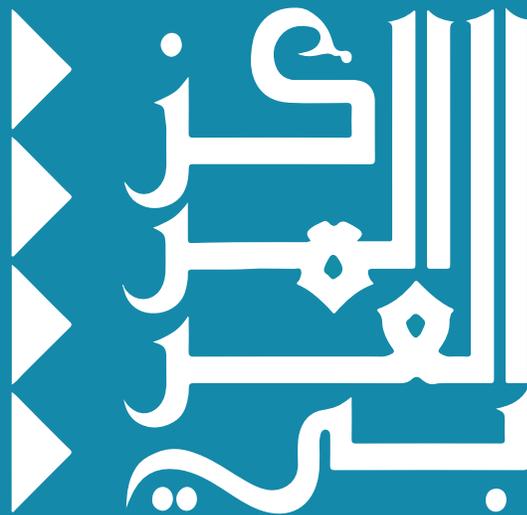


H.R. 2712: Palestinian International Terrorism Support Prevention Act of 2017

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المركز العربي واشنطن دي سي

On May 25, Rep. Brian Mast (R-Florida) introduced **H.R. 2712**, “a bill to impose sanctions with respect to foreign support for Palestinian terrorism, and for other purposes.” As of May 30, the bill had garnered nine cosponsors, including key members of the House Foreign Affairs Committee (HFAC): Chairman Ed Royce (R-California), Ranking Member Eliot Engel (D-New York), and other influential members of the committee on both sides of the aisle.

This bill sets out to authorize sanctions on any foreign entity or government that provides support to Hamas, Palestinian Islamic Jihad (PIJ), or any affiliated or successor groups. It also specifically singles out **Qatar** and **Iran** as states that have supported Hamas.

I. Important Sections of the Bill

Section 2: Findings and Statement of Policy

Subsections (a)(3) and (4) state that “Hamas has received significant financial and military support” from Qatar and that the Under Secretary of Treasury for Terrorism and Financial Intelligence confirmed that “Qatar, a longtime US ally has for many years openly financed Hamas.” The bill also finds that Qatar hosts a number of high-ranking Hamas officials, including Khaled Mashal.

Subsections (a)(5) through (7) outline Iran’s material and financial support and subsections (8) through (10) detail Iranian support to the PIJ.

Section 3: Imposition of Sanctions with Respect to Foreign Persons and Agencies and Instrumentalities of Foreign States Supporting Hamas, the PIJ, or Any Affiliate or Successor Group

No later than 120 days after **H.R. 2712** is enacted—then once a year for no more than three years—the president must report to Congress the foreign persons, agencies, and instrumentalities of foreign states that provide support to the aforementioned groups. Two exceptions are reserved for the president, however. If the president notifies Congress 15 days prior to completing a “significant transaction” with a foreign entity or agency that is in the “national interest” of the United States, the foreign entity or agency may be exempt from sanctions. The other exception is reserved for the president to issue waivers that would exempt a foreign entity or agency from sanctions for 120 days, as long as Congress is notified seven days prior.

Set forth in this bill are sanctions on the following:

- Banking and financing (e.g., extensions of credit, guarantees, insurance, etc.)
- Defense-related sales (including munitions, defense services, and construction services)
- Goods and technologies regulated through the Export Administration or included in the US Munitions List

Medical, agricultural, and humanitarian goods and services are not included among sanctioned items.

Section 4: Imposition of Sanctions with Respect to Foreign Governments That Provide Material Support to Hamas, the PIJ, or Any Affiliate or Successor Thereof

Much like Section 3, Section 4 sets a 120-day deadline after enactment for the president to report to Congress any governments the Secretary of State has determined “repeatedly provided support for acts of international terrorism.” This report must be resubmitted, with relevant information, every 180 days.

The sanctions set forth in this section include the prohibition or suspension of the following for one year:

- US aid to the foreign government
- Extension of loans and financial or technical services
- Export of items on the US Munitions List or Commerce Control List
- Transactions in foreign exchanges in which the United States has jurisdiction
- Transfers of credit or payments between one or more financial institutions subject to US jurisdiction

Should the president determine it is in US security interests and notify Congress seven days in advance, he can waive any foreign government sanctions for 180 days.

