



Congressional Update

September 22, 2016

By Roxanne Perugino

Despite several pressing issues, such as the need to pass a Continuing Resolution (CR) by September 30, Congress is determined to press the Obama Administration on the recent cash payment to Iran. Several Republican-backed pieces of legislation were introduced as well as more than a dozen letters to the Administration demanding answers to a long list of questions regarding Iran. Saudi Arabia also was at the top of the congressional agenda as the House forced a vote on the JASTA legislation, which allows families of the 9/11 victims to sue Saudi Arabia in US courts. In addition, on September 21 the Senate blocked a resolution disapproving the \$1.15 billion arms sale to Saudi Arabia.

US assistance to Israel also moved to the “front burner” following the signing of the Memorandum of Understanding (MOU) providing Israel \$38 billion in assistance over ten years.

I. Israel

On September 14 the United States and Israel signed a Memorandum of Understanding (MOU) which will provide \$38 billion in military assistance to Israel over ten years. The new MOU replaces the current MOU which expires in October, 2017.

MOU Cuts Congress out of the Process: Senator Lindsey Graham (R-South Carolina), Chairman of the Senate Appropriations State, Foreign Operations Subcommittee, which oversees foreign aid, objected to the MOU. In his view the MOU takes over the appropriations process leaving no role for Congress. Graham complained the Administration has pulled the rug out from under Congress as the MOU does not allow for any additional or supplemental assistance to Israel beyond the MOU. Graham, one of Israel’s strongest supporters in the Senate, said Israeli Prime Minister Netanyahu could have gotten a better deal if he had waited until President Obama left office, before signing the MOU.

Earlier this year, the State, Foreign Operations Subcommittee approved \$3.4 billion in FMF for Israel for FY 2017. (The Senate has not yet acted on the bill). According to congressional sources, the Administration had been holding off on signing the MOU until the Subcommittee reduced its funding to current levels, i.e., \$3.1 billion. So far, Graham has stubbornly refused to do so. In turn, the Obama Administration got Israel to agree not to lobby for additional funds and to return any funds provided by Congress above the MOU levels for FY 2017 and 2018. (The MOU levels take effect in FY 2019.) In addition, the MOU phases out a provision that has allowed Israel to use a percentage of its aid to buy products from its own domestic defense industry, as well as Israel’s ability spend a portion of its funds on fuel for its military.

Not to be deterred, Graham along with Senators Kelly Ayotte (R-New Hampshire), John McCain (R-Arizona) and Ted Cruz (R-Texas) held a news conference on September 20, to announce they are planning to introduce legislation that would overturn the provision preventing Israel from receiving any additional funds beyond those allowed under the MOU. The legislation would allow Israel to receive \$1.5 billion in additional military aid, as well as renewing some US sanctions on Iran that were removed following approval of the Iran nuclear deal. Senators Marco Rubio (R-Florida), Roy Blunt (R-Missouri) and Mark Kirk (R-Illinois) are co-sponsors of the legislation. The legislation, S3363, was introduced on September 20. The text of the bill is not yet available.

At this point, it is unclear when, or if, the bill will be considered by the Senate. The Administration is sure to oppose it. It was Israel's choice to sign the MOU and agree to its terms. But Israel's friends in Congress are determined to take action that will, in their view, ensure Israel's security.

II. Saudi Arabia

Arms Sales to Saudi Arabia (SJRes 39): On September 22, the Senate blocked [SJRes39](#), a resolution disapproving the proposed arms sales to Saudi Arabia by a vote of 71-27. During the three hour debate Senator Rand Paul (R-Kentucky), the sponsor of the resolution and other members criticized the Saudi role in Yemen, and its human rights record. Senators Graham and John McCain (R-Arizona) spoke in support of the arms sale. The vote to block the resolution was expected a consensus was reached in the Senate to allow the arms sale to proceed, but Congress will override the expected veto of the JASTA legislation when the President sends the veto message to Congress on Friday.

In reaching the consensus, members understood that disapproving the arms sale resolution would only exacerbate the strained US-Saudi relations brought on by the Iran nuclear agreement, the Saudi military action in Yemen, and the recent overwhelming passage of the JASTA legislation.

