

Subtitle C—Matters Relating to Iran

SEC. 1231. REPORT ON UNITED STATES CAPABILITIES IN RELATION TO CHINA, NORTH KOREA, AND IRAN.

(a) REPORT.—Not later than 90 days after the date of the enactment of this Act, and not later than March 31, 2014, the Chairman of the Joint Chiefs of Staff, in consultation with the commanders of the relevant geographical and functional combatant commands, shall submit to the congressional defense committees a report on United States capabilities in relation to the People's Republic of China, the Democratic People's Republic of Korea, and the Republic of Iran.

(b) ELEMENTS.—The report required by subsection (a) shall include the following elements:

(1) Any critical gaps in intelligence that limit the ability of the United States Armed Forces to counter challenges or threats emanating from each of the foreign countries described in subsection (a).

(2) Any gaps in the capabilities, capacity, and authorities of the United States Armed Forces to counter challenges or threats to United States personnel and United States interests in the respective regions of the foreign countries described in subsection (a).

(3) Any other matters the Chairman of the Joint Chiefs of Staff considers to be relevant.

(c) INFORMATION TO BE CONSIDERED.—In preparing the report required by subsection (a), the Chairman of the Joint Chiefs of Staff should consider the information contained in the most recent reports required by the following:

(1) Section 1236 of the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1641).

(2) Section 1245 of the National Defense Authorization Act for Fiscal Year 2010 (Public Law 111–84; 123 Stat. 2542).

(3) Section 1202 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 781; 10 U.S.C. 113 note).

SEC. 1232. REPORT ON MILITARY CAPABILITIES OF GULF COOPERATION COUNCIL MEMBERS.

(a) REPORT.—The Secretary of Defense, in consultation with the Secretary of State, shall evaluate the military capabilities of members of the Cooperation Council for the Arab States of the Gulf (in this section referred to as the “Gulf Cooperation Council”) and submit to the appropriate congressional committees a report on the findings of such evaluation.

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

(1) An assessment of the military capabilities of Gulf Cooperation Council members to defend collectively against Iran and contribute to international counter-terrorism and counter-piracy efforts.

(2) An assessment of gaps in the military capabilities of Gulf Cooperation Council members to defend collectively against Iran and a detailed description of military capabilities necessary to address those gaps.

(3) An evaluation of United States military capabilities and posture in the region and an analysis of the capacity of the United States Armed Forces to augment the military capabilities of Gulf Cooperation Council members.

(4) A description of the United States Government's ongoing efforts to foster regional cooperation through ongoing bilateral and multilateral strategic security dialogues.

(5) A summary of Gulf Cooperation Council operational and training requests to the United States Government and the associated actions taken by the United States Government.

(c) **SUBMISSION TO CONGRESS.**—The report required under subsection (a) shall be submitted to the appropriate congressional committees not later than 180 days after the date of the enactment of this Act.

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

(1) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Relations of the Senate; and

(2) the Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Affairs of the House of Representatives.

SEC. 1233. SENSE OF CONGRESS WITH RESPECT TO IRAN.

It is the sense of Congress that the United States should be prepared to take all necessary measures, including military action if required, to prevent Iran from threatening the United States, its allies, or Iran's neighbors with a nuclear weapon.

SEC. 1234. RULE OF CONSTRUCTION.

Nothing in this Act shall be construed as authorizing the use of force against Iran.

Subtitle D—Iran Sanctions

SEC. 1241. SHORT TITLE.

This subtitle may be cited as the “Iran Freedom and Counter-Proliferation Act of 2012”.

SEC. 1242. DEFINITIONS.

(a) **IN GENERAL.**—In this subtitle:

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

(2) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means—

(A) the committees specified in section 14(2) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note); and

(B) the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives.

(3) **COAL.**—The term “coal” means metallurgical coal, coking coal, or fuel coke.

(4) **CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.**—The terms “correspondent account” and “payable-

through account” have the meanings given those terms in section 5318A of title 31, United States Code.

(5) FOREIGN FINANCIAL INSTITUTION.—The term “foreign financial institution” has the meaning of that term as determined by the Secretary of the Treasury pursuant to section 104(i) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(i)).

(6) GOOD.—The term “good” has the meaning given that term in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)).

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

(8) IRANIAN PERSON.—The term “Iranian person” means—

(A) an individual who is a citizen or national of Iran; and

(B) an entity organized under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran.

