just think this is all going to backfire.

And we need to think in terms of the principle of free trade. You know, the more you put on sanctions, the more likely you will be to fight with them.

We put on sanctions, and we knew we were destined—at least a lot of us thought we were destined to go to war in Iraq. And this means that we are willing to take on armed conflict. But do you know what? What I don't understand is your willingness to sort of disrupt what the President is trying to do. The President is trying to negotiate and talk. He said he wanted to do it. He should be allowed to do this. This just I think disrupts what the President is trying to do.

Recently, the President spoke at the United Nations; and under his pressure and leadership, he had U.N. Resolution 1887 pass. He has been working multilaterally to try to bring peace to that area by having a non-nuclear Middle East. So if that is the administration's position, to have a non-nuclear Middle East, then why do we do this to disrupt some of the things that he is trying to do?

I just am disturbed by us not looking through and looking at the ramifications, looking at the unintended consequences, and this

pretense that we can just do this and everything is going to come out all right. Because I really believe in the long run we will suffer, the people will suffer, and there will not be more stability.

How can we get terrified of a threat from the Iranians? They are a Third World nation. Up until recently, they couldn't even make their own gasoline. But because of our pressure so far they are getting quite capable of doing it. We are driving them into the hands of the Chinese. They have our money. They can control us through the dollar. And yet we are driving the Chinese into taking over, just as we drove the Iraqis to become close allies of the Iranians.

I think our policies are deeply flawed. I say your motivations are fine and dandy, but motivations aren't the answer. We have to think of the consequences.

Chairman BERMAN. Time of the gentleman is expired.

I didn't want to interrupt the gentleman, but, at the end, I will make my own motion to strike, and I do want to speak to one issue the gentleman raised regarding Iran's right to enrich and the absence of my violations of the nonproliferation treaty. But I will do that at the end of the debate.

The gentleman from Texas, Mr. Green, for what purpose do you seek recognition?

Mr. GREEN. I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. GREEN. Thank you, Mr. Chairman, for holding the hearing today on a markup of H.R. 2194, which would strengthen the Iran Sanctions Act of 1996 by placing further and stricter penalties on Iran's energy sector. I am proud to be a cosponsor of this bill.

Since the United States first took action on this issue in 1996, Iran has continued to defy the international community by overtly developing a nuclear program. By doing this, Iran poses serious problems to the stability of its region as well as the international community.

While I support the President's effort to reach a diplomatic agreement with Iran, it is also important we send a clear signal that there will be negative consequences for refusing to cooperate. H.R. 2194 accomplishes this goal by targeting one of the largest sectors of the Iranian economy. The oil industry comprises 20 percent of Iran's gross domestic product, and the Iranian Government receives about 80 percent of its revenues from oil.

I strongly support H.R. 2194 and urge my colleagues to vote in favor of this legislation. Stability in the Middle East is of the utmost importance, not only to the Middle Eastern countries but to the international community; and I also hope that negotiations with Iran will move forward and we will continue to do what we can to reinforce the President's effort.

Again, thank you, Mr. Chairman, for bringing up the bill; and I yield back my time.

Chairman BERMAN. The time of the gentleman has expired.

The gentleman from Arizona, Mr. Flake, for what purpose do you seek recognition?

Mr. FLAKE. I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. FLAKE. I thank the chairman.

Like Dr. Paul, I don't question at all the motivation behind this measure. I know that I think all of us want the same in Iran. We don't want to see Iran develop nuclear weapons. We would like to see them join the community of nations in a responsible manner and form.

But I do question the efficacy of moving forward in this way, in this unilateral way. I have long questioned the purpose—not so much the purpose but the efficacy, as I say, of these unilateral sanctions. We say that we are not going to tie the hands of the administration, and perhaps we aren't today with this, but we will later. That will be the next step. That tends to be the way we go with unilateral sanctions like this.

Let me just raise the issue of Cuba. That is what we have done there. And I would argue that years later, years and years and a couple of decades after the main threat was gone there, Cuba's ability to export revolution around the world when the Soviets pulled out, we have tied the administration's hands in a way that they can't effectively move, our own administration, to deal more effectively with the problems still there. And there are problems. And I hoped that we could move Cuba closer toward democracy. But I would argue that the unilateral sanctions that we have there have diminished the prospects of an effective end to that problem, and I fear that we will go down that road here.

As I mentioned, I know that this package today does not tie the hands of the administration. But my guess is that is the next step that we will do, the next step that we will take.

I hope that the administration is successful in their negotiations and in their talks, and I think that we should wish them well there. I do believe there is a case for multilateral sanctions. I simply want that to happen, and I question whether or not sometimes when we move too far ahead of our allies it makes it more difficult to pull them in. So I hope we have a large multilateral front that is more effective than these unilateral sanctions tends to be.

John Bolton, who we recognize here certainly as Republicans is no shrinking violet, says this. He is advocating for this legislation, I should say, but he said this, that no one should believe that tighter sanctions will in the foreseeable future have any impact on Iran's nuclear weapons program.

Secretary Clinton said—she described these sanctions on Iran as “leaky.”

The New York Times reported earlier this month black market networks have sprouted up all over the globe to circumvent U.S. sanctions on Iran.

If we concede, and I think all of us have to, that these unilateral sanctions aren't going to be an effective means to deal with Iran's emerging nuclear problem, then why would we take this measure? Why would we do this and start to tie the administration's hands on this?

Now some will say we are just giving them another arrow in their quiver. I understand that. But that quickly moves, as we have seen in the past, toward tying their hands; and I don't think that that is what we ought to do at this point.

And I yield back the balance of my time.

Chairman BERMAN. The time of the gentleman is expired.

The gentlelady from California, Ms. Woolsey, for what purpose do you seek recognition?

Ms. WOOLSEY. I ask unanimous consent to strike the last word. Chairman BERMAN. The gentlelady is recognized for 5 minutes.

Ms. WOOLSEY. Thank you.

I will vote "yes" with the understanding that this legislation provides space for the President and for all of us and for the President's representatives to further a policy of smart security, security that comes based on diplomacy and international cooperation.

Like all of my colleagues, I oppose a nuclear-armed Iran, nuclear proliferation making the Middle East and the world as a whole much less secure. It is my hope, however, that today's action will bring all of the international partners to the negotiating table so that America will not go it alone.

Let me be clear. Our resources and our energy must be focused on a peaceful resolution based on "smart" security. And I say that word over and over. Smart security does not start with a gun pointed at you or a bomber flying over your city.

I see this as one more tool for the President. And I hope we never have to use it. I stand strongly behind President Obama and Secretary Clinton in their pursuit of a peaceful and safe Middle East. And, Mr. Chairman, I am counting on you to make sure that we go through all of the necessary steps and hopefully are safe and secure using diplomacy.

I yield back.

Chairman BERMAN. The time of the gentlelady has expired.

The gentleman from South Carolina, Mr. Wilson, for what purpose do you seek recognition?

Mr. WILSON. Thank you, Mr. Chairman. I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. WILSON. Mr. Chairman, I want to thank you, Chairman Ber- man. I went to thank Ranking Member Ileana Ros-Lehtinen for offering H.R. 2194. I never cease to be amazed at the capabilities of Congresswoman Ileana Ros-Lehtinen. On my last visit to the Middle East, she introduced me to a hero of mine, Natan Sharansky, who to me, as a Soviet dissident, helped bring about the collapse of the Soviet Empire. And I didn't know she had so many friends all over the world, but I am not surprised.