JASTA Legislation: On September 9, the House passed **S2040, the Justice Against Sponsors of Terrorism Act (JASTA)** by a unanimous vote, allowing the families of the 9/11 victims to sue Saudi Arabia in US courts. The Senate passed the measure last May by voice vote. Despite Obama Administration opposition to the bill and an intensive lobbying effort by lobbyists for Saudi Arabia, supporters of the measure were able to force a vote. The President has said he will veto the bill, presumably by the end of this week. It is expected that the House and Senate will vote to override the veto early next week. A two-thirds majority is required in both chambers to override the veto. A detailed report on the JASTA legislation is available at www.arabcenterdc.org

III. Iran

The cash payment to Iran has commanded the attention of Congress since it became public with many members of Congress considering the payment "ransom" paid for the release of American hostages. During August and September no less than 14 letters were sent to officials of the Obama Administration demanding answers regarding the payment to Iran. This week the House approved two measures designed to prevent any further cash payments to Iran.

(1) No More Cash Ransoms to Iran (HR5931): Last week, the House Foreign Affairs Committee (HFAC) approved legislation, [HR5931](#), which would prohibit any cash payments to Iran. Passed on a largely party line vote of 21-16, the bill would prohibit the US from making any kind of direct or indirect cash payment to Iran following Republican accusations that the \$400 million Tehran received in January amounted to a ransom for the release of detained Americans. The bill was introduced by HFAC Chairman Ed Royce (R-California) on September 6 and currently has 70 Republican co-sponsors. On September 22, the House passed HR5931 by a vote of 254-163. The bill is certain to be vetoed by President Obama.

Specifically, the bill would:

-- Declare that it shall be the policy of the US Government not to pay ransom or release prisoners for the purpose of security the release of US citizens taken hostage abroad;

-- Prohibit the US Government from providing promissory notes (including currency) issued by the US Government or by a foreign government to the Government of Iran;

-- The conduct of a transaction or payment in connection with a claim settlement agreement brought before the Iran-United States Claims Tribunal (established on January 19, 1981) may be made only: (1) on a case-by-case basis pursuant to a specific license by the Department of the Treasury's Office of Foreign Assets Control, and (2) in a manner that does not contradict such promissory note prohibition. The President must publish a list of such transactions or payments.

-- Such promissory note prohibition and licensing requirement shall remain in effect until the President certifies that: (1) a preliminary or final rule providing for Iran's designation as a jurisdiction of primary money laundering concern has been rescinded, and (2) the Department of State has removed Iran from the list of countries that have repeatedly provided support for acts of international terrorism.

-- The President shall: (1) submit, every 180 days for 3 years, a report that evaluates each outstanding claim before the Tribunal, and (2) provide notice prior to conducting a transaction or payment from the U.S. government to the government of Iran in connection with a claim settlement agreement.

Nothing in this bill shall: (1) apply to activities subject to the non-covert intelligence reporting requirements under title V of the National Security Act of 1947, or (2) be construed to authorize any U.S. government payment to the government of Iran.

Representative Eliot Engel (D-New York) offered an unsuccessful substitute amendment that would not forbid cash payments to Iran. Rather the bill would require advance congressional notification of at least five days before any kind of payment is made. Engel's amendment was defeated by a vote of 16-21.

In the Senate, on September 21 the Senate Banking Subcommittee on National Security and International Trade and Finance held a hearing to examine terror financing risks of the \$1.7 billion cash payments to Iran, including [S2452](#), a bill to prohibit the use of funds to make payments to Iran relating to the settlement of claims brought before the Iran-United States Claims Tribunal until Iran has paid certain compensatory damages awarded to US persons by US courts. Testimony was received from Michael B. Mukasey, former Attorney General, Eric Edelman, Center for Strategic and Budgetary Assessments, and Suzanne Maloney, The Brookings Institution.

(2) Iranian Leadership Transparency Act (HR5461): On June 15, the House Financial Services Committee approved legislation to require the Secretary of the Treasury to submit a report to the appropriate congressional committees on the estimated total assets under direct or indirect control by certain senior Iranian leaders and other figures, by a vote of 39-20. On September 21, the House approved the measure on a largely party line vote of 282 to 143. Only 42 Democrats voted for the bill.

Specifically, the bill requires the Department of the Treasury to submit within 270 days and annually for the next two years a report regarding:

-- The estimated total funds or assets held in US and foreign financial institutions that are controlled by specified Iranian natural persons;

-- Any equity stake such persons have in an entity on the Treasury's list of Specially Designated Nationals or in any other sanctioned entity;

-- How such funds or assets or equity interests were acquired and how they have been used, and

-- New methods used to invade anti-money laundering and related laws and recommendations to improve techniques to combat illicit uses of the U.S. financial system by each such person.

