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S. 1472

To impose sanctions on persons making certain investments that directly and significantly contribute to the enhancement of the ability of Syria to develop its petroleum resources, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 2, 2011

Mrs. GILLIBRAND (for herself, Mr. KIRK, and Mr. LIEBERMAN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To impose sanctions on persons making certain investments that directly and significantly contribute to the enhancement of the ability of Syria to develop its petroleum resources, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Syria Sanctions Act
5 of 2011”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) On December 12, 2003, the President
2 signed the Syria Accountability and Lebanese Sov-
3 ereignty Restoration Act of 2003 (Public Law 108–
4 175; 22 U.S.C. 2151 note) in order to hold the Gov-
5 ernment of Syria accountable for its actions.

6 (2) Current law in the United States prohibits
7 the Government of Syria from receiving assistance
8 from the United States because it has repeatedly
9 provided support for acts of international terrorism,
10 as determined by the Secretary of State for purposes
11 of section 6(j)(1) of the Export Administration Act
12 of 1979 (50 U.S.C. App. 2405(j)(1)) (as in effect
13 pursuant to the International Emergency Economic
14 Powers Act (50 U.S.C. 1701 et seq.)) and other re-
15 lated statutes.

16 (3) On April 29, 2011, the President issued ad-
17 ditional sanctions with respect to Syria, stating that,
18 “the Government of Syria’s human rights abuses, in-
19 cluding those related to the repression of the people
20 of Syria, manifested most recently by the use of vio-
21 lence and torture against, and arbitrary arrests and
22 detentions of, peaceful protestors by police, security
23 forces, and other entities that have engaged in
24 human rights abuses, constitute an unusual and ex-

1 traordinary threat to the national security, foreign
2 policy, and economy of the United States”.

3 (4) On July 31, 2011, President Obama made
4 the following statement: “I am appalled by the Syr-
5 ian government’s use of violence and brutality
6 against its own people. The reports out of Hama are
7 horrifying and demonstrate the true character of the
8 Syrian regime. Once again, President Assad has
9 shown that he is completely incapable and unwilling
10 to respond to the legitimate grievances of the Syrian
11 people. His use of torture, corruption and terror
12 puts him on the wrong side of history and his peo-
13 ple. Through his own actions, Bashar al-Assad is en-
14 suring that he and his regime will be left in the past,
15 and that the courageous Syrian people who have
16 demonstrated in the streets will determine its future.
17 Syria will be a better place when a democratic tran-
18 sition goes forward. In the days ahead, the United
19 States will continue to increase our pressure on the
20 Syrian regime, and work with others around the
21 world to isolate the Assad government and stand
22 with the Syrian people.”.

23 (5) The Government of Syria, led by President
24 Bashar al-Assad, responded to protests by launching
25 a violent crackdown, committing human rights

1 abuses, and violating its international obligations,
2 including the International Covenant on Civil and
3 Political Rights and the United Nations Convention
4 against Torture and Other Cruel, Inhuman or De-
5 grading Treatment or Punishment, done at New
6 York December 10, 1984.

7 (6) On April 15, 2011, Christof Heyns, the
8 United Nations Special Rapporteur on extrajudicial,
9 summary, or arbitrary executions, stated that live
10 ammunition has been used by the Government of
11 Syria against demonstrators “in clear violation of
12 international law”.

13 (7) Independent international organizations, in-
14 cluding Amnesty International and Human Rights
15 Watch, have documented evidence that peaceful
16 protestors detained by security forces of the Govern-
17 ment of Syria are being subjected to torture, includ-
18 ing with electroshock devices, cables, sticks, and
19 whips, and are being held in overcrowded cells, de-
20 prived of sleep, food, and water for days at a time.

21 (8) Human Rights Watch reported on June 1,
22 2011, that “[s]ystematic killings and torture by Syr-
23 ian security forces in the city of Daraa since pro-
24 tests began there on March 18, 2011, strongly sug-
25 gest that these qualify as crimes against humanity”.

1 (9) The Associated Press reported on July 19,
2 2011, that forces of the Government of Syria shot
3 at a funeral in Homs, killing as many as 10 people.

4 (10) Reports suggest that between 1,400 and
5 1,600 civilians have been killed, and Syrian human
6 rights groups report that more than 10,000 Syrian
7 protestors have been arrested.

8 (11) As of June 18, 2011, a human rights asso-
9 ciation estimated that there were approximately
10 8,500 Syrian refugees in Lebanon.

11 (12) As of July 30, 2011, the United Nations
12 High Commissioner for Refugees stated that there
13 were approximately 7,000 Syrian refugees in Tur-
14 key.

15 (13) Supporters of President Bashar al-Assad
16 attacked the embassies of the United States and
17 France on July 11, 2011, following demonstrations
18 sanctioned by the Government of Syria outside the
19 embassy of the United States from July 8 to 9,
20 2011.