The bill is needed because a great civilization, Persia, has been hijacked by extremists who I think mean what they say and that is "death to America, death to Israel." When the elections were stolen this year in Iran, the administration failed to encourage the youth of Iran who were demonstrating for human rights and democracy. We need to act now.

I am very grateful to be on the Armed Services Committee; and, of course, this month we saw that Iran has been testing their new missile capability. And the range of their capability now clearly includes long-time allies of the United States and new allies, Greece, Bulgaria, Rumania, Ukraine, and then to the east they can threaten India.

We also know that Iran has been proceeding with nuclear weapons development. There is absolutely no need to build nuclear

power capability underground, but we have seen the pictures of the underground capabilities being developed.

I know that with the maddened autocrats who are running Tehran that they cannot be trusted. We need to act. We need to follow the wisdom of Ronald Reagan, peace through strength.

And I yield the balance of my time.

Chairman BERMAN. The time of the gentleman is expired, and the gentlelady from Texas seeks recognition.

Ms. JACKSON LEE. Yes. I would like to strike the last word.

Chairman BERMAN. The gentlelady is recognized for 5 minutes.

Ms. JACKSON LEE. Thank you very much, Mr. Chairman.

I appreciate the dilemma that we are in. It is a dilemma that we face not made by ourselves but by leadership of Iran that simply does not want to be part of the world family. However, I also support and recognize the importance of the efforts made by the State Department and our President, and I support these efforts. I believe engagement has validity to it, but I thank you very much for recognizing that it is the people of Iran that we must be concerned with.

It is the human rights. It is important that we acknowledge that, throughout 2009, the Government of Iran has persistently violated the rights of its citizens. The Government of Iran's most overt display of disregard for human rights happened in the Presidential elections on June 12, 2009. At that time, I said we must condemn Iran for the absence of fair and free Presidential elections and urge Iran to provide its people with the opportunity to engage in a democratic election process. The repression and murder and arbitrary arrests, show trials of peaceful dissidents in the wake of the elections were a sad commentary on the desire of the Iranian people to have democracy.

I am delighted that language that speaks to the need for improved human rights that I submitted has now been included into this legislation.

It is important that we are clear that our concerns are with the Government of Iran and not its people. The State Department's human rights report on Iran provides a bleak picture of life in Iran. The Government of Iran, through its denial of the democratic process and repression of dissent, has prevented the people from determining their own future. Moreover, it is the Government of Iran that persecutes its ethnic minorities and denies the free expression of religion.

Members of the committee should remember that the target is the government as we proceed in consideration of this legislation. The Government of Iran has repeatedly showed its disdain for the international community in repeatedly refusing cooperation on non-proliferation.

However, we have noted over the last couple of weeks their doors have been open to those who are now assessing the status of their nuclear weapons or potential for such. Some of those who were there giving oversight happened to be Americans.

So my view is this: I want the President and the administration and the Secretary of State and other supporting agencies to have the full opportunity to engage. I want this resolved. I want the people of Iran to have a democratic government. I want them to be

able to choose their democratic government. If this legislation will provide an additional tool to move us along, to give the Iranian people what they have begged for, for years and decades, to free them, to allow women, young women, young men, families, to live in a democratic society, to give the Iranian people what they would like to do, which is to be part of the world family, then I believe this is one tool.

I would not like this to jump ahead of the engagement process; and I would hope that we will be able, Mr. Chairman, in weeks to come to be provided with a report from the administration on what progress has been made. Otherwise, however, the idea of eliminating the refined petroleum products is one that creates at least the sense of both strength of the world community and the recognition that the American people are serious about supporting their brothers and sisters in Iran.

Religious freedom, human rights, democracy, equality, the right to excel should be, in essence, the right of the Iranian people. For that reason, I will be supporting this legislation.

I yield back.

Chairman BERMAN. The time of the gentlelady has expired; and the gentlelady from California, Ms. Lee.

Ms. LEE. Thank you very much, Mr. Chairman.

I move to strike the last word.

Chairman BERMAN. The gentlelady is recognized for 5 minutes.

Ms. LEE. I wanted to thank you for your leadership and also for your previous comments and your position with regard to this markup, which has stressed the variety of diplomatic and multilateral tools that we should use in pursuing our work to prevent Iran from pursuing a destabilized and nuclear weapons capability.

As one who believes in and has worked for nonproliferation efforts throughout my life everywhere in the world, I am equally concerned about the prospect of Iran acquiring nuclear weapons. And though I believe we should do everything, everything we can do to support the Obama administration during this very critical juncture, this includes providing the tools that the administration deems necessary to prevent Iran from backsliding in the very important negotiation processes that are taking place at this point.

At this time, however, we cannot restrict the administration's flexibility by mandating unilateral sanctions. The strong bipartisan support on this committee and in Congress for holding Iran accountable for its actions is, in itself, a signal to Iran that if they do not live up to their end of the bargain, Congress will act swiftly.

The prospect of Iran acquiring nuclear weapons is unacceptable and so is the status quo. However, I am extremely concerned, extremely concerned that moving this bill out of committee would undermine President Obama's diplomatic efforts; and, for those reasons, I cannot support the bill.

Thank you, Mr. Chairman. I yield the balance of my time.

Chairman BERMAN. The time of the gentlelady has expired.

The gentleman from New York, Mr. Crowley, is recognized for—moves to strike the last word? The gentleman is recognized for 5 minutes.

Mr. CROWLEY. Yes, Mr. Chairman. I move to strike the last word.

Thank you, Mr. Chairman. I will not use all 5 minutes. But let me thank you and Ranking Member Ros-Lehtinen for this markup.

I strongly support this legislation. This move gives the President the room he needs to negotiate while also offering tools if these negotiations fail. Most importantly, this bill makes it clear that there will be a price to pay for the development of nuclear weapons in Iran.

I hope that the Iranian regime, which to date has been government of the mullahs, by the mullahs, and for the mullahs, will change course by ending its nuclear ambitions and respecting its people.

While the regime is marching toward isolation, the Iranian people have marched for change; and we stand strongly on the side of the Iranian people in their quest for a future of Iran which respects human rights and ends all threats to countries throughout the Middle East.

And with that, Mr. Chairman, I yield back the balance of my time.

Chairman BERMAN. The time of the gentleman has expired.

The gentleman from Florida, Mr. Bilirakis, for what purpose do you seek recognition?

Mr. BILIRAKIS. Yes, thank you, Mr. Chairman. I just want to—

Chairman BERMAN. The gentleman moves to strike the last word?

Mr. BILIRAKIS. Yes, I move to strike the last word.

Chairman BERMAN. Recognized for 5 minutes.

Mr. BILIRAKIS. I would just like to thank you and the ranking member for offering this piece of legislation which I strongly support and have cosponsored, and I want to submit my full statement for the record. I appreciate it very much.

I yield back the balance of my time.

Chairman BERMAN. The time of the gentleman has expired.

The gentleman from Arkansas, Mr. Ross, for what purpose do you seek recognition?

You don't. Without purpose.

The gentleman from North Carolina?

Passes.

The gentleman from Georgia?

Passes.

The gentleman from Minnesota, for what purpose do you seek recognition?

Mr. ELLISON. Mr. Chairman, I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. ELLISON. I ask for unanimous consent to insert into the record the following letters to the committee expressing concern about the timing of this markup and asking for delay in consideration of this bill.

Mr. Chairman, you and I share the same goals of a non-nuclear-armed Iran—

Chairman BERMAN. The gentleman—without objection, those letters will be included in the record; and make sure that we get copies of them.