Section 5: Report on Activities of Foreign Countries to Disrupt Global Fundraising, Financing, and Money Laundering Activities of Hamas, the PIJ, or Any Successor or Affiliate Thereof

This bill outlines a reporting requirement for the president, no later than 180 days after the bill’s enactment. The president must report a list of foreign countries providing support for the aforementioned organizations and further assessments including:

- Steps the foreign government is taking to freeze assets of these groups
- Any reasons the government is not taking adequate steps to freeze assets
- Measures taken by the United States to freeze assets
- List of countries where the aforementioned groups fundraise and steps those countries are taking to disrupt the fundraising efforts
- List of countries from which the groups receive surveillance equipment and what measures are being taken to disrupt the acquisition.

II. Implications of the legislation

H.R. 2712 is interesting in that the language introduces sanctions for actions likely already covered under existing legislation. Hamas and the PIJ are both designated Foreign Terrorist Organizations (FTOs) and Specially Designated Global Terrorists (SDGTs) by the State and Treasury Departments, respectively. With that in mind, it is already illegal for US entities or institutions to support such groups. Thus, the sanctions proposed in this bill that pertain to US jurisdiction are redundant.

Formally targeting Iran is redundant as well because Tehran has been declared a state

sponsor of terror by the State Department and prohibitions against exports of arms, financial and technical services, and US aid to Iran are already in place.

Qatar would be the truly new target under this legislation, but as an ally with which the United States has economic and military ties, it is tough to see many in the Senate agreeing to label Qatar a *de facto* state sponsor of terror.

Language defining “successor or affiliate thereof” is also a potential problem for this legislation. In the context of the Palestinian territories, the ambiguous definition of “successor” or “affiliated” groups could block crucial financial support to future groups that are not formally designated FTOs or SDGTs. This could be problematic for the already deteriorating economic situation in the West Bank and Gaza.

III. Prospects for H.R. 2712

The proposed legislation is barely days old, so it is difficult at this point to speculate about the probability of it being enacted. However, with bipartisan support from the HFAC—including the chairman and ranking member—it is likely the bill will make it through committee and be considered on the House floor. It should be noted that the bill was also referred to the House Financial Services Committee (HFSC) because that committee oversees sanctions. No leading HFSC members have cosponsored the bill so far, but it is possible the committee would waive its jurisdiction on this bill, allowing

HFAC to make the final call. If it makes it to the House floor, early indications are it would pass. Chairman Royce cosponsored the bill and has been a vocal advocate of its enactment, so he could move to have the bill considered on the House floor under suspended rules. In this scenario, two-thirds of House members must vote in favor, but these rules streamline the process it takes to consider and vote on the measure. If and when Speaker Paul Ryan (R-Wisconsin) takes a position on the bill, his opinion would contribute to the length of time it takes for the bill to reach a floor vote or if it is ultimately pursued.

Once in the Senate, however, it is less probable that the bill would be enacted. No senators have proposed a corresponding piece of legislation, and little support has been voiced about this particular bill. In fact, Senate Foreign Relations Committee (SFRC) Chairman Bob Corker (R-Tennessee) and others have been uneasy about the language regarding an important strategic ally like Qatar. A member could propose an amendment striking the Qatar language, but barring the passage of such an amendment, it is improbable that Corker would bring the bill for consideration by the SFRC.

Should the bill make it through committee, the upper chamber only has finite time and resources and senators are currently split between health care reform, a pending battle over the FY 2018 budget, and messier—and arguably more important—foreign policy issues dealing with Iran, Syria, Russia, and North Korea. Additionally, the Saudi arms deal

is shaping up to be a significant fight between Congress and the White House, so it seems like little consideration has been afforded **H.R. 2712**. It could possibly be considered in the SFRC and make it to the floor, but it would not be surprising if the GOP leadership preferred to let the bill die in committee or on the floor and focus time and political capital on more pressing issues.

The White House will also be a key player in the fate of this bill. As of May 31, the administration

had not publicly commented on the bill. If the administration comes out against the bill for any reason—possibly because the Qatar language diminishes the rosy glow of Trump’s Riyadh address, or if the Trump team lawyers decide they do not need additional authority to issue sanctions—neither chamber of Congress would likely waste time trying to garner two-thirds of each chamber to override the eventual Trump veto.

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