21 (14) On May 6, 2011, envoys of the 27 nations
22 of the European Union agreed to impose sanctions
23 on the Government of Syria for the human rights
24 abuses it is perpetrating, including asset freezes and

1 visa bans on 13 members of the Government of
2 Syria and an arms embargo on the country.

3 (15) On June 29, 2011, the Department of the
4 Treasury sanctioned the chief and deputy chief of
5 Iran’s national police and the head of the Syrian Air
6 Force Intelligence for providing support to the Gov-
7 ernment of Syria in engaging in human rights
8 abuses.

9 (16) On April 29, 2011, the United Nations
10 Human Rights Council passed Resolution S–16/1,
11 which condemns the Government of Syria for its
12 human rights abuses and establishes a mandate for
13 an international inquiry led by the United Nations
14 Office of the High Commissioner for Human Rights
15 to investigate all alleged violations of international
16 human rights law in Syria “with a view to avoiding
17 impunity and ensuring full accountability”.

18 (17) The transfer of weapons by the Govern-
19 ment of Syria to Hezbollah in Lebanon is in viola-
20 tion of United Nations Security Council Resolution
21 1701 (2006), which established an arms embargo re-
22 quiring all countries to prevent the supply of arms
23 and weapons to militias and terrorists in Lebanon.

24 (18) The Government of Syria has violated the
25 territorial integrity and sovereignty of Lebanon in

1 contravention of United Nations Security Council
2 resolutions, including Resolution 425 (1978), Reso-
3 lution 520 (1982), and Resolution 1701 (2006).

4 (19) Syria, as a party to the Treaty on the
5 Non-Proliferation of Nuclear Weapons done at
6 Washington, London, and Moscow July 1, 1968, and
7 entered into force March 5, 1970 (commonly known
8 as the “Nuclear Non-Proliferation Treaty”), is le-
9 gally bound to declare all its nuclear activity to the
10 International Atomic Energy Agency and to place
11 such activity under the monitoring of that agency.

12 (20) The Unclassified Report to Congress on
13 the Acquisition of Technology Relating to Weapons
14 of Mass Destruction and Advanced Conventional
15 Munitions for the year 2010, submitted by the Dep-
16 uty Director of National Intelligence for Analysis,
17 declared that “[w]e assess the reactor [at Dair
18 Alzour] would have been capable of producing pluto-
19 nium for nuclear weapons. The covert nature of the
20 program, the characteristics of the reactor, and Syr-
21 ia’s extreme efforts to deny and destroy evidence of
22 the reactor after its destruction are inconsistent with
23 peaceful nuclear applications”.

24 (21) On June 9, 2011, the International Atomic
25 Energy Agency referred Syria to the United Nations

1 Security Council with a resolution that expressed
2 “serious concern” about “Syria’s lack of coopera-
3 tion”, highlighted the history of the Government of
4 Syria of concealing nuclear activities, and noted that
5 “the resulting absence of confidence that Syria’s nu-
6 clear program is exclusively for peaceful purposes
7 have given rise to concerns regarding the mainte-
8 nance of international peace and security”.

9 (22) The 2009 Country Reports on Terrorism
10 of the Department of State declared that “Syria
11 continue[s] to provide safe-haven as well as political
12 and other support to a number of designated Pales-
13 tinian terrorist groups, including HAMAS, Pales-
14 tinian Islamic Jihad (PIJ), and the Popular Front
15 for the Liberation of Palestine-General Command
16 (PFLP–GC)”.

17 (23) That report noted that the “operational
18 leadership” of those terrorist groups and others is
19 “headquartered or sheltered in Damascus” and that
20 the Government of Syria “allows terrorist groups
21 resident in its territory to receive and ship goods, in-
22 cluding weapons, in and out of the country. Addi-
23 tionally, the Syrian government provided diplomatic,
24 political and material support to Hizballah in Leb-
25 anon and allowed Iran to supply this organization

1 with weapons. Weapons flow from Iran through
2 Syria, and directly from Syria, to Hizballah despite
3 UN Security Council resolution 1701 of 2006, which
4 imposes an arms embargo on Lebanon except with
5 the consent of the Lebanese government . . . Syria
6 has maintained its ties with its strategic ally, and
7 fellow state sponsor of terrorism, Iran.”.

8 (24) That report also stated that the existence
9 of foreign fighter facilitation networks in Syria for
10 entry into Iraq, “remains troubling” and noted that
11 “Syria has long provided sanctuary and political
12 support for certain former Iraqi regime elements”.

13 (25) On May 15, 2011, according to the De-
14 partment of State, attempts to cross the Israel bor-
15 der near the Golan Heights were “an effort by the
16 Syrian Government to play a destabilizing role. [I]t’s
17 clearly an effort by them to take focus off the situa-
18 tion that’s happening right now in Syria, and it’s a
19 cynical use of the Palestinian cause to encourage vi-
20 olence along its border as it continues to repress its
21 own people within Syria.”.