[The information referred to follows:]

**National Iranian American Council * Open Society Policy Center * Council for a Livable World *
Peace Action * Peace Action West * Women's Action for New Directions * Just Foreign Policy *
Leadership Conference of Women Religious * Fellowship of Reconciliation *
Bipartisan Security Group * American Friends Service Committee**

October 22, 2009

To: Hon. Howard Berman, Chairman, House Foreign Affairs Committee
Cc: Hon. Nancy Pelosi, Speaker of the House of Representatives
Hon. Steny Hoyer, Majority Leader
Hon. James Clyburn, Majority Whip

Dear Chairman Berman,

We greatly appreciate your leadership in Congress on how best to prevent Iran from developing nuclear weapons, and share your desire to achieve this vital objective through diplomatic, multilateral approaches. A critical goal of US engagement with Iran is to ensure transparency in Iran's nuclear program and to impose strict safeguards which will prevent Iran's development of nuclear weapons.

Today, the P5+1 negotiations stand at a crossroads, and it will soon become clear whether Iran intends to live up to its promises of greater transparency and accountability for its nuclear program. At this critical juncture, we believe it is premature, indeed counterproductive, for the Foreign Affairs Committee to consider H.R. 2194, the Iran Refined Petroleum Sanctions Act (IRPSA). Instead of giving the President extra leverage, this legislation ties the President's hands by giving him minimal discretion to refrain from imposing sweeping sanctions -- even if Iran makes important concessions.

While many are encouraged by the modest steps Iran has taken since Oct. 1 to demonstrate a willingness to live up to international legal obligations regarding its nuclear program, we hold no illusions about an immediate resolution of outstanding issues given Iran's past behavior. If and when it becomes clear that diplomacy has run its course, we fully recognize that consideration of further measures may be necessary to compel Iran to live up to international obligations. We acknowledge the pressure on your Committee to mark-up IRPSA, but should you move forward, we urge that you voice concerns about the bill being brought immediately to the House floor as it would clearly undermine President Obama's diplomatic efforts, which you have supported.

We thank you for your leadership on this deeply important issue, and join you in expressing full support for President Obama's diplomatic efforts.

Signed,

**National Iranian American Council * Open Society Policy Center * Council for a Livable World *
Peace Action * Peace Action West * Women's Action for New Directions * Just Foreign Policy *
Leadership Conference of Women Religious * Fellowship of Reconciliation *
Bipartisan Security Group * American Friends Service Committee**

Chairman BERMAN. The gentleman is recognized.

Mr. ELLISON. You and I share the same goals of a non-nuclear-armed Iran. I do not agree, however, that increased sanctions at this time are the right course of action.

Ten months of diplomacy by the Obama administration has achieved more than 8 years of bellicose posturing and 15 years of sanctions and 30 years without dialogue. I may be open to a sanctions bill in the future, but, at this moment, we need to give diplomacy a chance. And so far President Obama's efforts have been working. There is finally some progression in dealing with Iran. President Obama's diplomacy has yielded an agreement that increases inspections and verification and reduces Iran's stockpiles of enriched uranium.

When Iran met with the members of the U.N. Security Council on November 1, few were optimistic. But, right now, the United Nations inspectors are visiting a uranium enriched site near Qom, Iran. Previously, the Iranian Government would not disclose its location. Right now, the Iranian Government is weighing a proposal by the International Atomic Energy Agency to send enriched uranium to Russia and France to be turned into fuel.

Diplomacy is an effective means of addressing our issues with Iran. We must not rush this process. This is why the Obama administration has not asked for additional sanctions at this time.

In fact, sanctions in Iran have not proven to be effective.

First, Iran has bypassed sanctions. Iran has been able to ward off some consequences of sanctions by boosting trade with Russia, China, India, and others. The more we take trade opportunities away from American businesses, the more other nations step into the vacuum.

Two, Iranian democracy leaders do not support increased sanctions. Nobel peace laureate Shirin Ebadi and dissident Akbar Ganji tell us that sanctions will only hurt the people, especially the working classes in Iran. Even opposition candidate MirHousein Mousavi has denounced sanctions, saying that anyone who supports his "green" revolution movement—green movement should also oppose additional sanctions.

According to Mousavi, "Sanctions would not actively act against the government. Rather, they would only hurt the people. We are opposed to any types of sanctions against our nation. This is what living the green path means."

Increased sanctions may strengthen Iran's revolutionary guard. A recent report by the Rand Corporation documented a growing corollary between the power of Iran's Revolutionary Guard, a branch of the military associated with much of Iran's corruption, with sanctions. With inflation in Iran over 20 percent and with manufacturing in serious decline, sanctions will only lead to higher prices and greater black market trade, which is already controlled by the Revolutionary Guard.

Increased sanctions, in sum, are likely to result in Iran going around sanctions, are not supported by democracy leaders, and may strengthen the Revolutionary Guard.

Let me be clear, Mr. Chairman, I am appalled by Iran's dismal human rights record. Since the election of President Mahmoud Ahmadinejad in 2005, the number of executions has increased four-

fold, many of those executed because they spoke out against Ahmadinejad's government. Gays and lesbians have been rounded up, in some cases executed. Women's rights advocates have been arrested, reportedly raped, beaten, and killed. Religious minorities like the Baha'i live in fear and intimidation.

I am also shocked and appalled that President Ahmadinejad would deny the profound suffering of the Holocaust. All of this is unacceptable.

But, right now, Congress needs to give President Barack Obama's diplomatic efforts a chance before increasing sanctions. That is why I am opposed to marking up this bill right now.

Diplomacy and efforts toward peace are not naive. In fact, after 30 years of no dialogue, 15 years of economic sanctions, we cannot expect that doing more of the same will yield a more democratic, civil Iranian Government. President Barack Obama's efforts are working, and that is why we need to give sanctions a chance.

I would like to thank the chairman for his openness in all of his work and the opportunity to speak here today, and I yield back the balance of my time.

Chairman BERMAN. The time of the gentleman has expired.

The gentleman from Texas, Mr. McCaul.

Mr. MCCAUL. Thank you, Mr. Chairman. I want to thank you and the ranking member—I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. MCCAUL. I want to thank you and the ranking member for this legislation.

The year 1979 certainly transformed the Middle East for decades to come when the Ayatollah Khamenei took over. We are still dealing with that issue today, which is why I think this legislation is necessary. A nuclear Iran, I think everybody in this committee agrees, is not acceptable.

We are providing a lot of carrots, I think, the administration, through diplomacy, but this will provide the necessary sticks, I think, toward moving forward with a nuclear-free Iran.

My concern, as we demonstrated in the hearing yesterday on Venezuela, is that the day that this bill passes, countries like Venezuela and China will be immediately in violation of this act. And the question before the Congress and the President of the United States is going to be, what are we prepared to do about that and are we going to enforce this act? Are the enforcement provisions in this act strong enough or is this just going to be a statement that we make in the Congress, like we do so many times, without any teeth?

So I think that is something, Mr. Chairman, we need to think long and hard about. Because we know when this passes the Congress that Venezuela is going to continue to supply its shipments of refined petroleum products, and we know that China is going to continue to do that as well. And we know many other countries will as well.

So I think that is, again, a question we need to ask ourselves as we deliberate this legislation; and I think the administration and the President need to be prepared for that. Because we know the outcome is certain. And if we pass this and do nothing, in my judgment, we are nothing but a paper tiger.

And with that I yield back.

Chairman BERMAN. The time of the gentleman has expired.

The gentlelady from Arizona, Ms. Giffords.

