



## **H.R. 5711 – To prohibit the Secretary of the Treasury from authorizing certain transactions by a U.S. financial institution in connection with the export or re-export of a commercial passenger aircraft to the Islamic Republic of Iran (Rep. Huizenga, R-MI)**

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### **FLOOR SCHEDULE:**

Expected to be considered on November 16 under a structured [rule](#).

### **TOPLINE SUMMARY:**

[H.R. 5711](#) would prohibit the Department of Treasury from authorizing any U.S. financial institution transactions that pertain to the export or re-export of commercial passenger aircraft to the Islamic Republic of Iran. This legislation would also include the text of [H.R. 5715](#), which would amend the [Export-Import Bank Act of 1945](#) to prohibit the direct or indirect financing of the Government of Iran, an entity owned, created, or operated by the Government of Iran, or a non-US entity that has leased or re-exported aircraft to the Government of Iran within the last five years.

### **COST:**

The Congressional Budget Office (CBO) [estimates](#) that implementing H.R. 5711 would “have a negligible cost to the Treasury Department; any spending would be subject to the availability of appropriated funds.”

The Congressional Budget Office (CBO) [estimates](#) that implementing the text from H.R. 5715 would “not affect lending by Ex-Im and would have no effect on the federal budget.”

### **CONSERVATIVE CONCERNS:**

There are no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

### **DETAILED SUMMARY AND ANALYSIS:**

Presently, the Export-Import Bank (Ex-Im) is prohibited from doing any business in Iran and relevant outstanding financing is nonexistent. H.R. 5711 would prohibit the Ex-Im Bank from guaranteeing, extending credit, insuring, or participating in the extension of credit in connection with the export of

American goods or services that are sought by the Government of Iran or an entity owned, controlled, or created by Iran, an entity involving the government of Iran, or a non-American entity that has leased or re-exported aircraft to the Government of Iran within the last five years. This legislation would also require the Ex-Im Bank to cease previously approved financing if it is found that the assistance has facilitated the export or re-export of an aircraft to Iran. The bank would be required to seek immediate recovery of any assistance provided. Finally, this legislation would prohibit the Department of Treasury from authorizing any transactions by American financial institutions if they are incident to the export or re-export of commercial passenger aircrafts to the Government of Iran.

On July 14, 2015 the United States finalized a deal with Iran to limit their nuclear program, resulting in the lifting of several oil and financial sanctions. In September of 2016, the United States Treasury Department removed the final [hurdle](#) preventing aircraft manufacturers from selling commercial planes to Iran, granting licenses to both Boeing and Airbus. The Boeing license permits the company to sell 80 aircraft to Iran Air, while the Airbus license authorizes an initial 17 planes, which will eventually grow to 118 aircraft. Iran hasn't had the ability to modernize its commercial aircraft fleet since the Islamic Revolution in 1979 and U.S. Embassy hostage situation. Boeing last supplied aircraft to Iran in 1977. Many are concerned that this aircraft deal would imperil national security, particularly in light of 2011 Treasury imposed sanctions stemming from the Iranian use of commercial planes to transport rockets and missiles, [disguising](#) weapons as medicine and spare aircraft parts. More information on Iran's use of its commercial airline fleet to assist the Assad regime in Syria can be found [here](#) and [here](#) respectively.

The committee report can be found [here](#).

#### **AMENDMENTS:**

1. [Huizenga \(R-MI\)](#) – This amendment would clarify the nature of prohibited transactions. It would also provide a sunset for the provisions of the legislation pending presidential certification that Iran no longer supports international terrorism.

#### **COMMITTEE ACTION:**

H.R. 5711 was introduced on July 11, 2016 and was referred to the House Committee on Financial Services where it was ordered reported by the yeas and nays, 33-21, on July 13, 2016. H.R. 5715 was introduced on July 11, 2016 and was referred to the House Committee on Financial Services where it was reported, amended, by the yeas and nays, 32-21, on July 13, 2016.

#### **ADMINISTRATION POSITION:**

A Statement of Administration Policy can be found [here](#).

#### **CONSTITUTIONAL AUTHORITY:**

Congress has the power to enact H.R. 5711 pursuant to the following: Article I, Section 8 of the Constitution.

Congress has the power to enact H.R. 5715 pursuant to the following: Article I, Section 8, Clause 3 and Article 1, Section 8, Clause 18 of the Constitution.

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