22 (26) According to the International Monetary
23 Fund, approximately 25 percent of the revenue of
24 the Government of Syria comes from the oil sector.

1 (27) The Government of Syria remains highly
2 dependent on energy revenues, even as Syria’s petro-
3 leum production has largely declined in recent years
4 due to diminishing reserves and limited refining ca-
5 pacity.

6 **SEC. 3. DEFINITIONS.**

7 In this Act:

8 (1) **APPROPRIATE CONGRESSIONAL COMMIT-**
9 **TEES.**—The term “appropriate congressional com-
10 mittees” means—

11 (A) the Committee on Financial Services
12 and the Committee on Foreign Affairs of the
13 House of Representatives; and

14 (B) the Committee on Banking, Housing,
15 and Urban Affairs and the Committee on For-
16 eign Relations of the Senate.

17 (2) **COMPONENT PART.**—The term “component
18 part” has the meaning given that term in section
19 11A(e)(1) of the Export Administration Act of 1979
20 (50 U.S.C. App. 2410a(e)(1)) (as in effect pursuant
21 to the International Emergency Economic Powers
22 Act (50 U.S.C. 1701 et seq.)).

23 (3) **DEVELOP AND DEVELOPMENT.**—The terms
24 “develop” and “development”, with respect to petro-
25 leum resources, have the meanings given those terms

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

3 (4) FINANCIAL INSTITUTION.—The term “fi-
4 nancial institution” has the meaning given that term
5 in section 14 of the Iran Sanctions of 1996 (Public
6 Law 104–172; 50 U.S.C. 1701 note).

7 (5) FINISHED PRODUCT.—The term “finished
8 product” has the meaning given that term in section
9 11A(e)(2) of the Export Administration Act of 1979
10 (50 U.S.C. App. 2410a(e)(2)) (as in effect pursuant
11 to the International Emergency Economic Powers
12 Act (50 U.S.C. 1701 et seq.)).

13 (6) FOREIGN PERSON.—The term “foreign per-
14 son” means an individual or entity that is not a
15 United States person.

16 (7) GOOD AND TECHNOLOGY.—The terms
17 “good” and “technology” have the meanings given
18 those terms in section 16 of the Export Administra-
19 tion Act of 1979 (50 U.S.C. App. 2415) (as in effect
20 pursuant to the International Emergency Economic
21 Powers Act (50 U.S.C. 1701 et seq.)).

22 (8) INVESTMENT.—

23 (A) IN GENERAL.—The term “investment”
24 means any of the following activities:

1 (i) The entry into an agreement de-
2 scribed in subparagraph (B) that includes
3 responsibility for the development of the
4 petroleum resources of Syria.

5 (ii) The entry into an agreement pro-
6 viding for the general supervision and
7 guarantee of the performance of an agree-
8 ment described in clause (i) by another
9 person.

10 (iii) The purchase, pursuant to an
11 agreement described in subparagraph (B),
12 of a share of ownership, including an eq-
13 uity interest, in the development of petro-
14 leum resources described in clause (i).

15 (iv) The entry into an agreement de-
16 scribed in subparagraph (B) providing for
17 the participation in royalties, earnings, or
18 profits in the development of petroleum re-
19 sources described in clause (i), without re-
20 gard to the form of the participation.

21 (v) The entry into, performance, or fi-
22 nancing of an agreement described in sub-
23 paragraph (B) to sell or purchase goods,
24 services, or technology related to the devel-

1 opment of petroleum resources described in
2 clause (i).

3 (B) AGREEMENT DESCRIBED.—An agree-
4 ment described in this subparagraph is an
5 agreement with the Government of Syria or a
6 person located in Syria that is entered into or
7 modified on or after the date of the enactment
8 of this Act.

9 (9) KNOWINGLY.—The term “knowingly” has
10 the meaning given that term in section 14 of the
11 Iran Sanctions Act of 1996 (Public Law 104–172;
12 50 U.S.C. 1701 note).

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

17 (11) PETROLEUM RESOURCES.—The term “pe-
18 troleum resources” has the meaning given that term
19 in section 14 of the Iran Sanctions Act of 1996
20 (Public Law 104–172; 50 U.S.C. 1701 note).

21 (12) REFINED PETROLEUM PRODUCTS.—The
22 term “refined petroleum products” means gasoline,
23 jet fuel (including naphtha-type and kerosene-type
24 jet fuel), and aviation gasoline.

1 (13) SYRIA.—The term “Syria” includes any
2 agency or instrumentality of Syria and any entity
3 owned or controlled by the Government of Syria.

4 (14) UNITED STATES FINANCIAL INSTITU-
5 TION.—The term “United States financial institu-
6 tion” means a financial institution that is a United
7 States person.