(9) KNOWINGLY.—The term “knowingly”, with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

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

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

(12) SHIPPING.—The term “shipping” refers to the transportation of goods by a vessel and related activities.

(13) UNITED STATES PERSON.—The term “United States person” has the meaning given that term in section 101 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8511).

(14) VESSEL.—The term “vessel” has the meaning given that term in section 3 of title 1, United States Code.

(b) DETERMINATIONS OF SIGNIFICANCE.—For purposes of this subtitle, in determining if financial transactions or financial services are significant, the President may consider the totality of the facts and circumstances, including factors similar to the factors set forth in section 561.404 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).

SEC. 1243. SENSE OF CONGRESS RELATING TO VIOLATIONS OF HUMAN RIGHTS BY IRAN.

(a) FINDING.—Congress finds that the interests of the United States and international peace are threatened by the ongoing and destabilizing actions of the Government of Iran, including its massive, systematic, and extraordinary violations of the human rights of its own citizens.

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

(1) deny the Government of Iran the ability to continue to oppress the people of Iran and to use violence and executions against pro-democracy protestors and regime opponents;

(2) fully and publicly support efforts made by the people of Iran to promote the establishment of basic freedoms that build the foundation for the emergence of a freely elected, open, and democratic political system;

(3) help the people of Iran produce, access, and share information freely and safely via the Internet and through other media; and

(4) defeat all attempts by the Government of Iran to jam or otherwise obstruct international satellite broadcast signals.

SEC. 1244. IMPOSITION OF SANCTIONS WITH RESPECT TO THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS OF IRAN.

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

(1) Iran's energy, shipping, and shipbuilding sectors and Iran's ports are facilitating the Government of Iran's nuclear proliferation activities by providing revenue to support proliferation activities.

(2) The United Nations Security Council and the United States Government have expressed concern about the proliferation risks presented by the Iranian nuclear program.

(3) The Director General of the International Atomic Energy Agency (in this section referred to as the "IAEA") has in successive reports (GOV/2012/37 and GOV/2011/65) identified possible military dimensions of Iran's nuclear program.

(4) The Government of Iran continues to defy the requirements and obligations contained in relevant IAEA Board of Governors and United Nations Security Council resolutions, including by continuing and expanding uranium enrichment activities in Iran, as reported in IAEA Report GOV/2012/37.

(5) United Nations Security Council Resolution 1929 (2010) recognizes the "potential connection between Iran's revenues derived from its energy sector and the funding of Iran's proliferation sensitive nuclear activities".

(6) The National Iranian Tanker Company is the main carrier for the Iranian Revolutionary Guard Corps-designated National Iranian Oil Company and a key element in the petroleum supply chain responsible for generating energy revenues that support the illicit nuclear proliferation activities of the Government of Iran.

(b) **DESIGNATION OF PORTS AND ENTITIES IN THE ENERGY, SHIPPING, AND SHIPBUILDING SECTORS OF IRAN AS ENTITIES OF PROLIFERATION CONCERN.**—Entities that operate ports in Iran and entities in the energy, shipping, and shipbuilding sectors of Iran, including the National Iranian Oil Company, the National Iranian Tanker Company, the Islamic Republic of Iran Shipping Lines, and their affiliates, play an important role in Iran's nuclear proliferation efforts and all such entities are hereby designated as entities of proliferation concern.

(c) **BLOCKING OF PROPERTY OF ENTITIES IN ENERGY, SHIPPING, AND SHIPBUILDING SECTORS.**—

(1) **BLOCKING OF PROPERTY.**—

(A) IN GENERAL.—On and after the date that is 180 days after the date of the enactment of this Act, the President shall block and prohibit all transactions in all property and interests in property of any person described in paragraph (2) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

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

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

(A) is part of the energy, shipping, or shipbuilding sectors of Iran;

(B) operates a port in Iran; or

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

(i) a person determined under subparagraph (A) to be a part of the energy, shipping, or shipbuilding sectors of Iran;

(ii) a person determined under subparagraph (B) to operate a port in Iran; or

(iii) an Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in paragraph (3)).

(3) IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.—An Iranian financial institution described in this paragraph is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(A) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(B) Iran's support for international terrorism; or

(C) Iran's abuses of human rights.