Ms. GIFFORDS. Thank you, Mr. Chairman.

I move to strike the last word.

Chairman BERMAN. The gentlelady is recognized for 5 minutes.

Ms. GIFFORDS. Thank you for taking this time to mark up this important piece of legislation in committee today.

I am a very proud sponsor of the Iran Refined Petroleum Sanctions Act and have been working with you and other members of our leadership to move this bill as swiftly as possible in the Congress.

I think the people of America firmly understand and certainly are allies that for years the Government of Iran has repeatedly dismissed international attempts to negotiate the country's nuclear program. Preventing the country of Iran from developing nuclear weapons is one of the most pressing challenges for this Congress and for our allies.

President Obama has rightly pursued diplomacy; and my colleague, Mr. Ellison, spoke recently very eloquently on that. However, this legislation also provides the administration with a full range of tools needed to address the nuclear threat from Iran, and this comprehensive method includes sanctions.

Furthermore, we cannot allow companies to profit from investments made in a country that sponsors terrorism, promotes religious intolerance, has an abysmal human rights record, and threatens the stability of the Middle East. By targeting these firms heavily invested in Iran's energy sector, we will send a clear message to the people of Iran and to their leadership: A nuclear Iran is simply unacceptable. Iran's petroleum sector alone generates 20 percent of the country's gross domestic product. Limiting the significant source of funding is essential to deterring Iran's pursuit of nuclear weapons.

This Congress must continue to work to address this threat in a comprehensive way, and I commend this committee for working swiftly to achieve this goal.

Thank you, Mr. Chairman, and Ranking Member Ros-Lehtinen for all of your work on this. I yield back.

Chairman BERMAN. The time of the gentlelady has expired.

The gentleman from Florida, Mr. Klein, for what purpose do you seek recognition?

Mr. KLEIN. Thank you, Mr. Chairman. I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. KLEIN. Mr. Chairman, I want to thank you and the ranking member for bringing this very important piece of legislation to the Foreign Affairs Committee today; and I am proud to be a cosponsor of the Iran Refined Petroleum Sanctions Act of 2009.

As the administration pursues a diplomatic strategy, I firmly believe that Congress must act simultaneously so that new and crippling sanctions are ready if negotiations fail. At the same time, we must persuade our allies to join us in these efforts. We are at our most effective when we work multilaterally, and I was encouraged

by reports that the administration is seeking the support of the Gulf States in supplying China with oil.

China is a large consumer of energy, getting larger by the day; and if China ends its reliance on Iranian oil, they may be more likely to support a new and tougher round of sanctions in the United Nations.

In my meetings with Arab ambassadors and representatives to the United States, their sense of urgency is palpable as they consider the future of the Middle East if Iran were to get a nuclear weapon. This is a scary prospect, unacceptable, and the Arab states have everything to lose. Their oil is an important resource that they can use to prevent an Iranian nuclear weapons program and an arms race in the region.

This legislation seeks to sanction companies that provide refined petroleum to Iran. As other members have already mentioned, Iran imports 40 percent of its oil because they do not have enough refining capacity. This bill could bring Iran's economy to a standstill. The business class in Iran, which is rather sophisticated, wants to be part of the global economy; and they should take this opportunity to say to their leadership and their government, enough is enough.

Now is the time to move this legislation and send a strong message to Iran and our allies around the world that there are serious and isolating consequences for Iran's actions.

I would also like to thank the chairman for working with me to include language in the bill under consideration today based on a bill that I have filed, the resolution H.R. 3922, the Accountability for Business Choices in Iran Act. This legislation, which is supported in a bipartisan way in this Congress, requires companies, including foreign companies that have U.S. Government contracts, including grants earmarks, stimulus funds, or bank bailouts, to certify that they do not conduct business in Iran. This is, again, a way of engaging multinational businesses outside the United States as well in making choices.

The Accountability for Business Choice in Iran Act has achieved broad support, and I believe its inclusion in today's resolution strengthens our efforts.

Today, we are requiring companies to certify that they are not providing the last crutch of support to the Iranian economy by boosting their refined petroleum. It is time for companies to make a choice: Either do business with the United States Government or do business with Iran. Iran must not get a nuclear weapon, not on our watch and certainly not on our dime.

I would like to thank the chairman for his leadership, along with the ranking member; and I urge my colleagues to support the Iran Refined Petroleum Sanctions Act.

I yield back the balance of my time.

Chairman BERMAN. The time of the gentleman has expired.

The chair is unaware of any other—the chair is wrong—again.

The gentleman from New York, Mr. Meeks, for what purpose do you seek recognition?

Mr. MEEKS. Strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. MEEKS. Thank you. Mr. Chairman, I thank you and the ranking member for your hard work and for your dedication to this committee.

Mr. Chairman, both carrots and sticks are important when you sit at the negotiating table. And I am supporting the Iran Refined Petroleum Sanctions Act not because I believe it is ideal but rather because I want to send the message that all options remain on the table if diplomatic negotiations do not produce results.

As a general rule, I am not an enthusiastic supporter of unilateral sanctions; and I want to be clear that I fully support the administration's diplomatic efforts so far as we try to change the dynamics with regard to Iran and its nuclear ambitions. For a nuclear Iran is not something that we can tolerate or have at all.

But we have seen some encouraging signs from recent engagements by the administration, and I hope that the progress continues. However, seeing the clearest indication yet of the administration's thinking on the Iran issue, sanctions issue, I am extremely convinced that the combination of a more effective sanctions regime which targets the actual leaders of Iran, alongside measures that empower the people to build up their civil society and strive for political representation, seems to me exactly the type of approach that we should be taking in the long run. It is smart sanctions, as opposed to some general sanctions that affect the people, the entire population of Iran.

I have heard many individuals talk about how we don't want to hurt the people of Iran. Because someone used the word that Iran had been "hijacked" by a few. We need to find the sanctions that are going to affect those few who, in effect, have hijacked the entire country.

I want to call your attention to a hearing on October 6, 2009, before the Senate Banking Committee regarding Iran's sanctions. Deputy Secretary of State Jim Steinberg and Under Secretary of the Treasury Stuart Levey discussed at length the Obama administration's official Iran policy with a special focus on what types of sanctions the administration believed would be most effective. From this hearing, it became clear that the administration is not entirely sold on a comprehensive petroleum sanctions as the best course of action on Iran.

Mr. Levey was asked if the administration supports a petroleum embargo; and he said, I think in the long run we have to. But in terms of which the potential measures of sanctions, whether they are more targeted on individual entities in Iran as opposed to a broad-based thing that would affect the Iranian economic like that, and I think we have not reached a judgment as to which of those might be the most effective, in part because not only do we want to have the impact on the economy, but we want to make sure that it is going to affect the decision making in Iran and not target the wrong people in Iran and, similarly, to make sure that we maximize the chance of getting international support for these things. Because there is obviously a risk in these things; and if we do not have international support, then there will be diversions. There will be workarounds, and the affect of the sanctions will not nearly be as effective.

The Iran Refined Petroleum Sanctions Act, which imposes a gasoline embargo on Iran and which has the support of three-quarters of both Chambers, is apparently not the ideal legislation in the eyes of the administration. The administration does not support or oppose this administration. Rather, the Obama administration is pursuing its own strategy, taking into account a number of factors that must be considered. Among these are human rights concerns as well as the current political dynamic in Iran with the people rising up against the government.

I close with Mr. Steinberg's statement when he said, "I do think we always have to worry about the humanitarian impact and the political impact of proposed sanctions. Because we want to take advantage of the dynamic they have and not to undercut the opposition, not to hurt those who are being courageous in Iran."