8 (15) UNITED STATES PERSON.—The term
9 “United States person” means—

10 (A) a United States citizen or an alien law-
11 fully admitted for permanent residence to the
12 United States; and

13 (B) an entity organized under the laws of
14 the United States or of any jurisdiction within
15 the United States, including a foreign branch of
16 such an entity.

17 **SEC. 4. IMPOSITION OF SANCTIONS.**

18 (a) SANCTIONS WITH RESPECT TO THE PETROLEUM
19 RESOURCES AND SOVEREIGN DEBT OF SYRIA.—

20 (1) DEVELOPMENT OF PETROLEUM RESOURCES
21 OF SYRIA.—

22 (A) IN GENERAL.—Except as provided in
23 subsection (c), the President shall impose 3 or
24 more of the sanctions described in section 5(a)
25 with respect to a person if the President deter-

1 mines that the person knowingly, on or after
2 the date of the enactment of this Act—

3 (i) makes an investment described in
4 subparagraph (B) of \$20,000,000 or more;

5 (ii) makes a combination of invest-
6 ments described in subparagraph (B) in a
7 12-month period if each such investment is
8 of at least \$5,000,000 and such invest-
9 ments equal or exceed \$20,000,000 in the
10 aggregate; or

11 (iii) sells, leases, or provides to Syria
12 goods, services, technology, information, or
13 support described in subparagraph (C)—

14 (I) any of which has a fair mar-
15 ket value of \$1,000,000 or more; or

16 (II) that, during a 12-month pe-
17 riod, have an aggregate fair market
18 value of \$5,000,000 or more.

19 (B) INVESTMENT DESCRIBED.—An invest-
20 ment described in this subparagraph is an in-
21 vestment that directly and significantly contrib-
22 utes to the enhancement of Syria’s ability to de-
23 velop petroleum resources.

24 (C) GOODS, SERVICES, TECHNOLOGY, IN-
25 FORMATION, OR SUPPORT DESCRIBED.—Goods,

1 services, technology, information, or support de-
2 scribed in this subparagraph are goods, serv-
3 ices, technology, information, or support that
4 could directly and significantly contribute to the
5 enhancement of Syria's ability to develop petro-
6 leum resources.

7 (2) PRODUCTION OF REFINED PETROLEUM
8 PRODUCTS.—

9 (A) IN GENERAL.—Except as provided in
10 subsection (c), the President shall impose 3 or
11 more of the sanctions described in section 5(a)
12 with respect to a person if the President deter-
13 mines that the person knowingly, on or after
14 the date of the enactment of this Act, sells,
15 leases, or provides to Syria goods, services,
16 technology, information, or support described in
17 subparagraph (B)—

18 (i) any of which has a fair market
19 value of \$1,000,000 or more; or

20 (ii) that, during a 12-month period,
21 have an aggregate fair market value of
22 \$5,000,000 or more.

23 (B) GOODS, SERVICES, TECHNOLOGY, IN-
24 FORMATION, OR SUPPORT DESCRIBED.—Goods,
25 services, technology, information, or support de-

1 scribed in this subparagraph are goods, serv-
2 ices, technology, information, or support that
3 could directly and significantly facilitate the
4 maintenance or expansion of Syria’s domestic
5 production of refined petroleum products, in-
6 cluding any direct and significant assistance
7 with respect to the construction, modernization,
8 or repair of—

9 (i) petroleum refineries or associated
10 infrastructure; or

11 (ii) port facilities, railroads, or roads,
12 if the primary use of those facilities, rail-
13 roads, or roads is to support the transpor-
14 tation of refined petroleum products.

15 (3) EXPORTATION OF REFINED PETROLEUM
16 PRODUCTS TO SYRIA.—

17 (A) IN GENERAL.—Except as provided in
18 subsection (c), the President may impose 3 or
19 more of the sanctions described in section 5(a)
20 with respect to a person if the President deter-
21 mines that the person knowingly, on or after
22 the date of the enactment of this Act—

23 (i) sells or provides to Syria refined
24 petroleum products—

1 (I) that have a fair market value
2 of \$1,000,000 or more; or

3 (II) that, during a 12-month pe-
4 riod, have an aggregate fair market
5 value of \$5,000,000 or more; or

6 (ii) sells, leases, or provides to Syria
7 goods, services, technology, information, or
8 support described in subparagraph (B)—

9 (I) any of which has a fair mar-
10 ket value of \$1,000,000 or more; or

11 (II) that, during a 12-month pe-
12 riod, have an aggregate fair market
13 value of \$5,000,000 or more.

14 (B) GOODS, SERVICES, TECHNOLOGY, IN-
15 FORMATION, OR SUPPORT DESCRIBED.—Goods,
16 services, technology, information, or support de-
17 scribed in this subparagraph are goods, serv-
18 ices, technology, information, or support that
19 could directly and significantly contribute to the
20 enhancement of Syria’s ability to import refined
21 petroleum products, including—

22 (i) except as provided in subparagraph
23 (C), underwriting or entering into a con-
24 tract to provide insurance or reinsurance
25 for the sale, lease, or provision of such

1 goods, services, technology, information, or
2 support;

3 (ii) financing or brokering such sale,
4 lease, or provision; or

5 (iii) providing ships or shipping serv-
6 ices to deliver refined petroleum products
7 to Syria.

