

104TH CONGRESS  
1ST SESSION

# S. 726

To amend the Iran-Iraq Arms Non-Proliferation Act of 1992 to revise the sanctions applicable to violations of that Act, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 26 (legislative day, APRIL 24), 1995

Mr. McCAIN (for himself and Mr. LIEBERMAN) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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## A BILL

To amend the Iran-Iraq Arms Non-Proliferation Act of 1992 to revise the sanctions applicable to violations of that Act, 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. REVISIONS OF IRAN-IRAQ ARMS NON-PRO-**  
4 **LIFERATION ACT OF 1992.**

5 (a) CLARIFICATION OF POLICY.—Section 1602(a) of  
6 the Iran-Iraq Arms Non-Proliferation Act of 1992 (title  
7 XVI of Public Law 102–484; 50 U.S.C. 1701 note) is  
8 amended by striking out “chemical, biological, nuclear,”  
9 and inserting in lieu thereof “weapons of mass destruc-  
10 tion”.

1 (b) SANCTIONS AGAINST IRAN.—Section 1603 of  
2 such Act is amended by striking out “paragraphs (1)  
3 through (4)” and inserting in lieu thereof “paragraphs (1)  
4 through (8)”.

5 (c) SANCTIONS AGAINST CERTAIN PERSONS.—

6 (1) ACTIVITIES PROSCRIBED.—Subsection (a)  
7 of section 1604 of such Act is amended by inserting  
8 “to acquire weapons of mass destruction, or the  
9 means of their delivery, or” before “to acquire”.

10 (2) ADDITIONAL SANCTIONS.—Subsection (b) of  
11 such section 1604 is amended—

12 (A) in paragraph (1), “, and shall provide  
13 for the expeditious termination of any current  
14 contract for goods or services,” after “goods or  
15 services”;

16 (B) in paragraph (2), by inserting “, and  
17 shall revoke any license issued,” after “shall not  
18 issue”; and

19 (C) by adding at the end the following new  
20 paragraphs:

21 “(3) MIGRATION SANCTION.—

22 “(A) INDIVIDUALS.—The sanctioned per-  
23 son shall be ineligible to receive a visa for entry  
24 into the United States and shall be excluded  
25 from admission into the United States.

1           “(B) CORPORATIONS.—In the case of a  
2           sanctioned person that is a corporation, part-  
3           nership, or other form of association, the offi-  
4           cers, directors, employees, and agents of the  
5           corporation, partnership, or association shall be  
6           ineligible to receive a visa for entry into the  
7           United States and shall be excluded from ad-  
8           mission into the United States.

9           “(4) FINANCIAL INSTITUTIONS.—The President  
10          shall by order prohibit any depository institution  
11          that is chartered by, or that has its principal place  
12          of business within, a State, the District of Columbia,  
13          or the United States from making any loan or pro-  
14          viding any credit to the sanctioned person, except  
15          for loans or credits for the purpose of purchasing  
16          food or other agricultural commodities.

17          “(5) TRANSITING UNITED STATES TERRI-  
18          TORY.—(A) Notwithstanding any other provision of  
19          law (other than a treaty or other international  
20          agreement), no sanctioned person, no item which is  
21          the product or manufacture of the sanctioned per-  
22          son, and no technology developed by the sanctioned  
23          person may transit any territory subject to the juris-  
24          diction of the United States.

1           “(B) The Secretary of Transportation may pro-  
2           vide for such exceptions from this paragraph as the  
3           Secretary considers necessary to provide for emer-  
4           gencies in which the safety of an aircraft or a vessel,  
5           or its crew or passengers, is threatened.”.

6           (3) EXCEPTIONS.—Such section 1604 is further  
7           amended by adding at the end the following new  
8           subsection:

9           “(c) EXCEPTIONS.—The sanction described in sub-  
10          section (b)(1) shall not apply in the case of procurement  
11          of defense articles or defense services—

12           “(1) under existing contracts or subcontracts,  
13           including the exercise of options for production  
14           quantities to satisfy operational military require-  
15           ments essential to the national security of the Unit-  
16           ed States;

17           “(2) if the President determines that the person  
18           or other entity to which the sanctions would other-  
19           wise be applied is a sole source supplier of the de-  
20           fense articles or services, that the defense articles or  
21           services are essential, and that alternative sources  
22           are not readily or reasonably available; or

23           “(3) if the President determines that such arti-  
24           cles or services are essential to the national security  
25           under defense coproduction agreements.”.

1 (d) SANCTIONS AGAINST FOREIGN COUNTRIES.—

2 (1) PROSCRIBED ACTIVITIES.—Subsection (a)  
3 of section 1605 of such Act is amended by inserting  
4 “to acquire weapons of mass destruction, or the  
5 means of their delivery, or” before “to acquire”.