And, therefore, I yield back the balance of my time.

Chairman BERMAN. The time of the gentleman has expired.

The gentlelady from Nevada, Ms. Berkley.

Ms. BERKLEY. Mr. Chairman, I move to strike the last word.

Chairman BERMAN. The gentlelady is recognized for 5 minutes.

Ms. BERKLEY. I thank the chairman for your time and for your skillful, thoughtful and resolute leadership on this issue.

The chairman knows how important I think this bill is to the peace and security of the entire world. Therefore, I am a proud cosponsor of the Iran Refined Petroleum Sanctions Act, because I believe we must do everything in our power to stop the Iranian nuclear threat.

A nuclear Iran is a danger not only to Israel but a danger to the entire Middle East, to our European allies and friends and, ultimately, to the United States. Iran has repeatedly shown its willingness to destabilize and threaten other countries. One need only look to its support for terrorist groups like Hezbollah and Hamas and yesterday's joint hearing in our committee to see Iran's evolving and very dangerous influence in South America.

A nuclear Iran would spark an arms race in the Middle East. The Saudis and the Egyptians would never stand for a nuclear Iran. They would likely build up their own defenses, including nuclear weapons, to counter the Iranian threat and usher in a new era of a new nuclear arms race the likes of which this world has never seen before.

And, as we know all too well, Iran has threatened to wipe Israel off the map. The Iranian President has denied the Holocaust, while planning one of his own.

Why does he attack Israel? Because it is our ally, and we are the Iranian regime's ultimate target. So if we are serious when we say "never again" and if we are serious about protecting ourselves from Iran, then we must stop this threat now.

As the former Israeli Prime Minister Ariel Sharon told a group of Congress people during his last visit to the United States, Iran is as much a threat to the United States and to Europe and to the Middle East as it is to Israel; and the world should not leave it to Israel to do its dirty work.

We must use every tool available to us, including this important legislation. I am a cosponsor of this bill because it sends a clear message to those who do business with Iran's petroleum sector:

You can trade with Iran and its less than \$300 billion economy or you can trade with the United States with an economy of more than \$13 trillion. I believe the choice should be clear.

This bill is just a part of a broader picture. We must also enforce our own previously passed sanctions and sanctions that have already been approved by the United Nations. It is time to put our words into action, which, unfortunately, has not been the case so far. We and our partners on the United Nations Security Council must enforce laws already passed and stop our companies from skirting the sanctions we, ourselves, agreed to. If sanctions are to work, they must be enforced by all parties before we all face this common threat.

I also want to applaud and thank Stuart Levey, Under Secretary of Treasury for Terrorism and Financial Intelligence, who has done a masterful job of targeting Iran's financial sector. Using a creative mix of diplomacy, economics, and sanctions, Mr. Levey has made it extremely difficult for the Iranian regime to get loans and to conduct the simple financial transactions our Government considers routine.

The assets of countless Iranian officials have been frozen, and banks the world over are now unwilling to do business with the Iranian Government officials because they know the United States, a far more important and lucrative trading partner, won't do business with them at the same time. This bill also strengthens those foreign exchange and financial sanctions.

Frankly, I am deeply skeptical Iran will ever agree to negotiate away their nuclear weapons program, but I do believe it strengthens our position when we mix negotiations with sanctions. We do not seek war and do not wish to harm the Iranian people, and we are not working for regime change in Iran. We are focused on one goal and one goal only: The end of Iran's nuclear threat. With this bill today, we send a message to Iran that we are determined to end their nuclear threat. We should not take any option off the table.

I urge support for this bill. I urge all nations to join us in this effort. And I yield back the balance of my time.

Chairman BERMAN. The time of the gentlelady has expired.

The gentleman from the American Samoa, Mr. Faleomavaega, is recognized for 5 minutes.

Mr. FALEOMAVAEGA. Mr. Chairman, I move to strike the last word.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. FALEOMAVAEGA. Mr. Chairman, I thank you and our ranking member for your leadership and initiative by introducing this important legislation.

I note with interest that this legislation is aimed at the Iranian regime and not at the good people of Iran. The recent Presidential elections in Iran have proven that there is still a problem in having democratic elections in that country.

I support this legislation, Mr. Chairman. The only concern I raise is, Mr. Chairman, where does the administration stand on this proposed bill? Will it help or hinder the administration's efforts to find a resolution to this difficult issue, now seriously raised, the security issues in this region of the world?

It is my understanding that for years the vast majority of foreign companies doing business in Iran were from countries that are our own allies. It is quite obvious, Mr. Chairman, that the issue is not about petroleum, but about nuclear proliferation. There is no question that much has been said about the potential of Iran possessing nuclear weapons, raising the question of where Israel stands on this. And then the next question is whether or not the Arab countries would also like to have in their possession nuclear weapons for their own security and protection.

I do commend President Obama's recent initiative to lessen the number of nuclear weapons we now have in the world and the initiative in doing this with the former Soviet Union. It is my understanding, Mr. Chairman, that we now have, worldwide, well over 20,000 nuclear weapons capable of blowing this planet 10 times over, if we look at it in those terms.

But these are the concerns that we can fully understand and appreciate: If Iran chooses to go the way of producing nuclear weapons, not only does it undermine but it does question the seriousness and the implications of the nuclear nonproliferation treaty. It is not about petroleum; it is about the serious problem of nuclear capabilities in these countries in this very volatile region, the Middle East.

With that, Mr. Chairman, I yield back.

Chairman BERMAN. The time of the gentleman has expired.

No other members seeking recognition, the chair, notwithstanding his comments--Mr. Paul--has concluded that he will only hurt his cause if he moves to strike and takes 5 minutes to deal with all of Mr. Paul's comments and instead would hand Mr. Paul and put into the record a 4-page sheet called "Evidence of Iran's Military Nuclear Intentions and Iran's Safeguard Violations." I will make sure you get a copy on that one issue.

[The information referred to follows:]

EVIDENCE OF IRAN'S MILITARY NUCLEAR INTENTIONS

Iran's record of behavior and justifications for its nuclear activities are completely inconsistent with a peaceful nuclear program:

- Iran does not have sufficient indigenous uranium to produce fuel for a peaceful nuclear power program – which consists thus far of one nearly-operational power reactor, which is to be exclusively fueled by Russia – yet it has constructed a commercial-sized enrichment facility and a smaller covert enrichment facility;
- Tehran says its needs these enrichment facilities to be “independent” from external fuel sources, yet it will have to rely on imports of uranium to feed these enrichment facilities;
- Tehran kept its nuclear enrichment development efforts hidden from the IAEA and the international community for 18 years, until they were publicly exposed, and then continued to deny the existence of nuclear and enrichment activities and facilities.
 - These facilities included:
 - Natanz Enrichment Plant – Built underground in remote location
 - Arak Heavy Water Facility
 - Arak Heavy Water Reactor – allegedly for radioisotopes, duplicative of existing Tehran Research Reactor, but ideally suited for production of plutonium
 - Pilot Fuel Enrichment Plant
 - Uranium mine
 - Uranium processing facility
 - Experimental laser enrichment facility
- Iran has committed, and continues to commit, numerous violations of its safeguards agreements, as documented by the IAEA (attached).
- Iran conducted clandestine research and performed experiments related to nuclear techniques and production of nuclear elements, including Polonium 210, a potential nuclear explosive triggering element;
- Iran received equipment and technology from the A.Q. Khan nuclear blackmarket, perhaps including a nuclear weapons design, but refuses to fully explain to the IAEA the nature of contacts and items received;
- Iran refuses to bring an IAEA Additional Protocol for enhanced safeguards into force, limiting the IAEA to already-declared sites; IAEA inspectors cannot go anywhere they think necessary, even though Iran still claims its activities are entirely peaceful; and

- Iran has refused to address the IAEA's concerns about documents indicating missile-warhead design work; a program to convert enriched uranium from gas to metal; and high-explosive experiments related to nuclear weapons design.