8 (C) EXCEPTION FOR UNDERWRITERS AND
9 INSURANCE PROVIDERS EXERCISING DUE DILI-
10 GENCE.—The President may not impose sanc-
11 tions under this paragraph with respect to a
12 person that provides underwriting services or
13 insurance or reinsurance if the President deter-
14 mines that the person has exercised due dili-
15 gence in establishing and enforcing official poli-
16 cies, procedures, and controls to ensure that the
17 person does not underwrite or enter into a con-
18 tract to provide insurance or reinsurance for
19 the sale, lease, or provision of goods, services,
20 technology, information, or support described in
21 subparagraph (B).

22 (4) EXPORTATION OF PETROLEUM RESOURCES
23 DEVELOPED BY SYRIA.—

24 (A) IN GENERAL.—Except as provided in
25 subsection (c), the President shall impose 3 or

1 more of the sanctions described in section 5(a)
2 with respect to a person if the President deter-
3 mines that the person knowingly, on or after
4 the date of the enactment of this Act, pur-
5 chases, including by entering into a long-term
6 contract for the purchase of, petroleum re-
7 sources developed by Syria or provides services
8 described in subparagraph (B) with respect to
9 the exportation of petroleum resources to be re-
10 fined or otherwise processed outside of Syria
11 if—

12 (i) the Government of Syria was in-
13 volved in the development or sale of the pe-
14 troleum resources in Syria; and

15 (ii)(I) the fair market value of the pe-
16 troleum resources is \$1,000,000 or more;
17 or

18 (II) during a 12-month period, the ag-
19 gregate fair market value of the petroleum
20 resources is \$5,000,000 or more.

21 (B) SERVICES DESCRIBED.—The services
22 described in this subparagraph are—

23 (i) refining or otherwise processing
24 petroleum resources;

1 (ii) the provision of ships or shipping
2 services; or

3 (iii) except as provided in subpara-
4 graph (C), financing, brokering, under-
5 writing, or entering into a contract to pro-
6 vide insurance or reinsurance.

7 (C) EXCEPTION FOR UNDERWRITERS AND
8 INSURANCE PROVIDERS EXERCISING DUE DILI-
9 GENCE.—The President may not impose sanc-
10 tions under this paragraph with respect to a
11 person that provides underwriting services or
12 insurance or reinsurance if the President deter-
13 mines that the person has exercised due dili-
14 gence in establishing and enforcing official poli-
15 cies, procedures, and controls to ensure that the
16 person does not underwrite or enter into a con-
17 tract to provide insurance or reinsurance with
18 respect to the exportation of petroleum re-
19 sources in violation of subparagraph (A).

20 (5) PURCHASE OF SOVEREIGN DEBT.—Except
21 as provided in subsection (c), the President shall im-
22 pose 3 or more of the sanctions described in section
23 5(a) with respect to a person if the President deter-
24 mines that the person knowingly, on or after the
25 date of the enactment of this Act, purchases, sub-

1 scribes to, or facilitates the issuance of sovereign
2 debt of the Government of Syria for the purpose of
3 directly and significantly—

4 (A) contributing to the enhancement of
5 Syria’s ability to develop petroleum resources;

6 (B) facilitating the maintenance or expan-
7 sion of Syria’s domestic production of refined
8 petroleum products;

9 (C) contributing to the enhancement of
10 Syria’s ability to import refined petroleum prod-
11 ucts; or

12 (D) contributing to the enhancement of
13 Syria’s ability to export petroleum resources.

14 (b) PERSONS AGAINST WHICH THE SANCTIONS ARE
15 TO BE IMPOSED.—

16 (1) IN GENERAL.—The sanctions described in
17 subsection (a) shall be imposed on—

18 (A) any person the President determines
19 has carried out the activities described in sub-
20 section (a); and

21 (B) any person that—

22 (i) is a successor entity to the person
23 referred to in paragraph (1);

24 (ii) owns or controls the person re-
25ferred to in paragraph (1), if the person

1 that owns or controls the person referred
2 to in paragraph (1) had actual knowledge
3 or should have known that the person re-
4 ferred to in paragraph (1) engaged in the
5 activities referred to in that paragraph; or
6 (iii) is owned or controlled by, or
7 under common ownership or control with,
8 the person referred to in paragraph (1), if
9 the person owned or controlled by, or
10 under common ownership or control with
11 (as the case may be), the person referred
12 to in paragraph (1) knowingly engaged in
13 the activities referred to in that paragraph.

14 (2) SANCTIONED PERSON DEFINED.—In this
15 Act, the term “sanctioned person” means any person
16 described in paragraph (1).