6 (2) MANDATORY SANCTIONS.—Subsection (b)  
7 of such section 1605 is amended by adding at the  
8 end the following new paragraph:

9 “(6) ADDITIONAL SANCTIONS.—The sanctions  
10 against Iraq specified in paragraphs (1), (3), (4),  
11 (6), and (7) of section 586G(a) of the Iraq Sanc-  
12 tions Act of 1990 (50 U.S.C. 1701 note) shall be ap-  
13 plied to the same extent and in the same manner  
14 with respect to a sanctioned country.”.

15 (3) DISCRETIONARY SANCTIONS.—Such section  
16 1605 is further amended—

17 (A) in subsection (a)(2), by striking out  
18 “the sanction” and inserting in lieu thereof  
19 “the sanctions”; and

20 (B) by striking out subsection (c) and in-  
21 serting in lieu thereof the following new sub-  
22 section (c):

23 “(c) DISCRETIONARY SANCTIONS.—The sanctions re-  
24 ferred to in subsection (a)(2) are as follows:

1           “(1) USE OF AUTHORITIES OF INTERNATIONAL  
2 EMERGENCY ECONOMIC POWERS ACT.—

3           “(A) IN GENERAL.—Except as provided in  
4 subparagraph (B), the President may exercise,  
5 in accordance with the provisions of that Act,  
6 the authorities of the International Emergency  
7 Economic Powers Act (50 U.S.C. 1701 et seq.)  
8 with respect to the sanctioned country.

9           “(B) EXCEPTION.—Subparagraph (A)  
10 does not apply with respect to urgent humani-  
11 tarian assistance.

12           “(2) PROHIBITION ON VESSELS THAT ENTER  
13 PORTS OF SANCTIONED COUNTRIES TO ENGAGE IN  
14 TRADE.—

15           “(A) IN GENERAL.—Beginning on the  
16 10th day after a sanction is imposed under this  
17 title against a country, a vessel which enters a  
18 port or place in the sanctioned country to en-  
19 gage in the trade of goods or services may not,  
20 if the President so requires, within 180 days  
21 after departure from such port or place in the  
22 sanctioned country, load or unload any freight  
23 at any place in the United States.

24           “(B) DEFINITION.—As used in this para-  
25 graph, the term ‘vessel’ includes every descrip-

1           tion of water craft or other contrivance used, or  
2           capable of being used, as a means of transpor-  
3           tation in water, but does not include aircraft.

4           “(3) PRESIDENTIAL ACTION REGARDING AVIA-  
5           TION.—(A)(i) The President may notify the govern-  
6           ment of the sanctioned country of his intention to  
7           suspend the authority of foreign air carriers owned  
8           or controlled by the government of that country to  
9           engage in foreign air transportation to or from the  
10          United States.

11          “(ii) The President may direct the Secretary of  
12          Transportation to suspend at the earliest possible  
13          date the authority of any foreign air carrier owned  
14          or controlled, directly or indirectly, by that govern-  
15          ment to engage in foreign air transportation to or  
16          from the United States, notwithstanding any agree-  
17          ment relating to air services.

18          “(B)(i) The President may direct the Secretary  
19          of State to terminate any air service agreement be-  
20          tween the United States and the sanctioned country  
21          in accordance with the provisions of that agreement.

22          “(ii) Upon termination of an agreement under  
23          this subparagraph, the Secretary of Transportation  
24          shall take such steps as may be necessary to revoke  
25          at the earliest possible date the right of any foreign

1 air carrier owned, or controlled, directly or indi-  
2 rectly, by the government of that country to engage  
3 in foreign air transportation to or from the United  
4 States.

5 “(C) The President shall direct the Secretary of  
6 Transportation to provide for such exceptions from  
7 this paragraph as the President considers necessary  
8 to provide for emergencies in which the safety of an  
9 aircraft or its crew or passengers is threatened.

10 “(D) For purposes of this paragraph, the terms  
11 ‘air carrier’, ‘air transportation’, ‘aircraft’, and ‘for-  
12 eign air carrier’ have the meanings given such terms  
13 in paragraphs (2), (5), (6), and (21) of section  
14 40102 of title 49, United States Code, respec-  
15 tively.”.

16 (4) ADDITIONAL SANCTION.—Such section  
17 1605 is further amended by adding at the end the  
18 following new subsection:

19 “(d) SANCTION FOR ASSISTING IRAN IN IMPROVING  
20 ROCKET OR OTHER WEAPONS CAPABILITY.—The sanc-  
21 tion set forth in section 586I(a) of the Iraq Sanctions Act  
22 of 1990 (50 U.S.C. 1701 note) against governments that  
23 assist Iraq in improving its rocket technology or weapons  
24 of mass destruction capability shall be applied to the same

1 extent and in the same manner with respect to govern-  
2 ments that so assist Iran.”.