Iran's deceptions continue to the present day. Despite legal obligations to declare the initiation of construction of any new nuclear-related facility, Iran was covertly building a third enrichment facility in the side of mountain, on a military base of the Islamic Revolutionary Guard Corps – an organization well-known for its active support of terrorist groups as Hezbollah and Hamas. This facility is to contain 3000 centrifuges, too few to be of any practical use for enriching fuel for a civil power program, but ideal for enriching uranium for nuclear bombs.

- Iran's claims that it may be used for testing new centrifuge design makes no sense, as Iran already has a test facility that has been declared to the IAEA.

An entirely peaceful nuclear energy program cannot explain Iran's record of deceptive behavior nor the scope of its nuclear infrastructure, which is insupportable based on Iran's own needs and resources. However, the intention to clandestinely develop the capability to produce nuclear weapons does explain this record.

(Source: Committee Staff)

Iran's Safeguards Violations

According to the Report of Director General Elbaradei of the International Atomic Energy Agency (IAEA) to the Board of Governors in November 2003:

“Iran has failed in a number of instances over an extended period of time to meet its obligations under its Safeguards Agreement with respect to the reporting of nuclear material and its processing and use, as well as the declaration of facilities where such material has been processed and stored.”

The report detailed some of these failures and referenced other failures described in two earlier reports (GOV/2003/40 and GOV/2003/63):

- The importation of natural uranium, and its subsequent transfer for further processing.
- The processing and use of the imported natural uranium, including the production and loss of nuclear material, and the production and transfer of resulting waste.

Additionally, Iran failed to:

- declare the facilities where nuclear material (including the waste) was received, stored and processed,
- provide in a timely manner updated design information for a research reactor located in Tehran, as well as
- provide in a timely manner information on two waste storage sites.

GOV/2003/63 stated that Iran failed to report uranium conversion experiments to the IAEA. According to GOV/2003/75 in November 2003, Iran failed to report the following activities to the IAEA:

- The use of imported natural uranium hexafluoride for the testing of centrifuges, as well as the subsequent production of enriched and depleted uranium.
- The importation of natural uranium metal and its subsequent transfer for use in laser enrichment experiments, including the production of enriched uranium, the loss of nuclear material during these operations, and the production and transfer of resulting waste.
- The production of a variety of nuclear compounds from several different imported nuclear materials, and the production and transfer of resulting wastes.
- The production of uranium targets and their irradiation in the Tehran Research Reactor, the subsequent processing of those targets (including the separation of plutonium), the production and transfer of resulting waste, and the storage of unprocessed irradiated targets.

Iran also failed to provide the agency with design information for a variety of nuclear-related facilities, according to the report and a similar report in November 2004. These included the following:

- A uranium centrifuge testing facility.
- Two laser laboratories and locations where resulting wastes were processed.
- Facilities involved in the production of a variety of nuclear compounds.
- The Tehran Research Reactor (with respect to the irradiation of uranium targets), the hot cell facility where the plutonium separation took place, as well as the relevant waste handling facility.

Since that report, Iran has (until very recently) continued to violate its safeguard obligations to provide the Agency with information on new facilities, including:

- The Arak heavy water reactor under construction; and
- The Qom enrichment facility, also under construction.

(Source: Congressional Research Service Report R400094, "Iran's Nuclear Program: Tehran's Compliance with International Obligations," Appendix A; and Committee Staff)

Chairman BERMAN. And the question occurs on the amendment in the nature of a substitute without amendment.

All in favor will vote aye.

All opposed, no.

The ayes appear to have it, and the amendment is agreed to.

The chair is prepared to receive a motion.

Mr. FALEOMAVAEGA. Mr. Chairman, I move the favorable recommendation of H.R. 2194, as amended, to the House.

Chairman BERMAN. The question occurs on the motion by the gentleman from American Samoa to report H.R. 2194, as amended, favorably to the House.

All in favor, say aye.

All opposed, no.

The ayes have it. The motion is adopted.

Without objection, the bill will be reported as a single amendment in the nature of a substitute incorporating the amendments adopted by the committee; and the staff is directed to make any technical, conforming changes.

I would like to say one last thing. The staff on both sides, in terms of putting this together until very late last night, have done tremendous work. I am not going to mention all the names, but I do want to point—single out one person in particular, and that is our legislative counsel, who personally, even with the discretion to ask someone else to do this work, made a very complicated bill, complicated for a number of reasons, in some kind of coherent legal sense; and, Sandy Strokoff, we are very grateful for your help in this case.

Ms. ROS-LEHTINEN. Mr. Chairman, if I can have 1 minute to say—

Chairman BERMAN. Of course.

Ms. ROS-LEHTINEN [continuing]. Thank you so much again for negotiating in good faith with all of us during this whole ordeal. It really has been a wonderful experience, and I hope that we can

protect this fine legislation that we reported out of committee while it is being considered in other committees and as it moves to the House and then in conference with the Senate. And we hope that we can have it at the President's desk sooner rather than later and appreciate again your work on this bill. Thank you.

Chairman BERMAN. Will the gentlelady yield?

Ms. ROS-LEHTINEN. Yes, sir.

Chairman BERMAN. For me, the transcendent purpose here is to maximize our chances in Congress of playing a useful role in stopping Iran's nuclear program. So everything—I can only speak for myself but, number one, I commit to be transparent with you in terms of our goals and the timing and the problems that are coming up and changes that are being sought and, secondly, to do everything based on that and not on either undue deference to an executive branch or to political pressures from around here but to focus on the goal here, which is to play as useful a role as we can play in stopping Iran's nuclear program.

Mr. WILSON. Mr. Chairman. Mr. Chairman, I would like to commend you also for the bipartisanship. This is also probably the last meeting we will have prior to November 9; and, of course, this coming Tuesday in a bipartisan effort we will be welcoming the Chancellor of Germany, Angela Merkel. An extraordinary achievement, a unified Germany. It was 20 years ago virtually today that very few people understood that the Berlin Wall would come down beginning on November 9, 1989; and so we need to recognize the heroism.

And as I am sitting here I am thinking of our former chairman, Tom Lantos, and his leadership during the Cold War and his opposition to totalitarian Communism. We can be successful. We can have victory.

Thank you, Mr. Chairman.

Chairman BERMAN. All right, unanimous consent that all statements that people want to submit for the record will be included, including mine.

And, with that, the committee is adjourned. Thank you all very much for your cooperation.

[Whereupon, at 12 o'clock p.m., the committee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE RECORD

FULL COMMITTEE MARKUP NOTICE

*Committee on Foreign Affairs
U.S. House of Representatives
Washington, D.C. 20515-0128*

Howard L. Berman (D-CA), Chairman

October 15, 2009

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN markup of the Committee on Foreign Affairs, to be held in **Room 2172 of the Rayburn House Office Building**, for the purpose of mark up of the following legislation:

DATE: Wednesday, October 28, 2009

TIME: 10:00 a.m.

MARKUP OF: H.R. 2194, Iran Refined Petroleum Sanctions Act of 2009.