17 (c) EXCEPTIONS.—The President shall not be re-
18 quired to apply or maintain the sanctions under subsection

19 (a)—

20 (1) in the case of procurement of defense arti-
21 cles or defense services—

22 (A) under existing contracts or sub-
23 contracts, including the exercise of options for
24 production quantities to satisfy requirements

1 essential to the national security interests of the
2 United States;

3 (B) if the President determines in writing
4 that the person to which the sanctions would
5 otherwise be applied is a sole source supplier of
6 the defense articles or services, that the defense
7 articles or services are essential, and that alter-
8 native sources are not readily or reasonably
9 available; or

10 (C) if the President determines in writing
11 that such articles or services are essential to the
12 national security interests of the United States
13 under defense coproduction agreements;

14 (2) in the case of procurement, to eligible prod-
15 ucts, as defined in section 308(4) of the Trade
16 Agreements Act of 1979 (19 U.S.C. 2518(4)), of
17 any foreign country or instrumentality designated
18 under section 301(b) of that Act (19 U.S.C.
19 2511(b));

20 (3) to products, technology, or services provided
21 under contracts entered into before the date on
22 which the President publishes in the Federal Reg-
23 ister the name of the person on which the sanctions
24 are to be imposed;

25 (4) to—

1 (A) spare parts that are essential to
2 United States products or production;

3 (B) component parts, but not finished
4 products, essential to United States products or
5 production; or

6 (C) routine servicing and maintenance of
7 products, to the extent that alternative sources
8 are not readily or reasonably available;

9 (5) to information and technology essential to
10 United States products or production; or

11 (6) to medicines, medical supplies, or other hu-
12 manitarian items.

13 **SEC. 5. DESCRIPTION OF SANCTIONS.**

14 (a) IN GENERAL.—The sanctions to be imposed on
15 a sanctioned person under section 4 are as follows:

16 (1) EXPORT-IMPORT BANK ASSISTANCE FOR
17 EXPORTS TO SANCTIONED PERSONS.—The President
18 may direct the Export-Import Bank of the United
19 States not to approve any financing (including any
20 guarantee, insurance, extension of credit, or partici-
21 pation in the extension of credit) in connection with
22 the export of any goods or services to any sanctioned
23 person.

24 (2) EXPORT SANCTION.—The President may
25 order the United States Government not to issue

1 any specific license and not to grant any other spe-
2 cific permission or authority to export any goods or
3 technology to a sanctioned person under—

4 (A) the Export Administration Act of 1979
5 (50 U.S.C. App. 2401 et seq.) (as in effect pur-
6 suant to the International Emergency Economic
7 Powers Act (50 U.S.C. 1701 et seq.);

8 (B) the Arms Export Control Act (22
9 U.S.C. 2751 et seq.);

10 (C) the Atomic Energy Act of 1954 (42
11 U.S.C. 2011 et seq.); or

12 (D) any other law that requires the prior
13 review and approval of the United States Gov-
14 ernment as a condition for the export or reex-
15 port of goods or services.

16 (3) LOANS FROM UNITED STATES FINANCIAL
17 INSTITUTIONS.—The United States Government
18 may prohibit any United States financial institution
19 from making loans or providing credits to any sanc-
20 tioned person totaling more than \$10,000,000 in
21 any 12-month period unless that person is engaged
22 in activities to relieve human suffering and the loans
23 or credits are provided for such activities.

24 (4) PROHIBITIONS ON FINANCIAL INSTITU-
25 TIONS.—

1 (A) IN GENERAL.—The following prohibi-
2 tions may be imposed against a sanctioned per-
3 son that is a financial institution:

4 (i) PROHIBITION ON DESIGNATION AS
5 PRIMARY DEALER.—Neither the Board of
6 Governors of the Federal Reserve System
7 nor the Federal Reserve Bank of New
8 York may designate, or permit the continu-
9 ation of any prior designation of, such fi-
10 nancial institution as a primary dealer in
11 United States Government debt instru-
12 ments.

13 (ii) PROHIBITION ON SERVICE AS A
14 REPOSITORY OF GOVERNMENT FUNDS.—
15 Such financial institution may not serve as
16 agent of the United States Government or
17 serve as repository for United States Gov-
18 ernment funds.

19 (B) CLARIFICATION.—The imposition of
20 either sanction under clause (i) or (ii) of sub-
21 paragraph (A) shall be treated as 1 sanction for
22 purposes of section 4, and the imposition of
23 both such sanctions shall be treated as 2 sanc-
24 tions for purposes of section 4.

1 (5) PROCUREMENT SANCTION.—The United
2 States Government may not procure, or enter into
3 any contract for the procurement of, any goods or
4 services from a sanctioned person.

5 (6) FOREIGN EXCHANGE.—The President may,
6 pursuant to such regulations as the President may
7 prescribe, prohibit any transactions in foreign ex-
8 change that are subject to the jurisdiction of the
9 United States and in which a sanctioned person has
10 any interest.

