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H. R. 3107

To impose sanctions on persons exporting certain goods or technology that would enhance Iran's ability to explore for, extract, refine, or transport by pipeline petroleum resources, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 1996

Mr. GILMAN (for himself, Mr. BERMAN, Mr. GEJDENSON, Mr. BURTON of Indiana, Mr. KING, Mr. SHAW, and Mr. FORBES) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committees on Banking and Financial Services, Ways and Means, and Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To impose sanctions on persons exporting certain goods or technology that would enhance Iran's ability to explore for, extract, refine, or transport by pipeline 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 "Iran Oil Sanctions Act
5 of 1996".

1 **SEC. 2. FINDINGS.**

2 The Congress makes the following findings:

3 (1) The efforts of the Government of Iran to
4 acquire weapons of mass destruction and the means
5 to deliver them and its support of international ter-
6 rorism endanger potentially the national security
7 and foreign policy interests of the United States and
8 those countries with which it shares common strate-
9 gic and foreign policy objectives.

10 (2) The objective of preventing the proliferation
11 of weapons of mass destruction and international
12 terrorism through existing multilateral and bilateral
13 initiatives requires additional efforts to deny Iran
14 the financial means to sustain its nuclear, chemical,
15 biological, and missile weapons programs.

16 (3) The Government of Iran uses its diplomatic
17 facilities and quasi-governmental institutions outside
18 of Iran to promote acts of international terrorism
19 and assist its nuclear, chemical, biological, and mis-
20 sile weapons programs.

21 **SEC. 3. DECLARATION OF POLICY.**

22 The Congress declares that it is the policy of the
23 United States to deny Iran the ability to support inter-
24 national terrorism and to fund the development and acqui-
25 sition of weapons of mass destruction and the means to
26 deliver them by limiting the development of Iran's ability

1 to explore for, extract, refine, or transport by pipeline pe-
2 troleum resources of Iran.

3 **SEC. 4. IMPOSITION OF SANCTIONS.**

4 (A) IN GENERAL.—Except as provided in subsection
5 (d), the President shall impose 2 or more of the sanctions
6 described in paragraphs (1) through (5) of section 5 if
7 the President determines that a person has, with actual
8 knowledge or reason to know, on or after the date of the
9 enactment of this Act—

10 (1) exported, transferred, or released to Iran,
11 nationals of Iran, or entities owned or controlled by
12 Iran or nationals of Iran any goods or technology
13 identified on the List of Petroleum and Natural
14 Gas-Related Goods and Technology established
15 under section 9 (in this Act referred to as the
16 “List”) if the provision of such goods or technology
17 would significantly and materially enhance Iran’s
18 ability to develop petroleum resources of Iran—

19 (A) whether or not the goods or technology
20 is exported from the United States; and

21 (B) whether or not the goods or technology
22 is subject to the jurisdiction of the United
23 States; or

24 (2) made an investment of \$40,000,000 or
25 more (or any combination of investments of a least

1 \$10,000,000 each, which in the aggregate equals or
2 exceeds \$40,000,000 in any 12-month period), that
3 directly contributed to the enhancement of Iran’s
4 ability to develop petroleum resources of Iran.

5 (b) PERSONS AGAINST WHICH THE SANCTIONS ARE
6 TO BE IMPOSED.—The sanctions described in subsection

7 (a) shall be imposed on—

8 (1) the person with respect to whom the Presi-
9 dent makes the determination subsection (a);

10 (2) any successor entity to the person with re-
11 spect to whom the President makes the determina-
12 tion subsection (a);

13 (3) any wholly owned subsidiary of the person
14 with respect to whom the President makes the deter-
15 mination subsection (a);

16 (4) any other subsidiary of the person with re-
17 spect to whom the President makes the determina-
18 tion under subsection (a) if that subsidiary, with ac-
19 tual knowledge or reason to know, engaged in the
20 activities which were the basis of that determination;

21 (5) any person that is a parent of the person
22 with respect to whom the President makes the deter-
23 mination under subsection (a) if that parent had ac-
24 tual knowledge or reason to know of the activities
25 which were the basis of that determination; and

1 (6) any person that is an affiliate of the person
2 with respect to whom the President makes the deter-
3 mination under subsection (a) if that affiliate, with
4 actual knowledge or reason to know, engaged in the
5 activities which were the basis of that determination.

6 For purposes of this Act, any person or entity described
7 in this subsection shall be referred to as a “sanctioned
8 person”.

9 (c) PUBLICATION IN FEDERAL REGISTER.—The
10 President shall cause to be published in the Federal Reg-
11 ister a current list of sanctioned persons. The removal of
12 names from, and the addition of names to, the list, shall
13 also be so published.

14 (d) EXCEPTIONS.—The President shall not be re-
15 quired to apply or maintain the sanctions under subsection
16 (a)—

17 (1) in the case of procurement of defense arti-
18 cles or defense services—

19 (A) under existing contracts or sub-
20 contracts, including the exercise of options for
21 production quantities to satisfy requirements
22 essential to the national security of the United
23 States;

24 (B) if the President determines in writing
25 that the person to which the sanctions would

1 otherwise be applied is a sole source supplier of
2 the defense articles or services, that the defense
3 articles or services are essential, and that alter-
4 native sources are not readily or reasonably
5 available; or

6 (C) if the President determines in writing
7 that such articles or services are essential to the
8 national security under defense coproduction
9 agreements;

10 (2) to products or services provided under con-
11 tracts entered into before the date on which the
12 President publishes his intention to impose the sanc-
13 tions;

14 (3) to—

15 (A) spare parts which are essential to
16 United States products or production;

17 (B) component parts, but not finished
18 products, essential to United States products or
19 production; or

20 (C) routine servicing and maintenance of
21 products, to the extent that alternative sources
22 are not readily or reasonably available;

23 (4) to information and technology essential to
24 United States products or production; or

1 (5) to medicines, medical supplies, or other hu-
2 manitarian items.