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF FULL COMMITTEE HEARING

Day Wednesday Date 10-28-09 Room 2172 RHOB

Starting Time 10:07 A.M. Ending Time 11:55 A.M.

Recesses (to)

Presiding Member(s) Howard L. Berman (CA) - Chairman

CHECK ALL OF THE FOLLOWING THAT APPLY:

Open Session Electronically Recorded (taped)
Executive (closed) Session Stenographic Record
Televised

TITLE OF HEARING or BILLS FOR MARKUP: (Include bill number(s) and title(s) of legislation.)
H.R. 2194, Iran Refined Petroleum Sanctions Act of 2009.

COMMITTEE MEMBERS PRESENT:
see attached

NON-COMMITTEE MEMBERS PRESENT:
n/a

HEARING WITNESSES: Same as meeting notice attached? Yes No
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)
- Committee report on Evidence of Iran's Military Nuclear Intentions
- Letter dated 10-22-09 from the NGO community on Iran Nuclear Weapons

ACTIONS TAKEN DURING THE MARKUP: (Attach copies of legislation and amendments.)
The Amendment in the Nature of a Substitute to H.R. 2194 was agreed to by voice vote, and a motion to report the bill favorably to the House, as amended, was agreed to by voice vote, a quorum being present.

RECORDED VOTES TAKEN (FOR MARKUP): (Attach final vote tally sheet listing each member.)

<u>Subject</u>	<u>Yeas</u>	<u>Nays</u>	<u>Present</u>	<u>Not Voting</u>
<u>n/a</u>				

TIME SCHEDULED TO RECONVENE
or
TIME ADJOURNED 11:55 am


Doug Campbell, Deputy Staff Director

Attendance - House Committee on Foreign Affairs
MARKUP
Wednesday, October 28, 2009 @ 10:00 a.m. , 2172 RHOB

Howard L. Berman (CA)	Ileana Ros-Lehtinen, (FL)
Gary Ackerman (NY)	Christopher H. Smith (NJ)
Eni F.H. Faleomavaega (AS)	Dan Burton (IN)
Brad Sherman (CA)	Elton Gallegly (CA)
Robert Wexler (FL)	Dana Rohrabacher (CA)
Eliot L. Engel (NY)	Donald Manzullo (IL)
William D. Delahunt (MA)	Edward R. Royce (CA)
Gregory W. Meeks (NY)	Ron Paul (TX)
Diane E. Watson (CA)	Jeff Flake (AZ)
Russ Carnahan (MO)	Mike Pence (IN)
Albio Sires (NJ)	Joe Wilson (SC)
Gerald E. Connolly (VA)	John Boozman (AR)
Michael E. McMahon (NY)	Connie Mack (FL)
John S. Tanner (TN)	Jeff Fortenberry (NE)
Gene Green (TX)	Michael T. McCaul (TX)
Lynn C. Woolsey (CA)	Ted Poe (TX)
Sheila Jackson-Lee (TX)	Bob Inglis (SC)
Barbara Lee (CA)	Gus Bilirakis (FL)
Shelley Berkley (NV)	
Joseph Crowley (NY)	
Mike Ross (AR)	
Brad Miller (NC)	
David Scott (GA)	
Jim Costa (CA)	
Keith Ellison (MN)	
Gabrielle Giffords (AZ)	
Ron Klein (FL)	

October 28, 2009

Chairman Berman's opening remarks at markup of the Iran Refined Petroleum Sanctions Act (H.R. 2194)

In marking up H.R. 2194, I have one transcendent goal in mind: To maximize the chances that Iran, the leading state sponsor of terrorism, will be prevented from acquiring the capacity to produce nuclear arms. That capacity would pose perhaps the most serious strategic threat to our nation.

Why? Four reasons:

First, a nuclear-armed Iran would be able to bully its neighbors and dominate its region, and would be much less susceptible to pressure from the international community.

Secondly, its terrorist protégés, like Hezbollah and Hamas, would be emboldened.

Third, it would likely spark a nuclear arms race in the Middle East that would lead to the collapse of the global nuclear nonproliferation regime.

And finally and very importantly, we could never be sure that it wouldn't share its nuclear know-how with others, including terrorists, or possibly even use nuclear weapons against Israel or other U.S. allies in the region.

This legislation seeks to target Iran's ongoing dependence on refined petroleum imports. It is not a magic bullet, but it will – at least – force the Iranians to think twice about continuing to flout the will of the international community.

Unlike previous Iran sanctions legislation, which has been ignored by every administration, this bill requires the administration to report to Congress all activities that would trigger sanctions.

330 Members of the House, including the overwhelming majority of this Committee, are co-sponsors of this bill.

When I introduced H.R. 2194 six months ago, I said that I did not want to mark it up right away so that diplomacy could be given a chance to succeed. And I still do.

In recent weeks, there has been a potential development on the diplomatic front, as the U.S., its partners and Iran have discussed the prospect that Iran would ship 75% of its existing stockpile of low-enriched uranium outside the country to be further enriched for use in making medical isotopes. If this deal is realized, as agreed to in principle, and not with significant modifications -- and assuming that Iran has no covert stockpile of low-enriched uranium -- we will have pushed back Iran's nuclear clock perhaps nine months to a year.

In marking up the bill today, we must recognize that whatever the progress on that recent arrangement, it does not address the international community's central concern: suspension of Iran's uranium enrichment program.

Iran is still refusing to suspend enrichment, as demanded in four separate United Nations Security Council resolutions, and has thus far not even committed to engage on that core issue in the recent round of talks. In fact, as we now know, Iran has been seeking to covertly expand its uranium enrichment program.

The Iranian government should know that the U.S. Congress remains intently focused on this issue, and that there will be severe consequences down the road should it refuse to suspend its nuclear program. That is why, after six months of waiting, it is time to begin moving this bill through the legislative process.

I am not giving up on the possibility that diplomacy will succeed in bringing about a suspension of Iran's uranium enrichment program.

But if diplomacy does not produce the desired results within a very short period of time, there should be a robust sanctions regime imposed by the UN Security Council – or, failing that, by a coalition of economically powerful, like-minded states that, one hopes, would include the United States, the EU nations, Japan and several of the key oil-producing Arab states.

Only when we judge that these other options will not succeed in a timely manner should we turn to additional unilateral and extraterritorial sanctions such as those included in H.R. 2194.

As I said in my statement two weeks ago announcing this markup, by reporting out the Iran Refined Petroleum Sanctions Act, this Committee will take the first key step to ensure that President Obama is empowered with the full range of tools he needs to address the looming nuclear threat from Iran, even as he pursues diplomacy and, if necessary, the multilateral sanctions track. Given the length of time it ordinarily takes the House and Senate to move a significant piece of legislation to the President's desk, it is important that we initiate this process today.

All of us are aware that if the provisions of this bill are ever implemented, they would likely have a significant impact on the Iranian economy, including quite possibly on average Iranians. While that is a distasteful prospect, the urgency of dealing with the Iranian nuclear project -- and the immense danger that a nuclear-armed Iran would pose to tens, if not hundreds, of million people who will fall within the range of its missiles -- compels us to go forward with this legislation. Should its implementation prove necessary, it would be our hope that the Iranian regime would come to its senses and suspend its enrichment program at the earliest possible time.

Iranians should understand that Americans, while distressed by the actions of the Iranian regime, have feelings of real friendship for the Iranian people themselves, and we believe most Iranians reciprocate those feelings. Many of us regret that developments in recent decades have created impediments to our mutual friendship.