11 (7) BANKING TRANSACTIONS.—The President
12 may, pursuant to such regulations as the President
13 may prescribe, prohibit any transfers of credit or
14 payments between financial institutions or by,
15 through, or to any financial institution, to the extent
16 that such transfers or payments are subject to the
17 jurisdiction of the United States and involve any in-
18 terest of the sanctioned person.

19 (8) PROPERTY TRANSACTIONS.—The President
20 may, pursuant to such regulations as the President
21 may prescribe, prohibit any person from—

22 (A) acquiring, holding, withholding, using,
23 transferring, withdrawing, transporting, import-
24 ing, or exporting any property that is subject to
25 the jurisdiction of the United States and with

1 respect to which the sanctioned person has any
2 interest;

3 (B) dealing in or exercising any right,
4 power, or privilege with respect to such prop-
5 erty; or

6 (C) conducting any transaction involving
7 such property.

8 (9) ADDITIONAL SANCTIONS.—The President
9 may impose sanctions, as appropriate, to restrict im-
10 ports with respect to a sanctioned person, in accord-
11 ance with the International Emergency Economic
12 Powers Act (50 U.S.C. 1701 et seq.).

13 (b) ADDITIONAL MEASURE RELATING TO GOVERN-
14 MENT CONTRACTS.—

15 (1) MODIFICATION OF FEDERAL ACQUISITION
16 REGULATION.—Not later than 90 days after the
17 date of the enactment of this Act, the Federal Ac-
18 quisition Regulation issued pursuant to section
19 1303(a)(1) of title 41, United States Code, shall be
20 revised to require a certification from each person
21 that is a prospective contractor that the person, and
22 any person owned or controlled by the person, does
23 not engage in any activity for which sanctions may
24 be imposed under section 4.

25 (2) REMEDIES.—

1 (A) TERMINATION, DEBARMENT, OR SUS-
2 PENSION.—

3 (i) IN GENERAL.—If the head of an
4 executive agency determines that a person
5 has submitted a false certification under
6 paragraph (1) on or after the date on
7 which the revision of the Federal Acquisi-
8 tion Regulation required by this subsection
9 becomes effective, the head of that execu-
10 tive agency shall—

11 (I) terminate a contract with
12 such person; or

13 (II) debar or suspend such per-
14 son from eligibility for Federal con-
15 tracts for a period of not more than
16 3 years.

17 (ii) PROCEDURE.—Any debarment or
18 suspension shall be subject to the proce-
19 dures that apply to debarment and suspen-
20 sion under the Federal Acquisition Regula-
21 tion issued pursuant to section 1303(a)(1)
22 of title 41, United States Code.

23 (B) INCLUSION ON LIST OF PARTIES EX-
24 CLUDED FROM FEDERAL PROCUREMENT AND
25 NONPROCUREMENT PROGRAMS.—The Adminis-

1 trator of General Services shall include on the
2 List of Parties Excluded from Federal Procure-
3 ment and Nonprocurement Programs main-
4 tained by the Administrator under part 9 of the
5 Federal Acquisition Regulation issued pursuant
6 to section 1303(a)(1) of title 41, United States
7 Code, each person that is debarred, suspended,
8 or proposed for debarment or suspension by the
9 head of an executive agency on the basis of a
10 determination of a false certification under sub-
11 paragraph (A).

12 (3) CLARIFICATION REGARDING CERTAIN PROD-
13 UCTS.—The remedies set forth in paragraph (2)
14 shall not apply with respect to the procurement of
15 eligible products, as defined in section 308(4) of the
16 Trade Agreements Act of 1979 (19 U.S.C. 2518(4)),
17 of any foreign country or instrumentality designated
18 under section 301(b) of that Act (19 U.S.C.
19 2511(b)).

20 (4) RULE OF CONSTRUCTION.—This subsection
21 shall not be construed to limit the use of other rem-
22 edies available to the head of an executive agency or
23 any other official of the Federal Government on the
24 basis of a determination of a false certification
25 under paragraph (1).

1 (5) WAIVERS.—The President may on a case-
2 by-case basis waive the requirement that a person
3 make a certification under paragraph (1) if the
4 President determines and certifies in writing to the
5 appropriate congressional committees, the Com-
6 mittee on Armed Services of the Senate, and the
7 Committee on Armed Services of the House of Rep-
8 resentatives, that it is in the national interest of the
9 United States to do so.

10 (6) EXECUTIVE AGENCY DEFINED.—In this
11 subsection, the term “executive agency” has the
12 meaning given that term in section 133 of title 41,
13 United States Code.

14 (7) APPLICABILITY.—The revisions to the Fed-
15 eral Acquisition Regulation required under para-
16 graph (1) shall apply with respect to contracts for
17 which solicitations are issued on or after the date
18 that is 90 days after the date of the enactment of
19 this Act.

