



H.R. 1400 – Iran Counter-Proliferation Act of 2007

FLOOR SITUATION

H.R. 1400 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Tom Lantos (D-CA) on June 11, 2007. The bill was referred to the Committee on Foreign Affairs, the Committee on Ways and Means, the Committee on Financial Services, the Committee on Oversight and Government Reform, and the Committee on the Judiciary. The Committee on Foreign Affairs approved the bill, as amended, by a vote of 37 to 1 on June 26, 2007.

H.R. 1400 is expected to be considered on September 25, 2007.

Note: The bill has 325 cosponsors, including the Ranking Republican on the Foreign Affairs Committee, Rep. Ileana Ros-Lehtinen.

SUMMARY

Removal of Waiver Authority: The bill removes the President's ability to waive sanctions under the Iran Sanctions ACT (ISA).

Additional Import Sanctions: The bill prohibits the import of carpets and certain food stuffs from Iran, which the Clinton Administration allowed in an effort to encourage diplomacy.

Additional Export Sanctions: H.R. 1400 prohibits the export or reexport of civil aviation goods, services, or technology to Iran.

Subsidiaries: H.R. 1400 expands the current ISA sanctions to include parent companies of foreign subsidiaries that engage in prohibited activities with Iran.

Sanctions on Principle Executive Officers: The bill permits the President to sanction the Chief Executive Officer of entities that fail to comply with the sanctions.

Exchange Programs with the People of Iran: The bill authorizes \$10 million in FY2008 for educational and cultural exchange programs with the people of Iran.

World Bank: H.R. 1400 decreases the U.S. contribution to the World Bank by an amount equal to the Bank's contribution to projects and activities in Iran.

Increased Capacity for Efforts to Combat Unlawful or Terrorist Financing: The bill authorizes \$59.5 million for the Office of Terrorism and Financial Intelligence in FY2008 and \$85.8 million for the Financial Crimes Enforcement Network in FY2008. For FY2009 and FY2010, the bill would authorize such sums as are necessary for each program, both of which are run by the Department of Treasury.

Note: The authorization levels are equal to the President's budget request.

Restrictions on Nuclear Cooperation with Countries Assisting the Nuclear Program of Iran: The bill prohibits the U.S. from entering into a nuclear cooperation agreement with any nation that is assisting Iran's nuclear program or its advanced conventional weapons program.

Clarification and Expansion of Definitions: The bill adds financial institutions, insurers, underwriters, and guarantors to the list of business organizations prohibited from engaging with Iran.

Note: This provision was included in H.R. 976, which passed the House on July 30, 2007.

Eliminating Tax Incentives for Oil Companies Investing in Iran: The bill prohibits any U.S. subsidiaries of companies that are subject to sanctions from receiving tax incentives for petroleum exploration in United States.

BACKGROUND

Despite current U.S. sanctions and repeated UN resolutions, Iran continues its efforts to acquire nuclear weapons and other weapons of mass destruction. It is also a state sponsor of terror. Iranian President Mahmoud Ahmadinejad has threatened to "wipe Israel off the map." Mr. Ahmadinejad is in the United States this week for meetings at the United Nations.

Sanctions were first imposed against Iran in 1979 following the seizure of U.S. hostages in Tehran. Last year, Congress passed and the President signed the Iran Freedom Support Act (P.L. 109-293), which enhanced several aspects of U.S. sanctions against Iran. On July 31, 2007, the House passed H.R. 957, which expanded and clarified the entities against which sanctions may be imposed, by a vote of 415 to 11. These provisions are incorporated into H.R. 1400.

COST

The Congressional Budget Office (CBO) estimates "that implementing H.R. 1400 would cost \$116 million in 2008 and \$490 million over the 2008-2012 period."

[CBO Estimate - H.R. 1400, Iran Counter-Proliferation Act of 2007](#)

STAFF CONTACT

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