3 (e) TERMINATION OF SANCTIONS AGAINST CERTAIN  
4 PERSONS.—Such Act is further amended—

5 (1) in section 1604(b)—

6 (A) by striking out “The sanctions” in the  
7 matter preceding paragraph (1) and inserting  
8 in lieu thereof “Subject to section 1606A, the  
9 sanctions”; and

10 (B) by striking out “For a period of two  
11 years, the United States” in paragraphs (1)  
12 and (2) and inserting in lieu thereof “The Unit-  
13 ed States”;

14 (2) in section 1605—

15 (A) by striking out “If” in subsection (a)  
16 and inserting in lieu thereof “Subject to section  
17 1606A, if”; and

18 (B) in subsection (b)—

19 (i) by striking out “, for a period of  
20 one year,” in paragraphs (1), (3), and (4);

21 (ii) by striking out “for a period of  
22 one year,” in paragraph (2);

23 (iii) by striking out “during that pe-  
24 riod” in paragraph (4); and

1 (iv) by striking out “for a period of  
2 one year” in paragraph (5); and

3 (3) by inserting after section 1606 the following  
4 new section:

5 **“SEC. 1606A. TERMINATION OF SANCTIONS.**

6 “Except as otherwise provided in this title, the sanc-  
7 tions imposed pursuant to section 1604(a) or 1605(a)  
8 shall cease to apply to a sanctioned person or government  
9 30 days after the President certifies to the Congress that  
10 reliable information indicates that the sanctioned person  
11 or government, as the case may be, has ceased to violate  
12 this title.”.

13 (f) RULES AND REGULATIONS.—Such Act is further  
14 amended by adding after section 1607 the following new  
15 section:

16 **“SEC. 1607A. RULES AND REGULATIONS.**

17 “The President may prescribe such rules and regula-  
18 tions as the President requires to carry out this title.”.

19 (g) DEFINITIONS.—Section 1608 of such Act is  
20 amended—

21 (1) in paragraph (1)—

22 (A) by inserting “naval vessels with offen-  
23 sive capabilities,” after “advanced military air-  
24 craft,” in subparagraph (A); and

1 (B) by striking out “or enhance offensive  
2 capabilities in destabilizing ways” each place it  
3 appears and inserting in lieu thereof “, enhance  
4 offensive capabilities in destabilizing ways, or  
5 threaten international shipping”; and

6 (2) by striking out paragraph (7) and inserting  
7 in lieu thereof the following new paragraphs:

8 “(7) The term ‘United States assistance’ means  
9 any assistance under the Foreign Assistance Act of  
10 1961 (22 U.S.C. 2151 et seq.), other than urgent  
11 humanitarian assistance or medicine.

12 “(8) The term ‘goods or technology’ includes  
13 any item of the type that is listed on the Nuclear  
14 Referral List under section 309(c) of the Nuclear  
15 Non-Proliferation Act of 1978, the United States  
16 Munitions List (established in section 38 of the  
17 Arms Export Control Act), or the MTCR Annex (as  
18 defined in section 74(4) of the Arms Export Control  
19 Act) or any item that is subject to licensing by the  
20 Nuclear Regulatory Commission.

21 “(9) The term ‘United States’ includes terri-  
22 tories and possessions of the United States and the  
23 customs waters of the United States, as defined in  
24 section 401 of the Tariff Act of 1930 (19 U.S.C.  
25 1401).

1           “(10) The term ‘weapons of mass destruction’  
2 includes nuclear, chemical, and biological weapons.”.

3           (h) CONFORMING AMENDMENTS.—Such Act is fur-  
4 ther amended—

5           (1) in section 1606, by striking out “the Com-  
6 mittees on Armed Services and Foreign Affairs of  
7 the House of Representatives” and inserting in lieu  
8 thereof “the Committees on National Security and  
9 International Relations of the House of Representa-  
10 tives ”; and

11           (2) in section 1607, by striking out “the Com-  
12 mittees on Armed Services and Foreign Affairs of  
13 the House of Representatives” each place it appears  
14 in subsections (a) and (b) and inserting in lieu  
15 thereof “the Committees on National Security and  
16 International Relations of the House of Representa-  
17 tives”.

18 **SEC. 2. REVISIONS OF FOREIGN ASSISTANCE ACT OF 1961.**

19           Section 498A(b)(3) of the Foreign Assistance Act of  
20 1961 (22 U.S.C. 2295a(b)(3)) is amended by inserting  
21 “and notwithstanding the compliance of such state with  
22 international agreements relating to weapons of mass de-  
23 struction,” before “knowingly transferred” in the matter  
24 preceding subparagraph (A).

1 **SEC. 3. REVISION OF IRAQ SANCTIONS ACT OF 1990.**

2 Section 586I(a) of the Iraq Sanctions Act of 1990  
3 (50 U.S.C. 1701 note) is amended by striking out “or  
4 chemical, biological, or nuclear weapons capability” and  
5 inserting in lieu thereof “its chemical, biological, or nu-  
6 clear weapons capability, or its acquisition of destabilizing  
7 numbers and types of advanced conventional weapons”.

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