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

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

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

(B) EXCEPTION.—The requirement to impose sanctions under subparagraph (A) shall not include the authority to impose sanctions relating to the importation of goods

under paragraph (8)(A) or (12) of section 6(a) of the Iran Sanctions Act of 1996, and any sanction relating to the importation of goods shall not count for purposes of the requirement to impose sanctions under subparagraph (A).

(2) FACILITATION OF CERTAIN TRANSACTIONS.—Except as provided in this section, the President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines knowingly, on or after the date that is 180 days after the date of the enactment of this Act, conducts or facilitates a significant financial transaction for the sale, supply, or transfer to or from Iran of goods or services described in paragraph (3).

(3) GOODS AND SERVICES DESCRIBED.—Goods or services described in this paragraph are significant goods or services used in connection with the energy, shipping, or shipbuilding sectors of Iran, including the National Iranian Oil Company, the National Iranian Tanker Company, and the Islamic Republic of Iran Shipping Lines.

(e) HUMANITARIAN EXCEPTION.—The President may not impose sanctions under this section with respect to any person for conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran or for the provision of humanitarian assistance to the people of Iran.

(f) EXCEPTION FOR AFGHANISTAN RECONSTRUCTION.—The President may provide for an exception from the imposition of sanctions under this section for reconstruction assistance or economic development for Afghanistan—

(1) to the extent that the President determines that such an exception is in the national interest of the United States; and

(2) if the President submits to the appropriate congressional committees a notification of and justification for the exception not later than 15 days before issuing the exception.

(g) APPLICABILITY OF SANCTIONS TO PETROLEUM AND PETROLEUM PRODUCTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall apply with respect to the purchase of petroleum or petroleum products from Iran only if, at the time of the purchase, a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that the price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect.

(2) EXCEPTION FOR CERTAIN COUNTRIES.—

(A) EXPORTATION.—This section shall not apply with respect to the exportation of petroleum or petroleum products from Iran to a country to which the exception under section 1245(d)(4)(D)(i) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(D)(i)) applies at the time of the exportation of the petroleum or petroleum products.

(B) FINANCIAL TRANSACTIONS.—

(i) **IN GENERAL.**—This section shall not apply with respect to a financial transaction described in clause (ii) conducted or facilitated by a foreign financial institution if, at the time of the transaction, the exception under section 1245(d)(4)(D)(i) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(D)(i)) applies to the country with primary jurisdiction over the foreign financial institution.

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

(I) the financial transaction is only for trade in goods or services—

(aa) not otherwise subject to sanctions under the law of the United States; and

(bb) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(II) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(h) **APPLICABILITY OF SANCTIONS TO NATURAL GAS.**—

(1) **SALE, SUPPLY, OR TRANSFER.**—Except as provided in paragraph (2), this section shall not apply to the sale, supply, or transfer to or from Iran of natural gas.

(2) **FINANCIAL TRANSACTIONS.**—This section shall apply to a foreign financial institution that conducts or facilitates a financial transaction for the sale, supply, or transfer to or from Iran of natural gas unless—

(A) the financial transaction is only for trade in goods or services—

(i) not otherwise subject to sanctions under the law of the United States; and

(ii) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(B) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(i) **WAIVER.**—

(1) **IN GENERAL.**—The President may waive the imposition of sanctions under this section for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

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

(B) submits to the appropriate congressional committees a report providing a justification for the waiver.

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

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

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

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

(A) a precious metal;
(B) a material described in subsection (d) determined pursuant to subsection (e)(1) to be used by Iran as described in that subsection;

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

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

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

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

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

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

(II) to a person described in subclause (II) of that clause; or

(III) for a program described in subclause (III) of that clause.

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

(b) IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.—An Iranian financial institution described in this subsection is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(1) Iran’s proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(2) Iran’s support for international terrorism; or

(3) Iran’s abuses of human rights.

(c) FACILITATION OF CERTAIN TRANSACTIONS.—The President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines knowingly, on or after the date that is 180 days after the date of the enactment of this Act,

conducts or facilitates a significant financial transaction for the sale, supply, or transfer to or from Iran of materials the sale, supply, or transfer of which would subject a person to sanctions under subsection (a).

(d) MATERIALS DESCRIBED.—Materials described in this subsection are graphite, raw or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes.