(3) Baha'i Minority in Iran (HJRes220): On September 21 the House by unanimous consent, passed HJRes220, a resolution condemning the Government of Iran's state-sponsored persecution of its Baha'i minority and its continued violation of the International Covenants on Human Rights.

(4) Condemning the Islamic Government of Iran (HConRes159): On September 21 Representatives Mike McCaul (R-Texas), Ed Royce (R-California) and Eliot Engel (D-New York) introduced HConRes159, a resolution condemning the Government of the Islamic Republic of Iran for the 19088 massacre of political prisoners and calling for justice for the victims. The resolution has been referred to the HFAC.

IV. Bahrain

Earlier this month, the Tom Lantos Human Rights Commission held a hearing on the human rights situation in Bahrain. Testifying before the Commission were: Brian Dooley, Director of the Human Rights Defenders Program at Human Rights First (HRF); Matar E. Matar, a former MP of the Bahraini government; Sarah Margon, Washington Director of Human Rights Watch (HRW); and Cole Bockenfeld, Deputy Director of Policy at Project on Middle East Democracy (POMED).

This was the fourth hearing held on the human rights situation in Bahrain since 2010. Commission Co-Chair Jim McGovern (D-Massachusetts) noted that while there has been some progress in Bahrain since 2011, last year's efforts at reform have stalled. More recently, the Bahrain government has suspended attempts at national dialogue; failed to fully implement the recommendations from the Bahrain Independent Commission of Inquiry (BICI) report; dissolved the opposition party Al-Wefaq; and revoked the citizenship for prominent Shia clerics. McGovern expressed concern over the recent deterioration of the human rights situation in Bahrain, arguing that the US Government must use its leverage to undertake concrete measures to help improve the human rights situation in Bahrain.

McGovern and all of the panelists agreed that a tangible next step would be to draft a list of Bahraini officials known to have committed human rights abuses who should be prevented from entering the United States. All panelists agreed that in conjunction to the strong statements issued by the State Department, the Administration must be more vocal in expressing its concerns regarding the escalating situation. Experts agreed that the situation in Bahrain is becoming increasingly dangerous, as the space for peaceful dissent has almost disappeared given the continuous crackdown on civil society. Holding Bahrain accountable for its actions is in the interest of both the US and the Bahraini people.

V. Hearings

Radicalization in the US and the Rise of Terrorism: On September 14th, 2016, the Subcommittee on National Security and the Subcommittee on Government Relations met for a hearing entitled

“Radicalization in the U.S. and the Rise of Terrorism.” The hearing addressed radicalization in the U.S. and included testimonies regarding the changing nature of terror attacks, efforts to combat terrorism such as better gun policies, and other forms of radicalization such as right-wing extremism. Witnesses included Daveed Gartenstein-Ross from the Foundation for Defense of Democracies, Mat Mayer from the American Enterprise Institute, David Inserra from the Heritage Foundation, and Richard Cohen from Southern Poverty Law Center.

A frequent subject of the hearing was the subject of lone-wolf terror attacks, and how to prevent them. Representative Ron DeSantis (R-Florida) stated that lone-wolf attacks are occurring at unprecedented speeds, and that radicalization has become difficult to track due to social media and new technologies. However, Gartenstein-Ross cautioned against what he called the “myth of the lone wolf,” arguing that there should not be a default assumption that attacks are lone-wolf cases and not tied to underground networks.

The issue of gun control was raised several times throughout the hearing, with Representative Stacey Plaskett (D-Virgin Islands) stating that more comprehensive gun policies including background checks could help thwart further attacks. Connelly agreed with her, noting that relaxed gun policies make it possible for radicalized persons to obtain firearms, despite, for example, being on the FBI’s radar.

The discussion of radicalization in the US also included conversation about other forms of radical groups, namely right-wing extremist groups and ideologies such as white nationalism. Cohen noted that while the threat of radical Islamic terror is significant, the US government too often ignores threats from other communities, and should be vigilant against other forms of extremism such as right-wing extremism, which he testified has been increasing over the past few years. Focusing exclusively on Muslims as threatening, he said, frays the bonds of trust between law enforcement and Muslim communities. Connelly agreed, stating that the lack of attention given to right-wing extremist group makes them feel that their prejudice, racism, and hatred is somehow vindicated. He continued, stating that radicalization is a broad concept, and not limited to one religion or ethnicity. Congress, he said, needs to come to terms with that. In agreement, Mayer discussed the need for regional outreach groups to facilitate cooperation between Muslim communities and local law enforcements, arguing that more trust is needed on both sides.