20 **SEC. 6. ADVISORY OPINIONS.**

21 (a) ISSUANCE OF ADVISORY OPINIONS.—The Sec-
22 retary of State may, upon the request of any person, issue
23 an advisory opinion to that person with respect to whether
24 a proposed activity by that person would subject that per-
25 son to sanctions under this Act.

1 (b) RELIANCE ON ADVISORY OPINIONS.—Any person
2 who relies in good faith on an advisory opinion issued
3 under subsection (a) that states that a proposed activity
4 would not subject a person to sanctions under this Act,
5 and any person who thereafter engages in that activity,
6 shall not be subject to such sanctions on account of that
7 activity.

8 **SEC. 7. DURATION OF SANCTIONS.**

9 (a) DELAY OF SANCTIONS.—

10 (1) CONSULTATIONS.—If the President makes a
11 determination described in section 4 with respect to
12 a foreign person, Congress urges the President to
13 initiate consultations immediately with the govern-
14 ment with primary jurisdiction over that foreign per-
15 son with respect to the imposition of sanctions under
16 this Act.

17 (2) DELAY FOR CONSULTATION.—In order to
18 pursue consultations under paragraph (1) with the
19 government that has primary jurisdiction over the
20 foreign person that is the subject of the President’s
21 determination under that paragraph, the President
22 may delay the imposition of sanctions under this Act
23 with respect to that foreign person for not more
24 than 90 days.

1 (3) IMPOSITION OF SANCTIONS.—After com-
2 pleting consultations with a government under para-
3 graph (1) with respect to a person, or on the date
4 that is 90 days after the initiation of such consulta-
5 tions (whichever is earlier), the President shall im-
6 mediately impose sanctions unless the President de-
7 termines and certifies to the appropriate congress-
8 sional committees that the government has taken
9 specific and effective actions, including, as appro-
10 priate, the imposition of appropriate penalties and to
11 terminate the involvement of the foreign person in
12 the activities that resulted in the determination by
13 the President to impose sanctions under section 4
14 with respect to that person.

15 (b) DURATION OF SANCTIONS.—

16 (1) IN GENERAL.—Except as provided in para-
17 graphs (2) and (3), a sanction imposed under sec-
18 tion 4 shall remain in effect until the date that is
19 2 years after the date on which the sanction is im-
20 posed.

21 (2) EARLY TERMINATION.—

22 (A) IN GENERAL.—If the President makes
23 a certification described in subparagraph (B)
24 with respect to a person, the President may ter-
25 minate a sanction imposed on that person

1 under this Act on or after the date that is 1
2 year after the date on which the sanction is im-
3 posed.

4 (B) CERTIFICATION DESCRIBED.—A cer-
5 tification described in this subparagraph is a
6 certification by the President to Congress
7 that—

8 (i) a person on which a sanction is
9 imposed under this Act is no longer engag-
10 ing in any activity for which sanctions may
11 be imposed under this Act; and

12 (ii) the President has received reliable
13 assurances that the person will not know-
14 ingly engage in any such activity in the fu-
15 ture.

16 **SEC. 8. PRESIDENTIAL WAIVER.**

17 The President may, on a case-by-case basis, waive for
18 one 12-month period the requirement under section 4 to
19 impose sanctions with respect to a person, if the President
20 certifies to the appropriate congressional committees not
21 less than 30 days before the waiver is to take effect that
22 the waiver is important to the national security interests
23 of the United States.

1 **SEC. 9. TERMINATION OF SANCTIONS.**

2 (a) IN GENERAL.—The requirement to impose sanc-
3 tions and any sanctions imposed under section 4 shall ter-
4minate on the date on which the President submits to the
5 appropriate congressional committees—

6 (1) the certification described in section 5(d) of
7 the Syria Accountability and Lebanese Sovereignty
8 Restoration Act of 2003 (Public Law 108–175; 22
9 U.S.C. 2151 note); and

10 (2) a certification that the Government of Syria
11 is democratically elected and representative of the
12 people of Syria.

13 (b) SUSPENSION OF SANCTIONS AFTER ELECTION
14 OF DEMOCRATIC GOVERNMENT.—The requirement to im-
15 pose sanctions and any sanctions imposed under section
16 4 shall be suspended for not more than 1 year, in order
17 to allow time for a certification under subsection (a)(1)
18 to be submitted, if the President submits a certification
19 under subsection (a)(2).

20 **SEC. 10. DETERMINATIONS NOT REVIEWABLE.**

21 A determination to impose sanctions under this Act
22 shall not be reviewable in any court.

1 **SEC. 11. EXCLUSION OF CERTAIN ACTIVITIES.**

2 Nothing in this Act shall apply to any activities sub-
3 ject to the reporting requirements of title V of the Na-
4 tional Security Act of 1947 (50 U.S.C. 413 et seq.).

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