(e) DETERMINATION WITH RESPECT TO USE OF MATERIALS.—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees and publish in the Federal Register a report that contains the determination of the President with respect to—

(1) whether Iran is—

(A) using any of the materials described in subsection (d) as a medium for barter, swap, or any other exchange or transaction; or

(B) listing any of such materials as assets of the Government of Iran for purposes of the national balance sheet of Iran;

(2) which sectors of the economy of Iran are controlled directly or indirectly by Iran's Revolutionary Guard Corps; and

(3) which of the materials described in subsection (d) are used in connection with the nuclear, military, or ballistic missile programs of Iran.

(f) EXCEPTION FOR PERSONS EXERCISING DUE DILIGENCE.—The President may not impose sanctions under subsection (a) or (c) with respect to a person if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not sell, supply, or transfer to or from Iran materials the sale, supply, or transfer of which would subject a person to sanctions under subsection (a) or conduct or facilitate a financial transaction for such a sale, supply, or transfer.

(g) WAIVER.—

(1) IN GENERAL.—The President may waive the imposition of sanctions under this section for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

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

(B) submits to the appropriate congressional committees a report providing a justification for the waiver.

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

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

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

(a) IMPOSITION OF SANCTIONS.—

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

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

(B) to or for any person—

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

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

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

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

(II) Iran’s support for international terrorism;

or

(C) to or for any Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)).

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

(b) IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.—An Iranian financial institution described in this subsection is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(1) Iran’s proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(2) Iran’s support for international terrorism; or

(3) Iran’s abuses of human rights.

(c) HUMANITARIAN EXCEPTION.—The President may not impose sanctions under subsection (a) for the provision of underwriting

services or insurance or reinsurance for a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran or for the provision of humanitarian assistance to the people of Iran.

(d) **EXCEPTION FOR UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.**—The President may not impose sanctions under subparagraph (A) or (C) or clause (i) or (ii) of subparagraph (B) of subsection (a)(1) with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a contract to provide insurance or reinsurance for an activity described in subparagraph (A) of that subsection or to or for any person described in subparagraph (C) or clause (i) or (ii) of subparagraph (B) of that subsection.

(e) **WAIVER.**—

(1) **IN GENERAL.**—The President may waive the imposition of sanctions under subsection (a) for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

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

(B) submits to the appropriate congressional committees a report providing a justification for the waiver.

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

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

(a) **IN GENERAL.**—Except as provided in this section, the President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines has, on or after the date that is 180 days after the date of the enactment of this Act, knowingly facilitated a significant financial transaction on behalf of any Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)).

(b) **IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.**—An Iranian financial institution described in this subsection is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

(1) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;

(2) Iran's support for international terrorism; or

(3) Iran's abuses of human rights.

(c) **HUMANITARIAN EXCEPTION.**—The President may not impose sanctions under subsection (a) with respect to any person for conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran or for the provision of humanitarian assistance to the people of Iran.

(d) APPLICABILITY OF SANCTIONS TO PETROLEUM AND PETROLEUM PRODUCTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), subsection (a) shall apply with respect to a financial transaction for the purchase of petroleum or petroleum products from Iran only if, at the time of the transaction, a determination of the President under section 1245(d)(4)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that the price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect.

(2) EXCEPTION FOR CERTAIN COUNTRIES.—

(A) IN GENERAL.—Subsection (a) shall not apply with respect to a financial transaction described in subparagraph (B) conducted or facilitated by a foreign financial institution if, at the time of the transaction, the exception under section 1245(d)(4)(D)(i) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(D)(i)) applies to the country with primary jurisdiction over the foreign financial institution.

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

(i) the financial transaction is only for trade in goods or services—

(I) not otherwise subject to sanctions under the law of the United States; and

(II) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(ii) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(e) APPLICABILITY OF SANCTIONS TO NATURAL GAS.—Subsection (a) shall apply to a foreign financial institution that conducts or facilitates a financial transaction for the sale, supply, or transfer to or from Iran of natural gas unless—

(1) the financial transaction is only for trade in goods or services—

(A) not otherwise subject to sanctions under the law of the United States; and

(B) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(2) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(f) WAIVER.—

(1) IN GENERAL.—The President may waive the imposition of sanctions under subsection (a) for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

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

(B) submits to the appropriate congressional committees a report providing a justification for the waiver.

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

SEC. 1248. IMPOSITIONS OF SANCTIONS WITH RESPECT TO THE ISLAMIC REPUBLIC OF IRAN BROADCASTING.