We look forward to a day when US-Iranian friendship can blossom anew, when a government in Tehran is willing to restore Tehran to membership in good standing among the community of nations. For Iran, the first step down that path is the complete abandonment of its nuclear weapons program.

We know that sanctions can work. We have seen them work, for example, in the cases of South Africa and Zimbabwe, when it was known as Rhodesia. But they usually take time. Given the advanced state even of the *overt* Iranian nuclear program; given Iran's achievements in missile development; and given persistent reports that Iran has made considerable progress on nuclear-weapon design, we have very little time to lose. Should diplomacy fail, we must be prepared.

I urge all Members of the Committee to support this bill.

Congresswoman Sheila Jackson Lee, Of Texas

MARKUP STATEMENT

“Iran Refined Petroleum Sanctions”

H.R. 2194

October 28, 2009

Thank you, Mr. Chairman. H.R. 2194, the Iran Refined Petroleum Sanctions Act of 2009 provides another tool for the President to prevent Iran from developing nuclear weapons. This legislation would allow the Administration to sanction foreign firms who attempt to supply refined gasoline to Iran or provide them with the materials to enhance their oil refineries. These sanctions would further restrict the government of Iran’s ability to procure refined petroleum. Currently, the availability of petroleum products is stagnant in Iran. Private firms have decided that the government of Iran’s refusal to cooperate with the multilateral community on nuclear proliferation generates a significant risk to doing business with Iran.

I would like to thank you, Mr. Chairman, for incorporating my concerns about the human rights situation in Iran into the findings of this legislation. It is important that we acknowledge that, throughout 2009, the government of Iran has persistently violated the rights of its citizens. The government of Iran’s most overt display of disregard for human rights happened in the presidential elections on June 12, 2009. As I said on June 19, 2009, “we must condemn Iran for the absence of fair and free Presidential elections and urge Iran to provide its people with the opportunity to engage in a Democratic election process.” The repression and murder, arbitrary arrests, and show trials of peaceful

dissidents in the wake of the elections were a sad reminder of the government of Iran's long history of human rights violations. The latest violations were the most recent iteration of the government of Iran's wanton suppression of the freedom of expression.

It is important that we are clear that our concerns are with the government of Iran and not its people. The State Department's Human Rights Report on Iran provides a bleak picture of life in Iran. The government of Iran, through its denial of the democratic process and repression of dissent has prevented the people from determining their own future. Moreover, it is the government of Iran that persecutes its ethnic minorities and denies the free expression of religion. Members of the Committee should remember that the target is the government, as we proceed with consideration of this legislation.

Mr. Chairman, the government of Iran has repeatedly shown its disdain for the international community by disregarding international nonproliferation agreements. Iran's flagrant violation of nonproliferation agreements was evidenced most recently in the discovery of the secret enrichment facility at Qom. The government of Iran's continued threats against Israel, opposition to the Middle East peace process, and support of international terrorist organizations further demonstrate the necessity of for action.

Iran's recent actions towards the international community reflect a very small measure of progress. Iran's decision to allow International Atomic Energy Agency (IAEA) inspectors to visit this facility was a positive sign, but not a sufficient indication of their willingness to comply with international agreements. Yesterday's announcement

that Iran will accept a nuclear fuel deal is also indicative of their willingness to engage in dialogue, though it remains to be seen what amendments that they will seek to the deal. While these actions indicate a small degree of improvement in Iran's position, the legislation before us today demonstrates that only through continued dialogue and positive actions will the international community's stance towards Iran soften.

I would also like to emphasize that the legislation before us provides only one tool for achieving Iran's compliance with international nonproliferation agreements. I continue to support the Administration's policy of engagement with Iran and use of diplomatic talks. I believe that diplomacy and multilateralism are the most valuable tools we have to create change in Iran. After those tools fail, I believe that the sanctions are an appropriate recourse.

Thank you.

**CONGRESSMAN KEITH ELLISON
STATEMENT ON IRAN REFINED PETROLEUM SANCTIONS ACT OF 2009
OCTOBER 28, 2009**

I move to strike the last word.

I ask for unanimous consent to insert into the record the following letters to the committee expressing concern about the timing of this mark up and asking for delay in consideration of this bill.

Mr. Chairman, you and I share the same goals of “non-nuclear armed Iran.”

I do not agree however that increased sanctions **at this time** are the right course of action.

Ten months of diplomacy by the Obama administration has achieved **more** than 8 years of bellicose posturing, 15 years of US sanctions and 30 years without dialogue.

I may be open to a sanctions bill in the future but at this moment, **we need to give diplomacy a chance.**

And so far, President Obama’s efforts have been working.

There is **finally** some progress in dealing with Iran. President Obama's diplomacy has yielded an agreement that **increases** inspections and verification, and **reduces** Iran's stockpiles of enriched uranium.

When Iran met with members of the UN Security Council on October 1, few were optimistic. But right now UN inspectors are visiting a uranium enrichment site near Qum, Iran. Previously the Iranian government would **not** disclose this location.

Right now the Iranian government is weighing a proposal by the International Atomic Energy Agency to send enriched uranium to Russia and France to be turned into fuel.

Diplomacy is an effective means of addressing our issues with Iran. We must not rush this process. This is why the Obama administration has not asked for additional sanctions at this time.

In fact, sanctions in Iran have **not** proven to be effective.

- 1) Iran has bypassed sanctions. Iran has been able to ward off some consequences of sanctions by boosting trade with Russia, China and India. The more we take trade opportunities away from American businesses the more other nations step into the vacuum.
- 2) Iranian democracy leaders do not support increased sanctions. Nobel Peace Laureate Shirin Ebadi and dissident Akbar Ganji tell us that sanctions will only hurt the people, especially the working class of Iran.

Even opposition candidate Mir Hossein Mousavi has denounced sanctions, saying that anyone who supports his "Green" movement should also oppose additional sanctions. According to Mousavi, "Sanctions would not actually act against the government -- rather, they would only hurt the people. We are opposed to any types of sanctions against our nation. This is what living the Green Path means."

3) Increased sanctions may strengthen Iran's Revolutionary Guard.

A recent report by the RAND Corporation documented a growing corollary between the power of Iran's Revolutionary Guard, a branch of the military associated with much of Iran's corruption -- and sanctions. With inflation in Iran at over 20 percent and with manufacturing in serious decline, sanctions will only lead to higher prices and greater black-market trade, which is already controlled by the Revolutionary Guard.

Increased sanctions in sum are likely to result in Iran going around sanctions, are not supported by democracy leaders, and may strengthen the Revolutionary Guard.

Let me be clear Mr. Chairman, I am appalled by Iran's dismal human rights record.

Since the election of President Mahmoud Ahmadinejad in 2005, the number of executions has increased four-fold, many of those executed because they spoke out against the Ahmadinejad government. Gays and lesbians have been rounded up and in some cases, executed.

Women's rights activists have been arrested, reportedly raped, beaten and killed. Religious minorities like the Bahai community live in fear and intimidation.

I am also shocked and appalled that President Ahmadinejad would deny the profound suffering of the Holocaust.

All of this is unacceptable.

Right now Congress needs to give President Barack Obama's diplomatic efforts a chance before increasing sanctions; **that is why I am opposed to marking up this bill right now.**

Diplomacy and efforts toward peace are not naïve. In fact, after 30 years of no dialogue, 15 years of economic sanctions, we cannot expect that doing more of the same will yield a more democratic, civil Iranian government.

President Obama's diplomacy efforts are working and that is why we need to give these efforts a chance.

I want to thank the Chairman for the opportunity to speak today and I yield back the balance of my time.