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

(1) The Islamic Republic of Iran Broadcasting has contributed to the infringement of individuals' human rights by broadcasting forced televised confession and show trials.

(2) In March 2012, the European Council imposed sanctions on the President of the Islamic Republic of Iran Broadcasting, Ezzatollah Zargami, for broadcasting forced confessions of detainees and a series of "show trials" in August 2009 and December 2011 that constituted a clear violation of international law with respect to the right to a fair trial and due process.

(b) IMPOSITION OF SANCTIONS.—

(1) IN GENERAL.—The President shall, after the date of the enactment of this Act—

(A) impose sanctions described in section 105(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514(c)) with respect to the Islamic Republic of Iran Broadcasting and the President of the Islamic Republic of Iran Broadcasting, Ezzatollah Zargami; and

(B) include the Islamic Republic of Iran Broadcasting and the President of the Islamic Republic of Iran Broadcasting, Ezzatollah Zargami, on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury.

(2) EXCEPTION.—The requirement to impose sanctions under paragraph (1)(A) shall not include the authority to impose sanctions on the importation of goods.

(3) APPLICATION OF CERTAIN PROVISIONS.—Sections 105(d) and 401(b) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514(d) and 8551(b)) shall apply with respect to sanctions imposed under paragraph (1)(A) to the same extent that such sections apply with respect to the imposition of sanctions under section 105(a) of that Act (22 U.S.C. 8514(a)).

SEC. 1249. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS ENGAGED IN THE DIVERSION OF GOODS INTENDED FOR THE PEOPLE OF IRAN.

(a) IN GENERAL.—Title I of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8511 et seq.) is amended by inserting after section 105B the following:

"SEC. 105C. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS ENGAGED IN THE DIVERSION OF GOODS INTENDED FOR THE PEOPLE OF IRAN.

"(a) IMPOSITION OF SANCTIONS.—

“(1) IN GENERAL.—The President shall impose sanctions described in section 105(c) with respect to each person on the list required by subsection (b).

“(2) EXCEPTION.—The requirement to impose sanctions under paragraph (1) shall not include the authority to impose sanctions on the importation of goods.

“(b) LIST OF PERSONS WHO ENGAGE IN DIVERSION.—

“(1) IN GENERAL.—As relevant information becomes available, the President shall submit to the appropriate congressional committees a list of persons that the President determines have, on or after the date of the enactment of the Iran Freedom and Counter-Proliferation Act of 2012, engaged in corruption or other activities relating to—

“(A) the diversion of goods, including agricultural commodities, food, medicine, and medical devices, intended for the people of Iran; or

“(B) the misappropriation of proceeds from the sale or resale of such goods.

“(2) FORM OF REPORT; PUBLIC AVAILABILITY.—

“(A) FORM.—The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

“(B) PUBLIC AVAILABILITY.—The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.

“(c) GOOD DEFINED.—In this section, the term ‘good’ has the meaning given that term in section 1242(a) of the Iran Freedom and Counter-Proliferation Act of 2012.”

(b) WAIVER.—Section 401(b)(1) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(b)(1)) is amended—

(1) by striking “or 105B(a)” and inserting “105B(a), or 105C(a)”; and

(2) by striking “or 105B(b)” and inserting “105B(b), or 105C(b)”.

(c) CLERICAL AMENDMENT.—The table of contents for the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 is amended by inserting after the item relating to section 105B the following:

“Sec. 105C. Imposition of sanctions with respect to persons engaged in the diversion of goods intended for the people of Iran.”

SEC. 1250. WAIVER REQUIREMENT RELATED TO EXCEPTIONAL CIRCUMSTANCES PREVENTING SIGNIFICANT REDUCTIONS IN CRUDE OIL PURCHASES.

Section 1245(d)(5)(B) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(5)(B)) is amended—

(1) in clause (i), by striking “; and” and inserting a semicolon;

(2) by redesignating clause (ii) as clause (iii); and

(3) by inserting after clause (i) the following new clause:

“(ii) certifying that the country with primary jurisdiction over the foreign financial institution otherwise subject to the sanctions faced exceptional circumstances that prevented the country from being able

to reduce significantly its purchases of petroleum and petroleum products from Iran; and”.

SEC. 1251. STATUTE OF LIMITATIONS FOR CIVIL ACTIONS REGARDING TERRORIST ACTS.

(a) **IN GENERAL.**—Section 2335 of title 18, United States Code, is amended—

(1) in subsection (a), by striking “4 years” and inserting “10 years”; and

(2) in subsection (b), by striking “4-year period” and inserting “10-year period”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to any civil action arising under section 2333 of title 18, United States Code, that is pending on, or commenced on or after, the date of the enactment of this Act.

(c) **SPECIAL RULE RELATING TO CERTAIN ACTS OF INTERNATIONAL TERRORISM.**—Notwithstanding section 2335 of title 18, United States Code, as amended by subsection (a), a civil action under section 2333 of such title resulting from an act of international terrorism that occurred on or after September 11, 2001, and before the date that is 4 years before the date of the enactment of this Act, may be maintained if the civil action is commenced during the 6-year period beginning on such date of enactment.

SEC. 1252. REPORT ON USE OF CERTAIN IRANIAN SEAPORTS BY FOREIGN VESSELS AND USE OF FOREIGN AIRPORTS BY SANCTIONED IRANIAN AIR CARRIERS.

(a) **IN GENERAL.**—Not later than 180 days after the date of the enactment of this Act, and annually thereafter through 2016, the President shall submit to the appropriate congressional committees a report that contains—

(1) a list of large or otherwise significant vessels that have entered seaports in Iran controlled by the Tidewater Middle East Company during the period specified in subsection (b) and the owners and operators of those vessels; and

(2) a list of all airports at which aircraft owned or controlled by an Iranian air carrier on which sanctions have been imposed by the United States have landed during the period specified in subsection (b).

(b) **PERIOD SPECIFIED.**—The period specified in this subsection is—

(1) in the case of the first report submitted under subsection (a), the 180-day period preceding the submission of the report; and

(2) in the case of any subsequent report submitted under that subsection, the year preceding the submission of the report.

(c) **FORM OF REPORT.**—Each report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex.

SEC. 1253. IMPLEMENTATION; PENALTIES.

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

(b) **PENALTIES.**—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S. C. 1705) shall apply to a person that violates,

attempts to violate, conspires to violate, or causes a violation of this subtitle or regulations prescribed under this subtitle to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(c) APPLICATION OF CERTAIN PROVISIONS OF IRAN SANCTIONS ACT OF 1996.—The following provisions of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) shall apply with respect to the imposition of sanctions under sections 1244(d), 1245(a), and 1246(a) to the same extent that such provisions apply with respect to the imposition of sanctions under section 5(a) of the Iran Sanctions Act of 1996, and, as appropriate, instead of sections 1244(i), 1245(g), and 1246(e) of this Act:

- (1) Paragraphs (1)(A), (2)(A), and (2)(B)(i) of section 4(c).
- (2) Subsections (c), (d), and (f) of section 5.
- (3) Section 8.
- (4) Section 11.
- (5) Section 12.
- (6) Section 13(b).

SEC. 1254. APPLICABILITY TO CERTAIN NATURAL GAS PROJECTS.

Nothing in this subtitle or the amendments made by this subtitle shall apply with respect to any activity relating to a project described in subsection (a) of section 603 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8783) to which the exception under that section applies at the time of the activity.

SEC. 1255. RULE OF CONSTRUCTION.

Nothing in this subtitle or the amendments made by this subtitle shall be construed to limit sanctions imposed with respect to Iran under any other provision of law or to limit the authority of the President to impose additional sanctions with respect to Iran.

Subtitle E—Satellites and Related Items

SEC. 1261. REMOVAL OF SATELLITES AND RELATED ITEMS FROM THE UNITED STATES MUNITIONS LIST.

(a) REPEAL.—

(1) IN GENERAL.—Section 1513 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2174; 22 U.S.C. 2778 note) is amended by striking subsection (a).

(2) CONFORMING AMENDMENT.—Subsection (c) of such section is amended by striking “(1) Subsection (a)” and all that follows through “(2) The amendments” and inserting “The amendments”.

(b) ADDITIONAL DETERMINATION AND REPORT.—Accompanying but separate from the submission to Congress of the first notification after the date of the enactment of this Act under section 38(f) of the Arms Export Control Act (22 U.S.C. 2778(f)) relating to the removal of satellites and related items from the United States Munitions List, the President shall also submit to Congress—

(1) a determination by the President that the removal of such satellites and items from the United States Munitions List is in the national security interests of the United States; and