3 **SEC. 5. DESCRIPTION OF SANCTIONS.**

4 The sanctions to be imposed on a sanctioned person
5 under section 4(a) are as follows:

6 (1) EXPORT-IMPORT BANK ASSISTANCE FOR
7 EXPORTS TO SANCTIONED PERSONS.—The President
8 shall direct the Export-Import Bank of the United
9 States not to guarantee, insure, extend credit, or
10 participate in the extension of credit in connection
11 with the export of any goods or services to any sanc-
12 tioned person.

13 (2) TRADE SANCTION.—The President shall
14 both—

15 (A) order the United States Government
16 not to issue any specific license and not to
17 grant any other specific permission or authority
18 to export any goods or technology to a sanc-
19 tioned person under—

20 (i) the Export Administration Act of
21 1979;

22 (ii) the Arms Export Control Act;

23 (iii) the Atomic Energy Act of 1954;

24 or

1 (iv) any other statute that requires
2 the prior review and approval of the Unit-
3 ed States Government as a condition for
4 the export or re-export of goods or serv-
5 ices; and

6 (B) prohibit the importation into the Unit-
7 ed States of products produced by any sanc-
8 tioned person.

9 Subparagraph (B) includes application to the impor-
10 tation of any finished product or component part,
11 whether shipped directly by the sanctioned person or
12 by another entity.

13 (3) LOANS FROM UNITED STATES FINANCIAL
14 INSTITUTIONS.—The United States Government
15 shall prohibit any United States financial institution
16 from making any loan or providing any credit to any
17 sanctioned person in an amount exceeding
18 \$10,000,000 (or two or more loans of more than
19 \$5,000,000 each in any 12-month period) unless
20 such person is engaged in activities to relieve human
21 suffering and the loan, loans, or credit is provided
22 for such activities.

23 (4) PROHIBITIONS ON FINANCIAL INSTITU-
24 TIONS.—The following prohibitions shall be imposed

1 against a sanctioned person that is a financial insti-
2 tution:

3 (A) DESIGNATION AS PRIMARY DEALER.—

4 Neither the Board of Governors of the Federal
5 Reserve System nor the Federal Reserve Bank
6 of New York may designate, or permit the con-
7 tinuation of any prior designation of, such fi-
8 nancial institution as a primary dealer in Unit-
9 ed States Government debt instruments.

10 (B) GOVERNMENT FUNDS.—Such financial
11 institution shall not serve as agent of the Unit-
12 ed States Government or serve as repository for
13 United States Government funds.

14 (5) PROCUREMENT SANCTION.—The United
15 States Government shall not procure, or enter into
16 any contract for the procurement of, any goods or
17 services from a sanctioned person.

18 **SEC. 6. ADVISORY OPINIONS.**

19 The Secretary of State may, upon the request of any
20 person, issue an advisory opinion to that person as to
21 whether a proposed activity by that person would subject
22 that person to sanctions under this Act. Any person who
23 relies in good faith on such an advisory opinion which
24 states that the proposed activity would not subject a per-
25 son to such sanctions, and any person who thereafter en-

1 gages in such activity, may not be made subject to such
2 sanctions on account of such activity.

3 **SEC. 7. TERMINATION OF SANCTIONS.**

4 The requirement under section 4 to impose sanctions
5 shall no longer have force or effect if the President deter-
6 mines and certifies to the appropriate congressional com-
7 mittees that Iran—

8 (1) has ceased its efforts to design, develop,
9 manufacture, or acquire—

10 (A) a nuclear explosive device or related
11 materials and technology;

12 (B) chemical and biological weapons; and

13 (C) ballistic missiles and ballistic missile
14 launch technology; and

15 (2) has been removed from the list of countries
16 the governments of which have been determined, for
17 purposes of section 6(j) of the Export Administra-
18 tion Act of 1979, to have repeatedly provided sup-
19 port for acts of international terrorism.

20 **SEC. 8. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.**

21 (a) DELAY OF SANCTIONS.—

22 (1) CONSULTATIONS.—If the President makes a
23 determination described in section 4(a) with respect
24 to a foreign person, the Congress urges the Presi-
25 dent to initiate consultations immediately with the

1 government with primary jurisdiction over that for-
2 eign person with respect to the imposition of sanc-
3 tions under this Act.

4 (2) ACTIONS BY GOVERNMENT OF JURISDIC-
5 TION.—In order to pursue such consultations with
6 the government, the President may delay imposition
7 of sanctions under this Act for up to 90 days. Fol-
8 lowing such consultation, the President shall imme-
9 diately impose sanctions unless the President deter-
10 mines and certifies to the Congress that the govern-
11 ment has taken specific and effective actions, includ-
12 ing, as appropriate, the imposition of appropriate
13 penalties, to terminate the involvement of the foreign
14 person in the activities that resulted in the deter-
15 mination by the President under section 4(a) con-
16 cerning such person.

17 (3) ADDITIONAL DELAY IN IMPOSITION OF
18 SANCTIONS.—The President may delay the imposi-
19 tion of sanctions for up to an additional 90 days if
20 the President determines and certifies to the Con-
21 gress that the government with primary jurisdiction
22 over the process of taking the actions described in
23 paragraph (2).

24 (4) REPORT TO CONGRESS.—Not later than 45
25 days after making a determination under section

1 4(a), the President shall submit to the Committee on
2 Banking, Housing, and Urban Affairs of the Senate
3 and the Committee on International Relations of the
4 House of Representatives a report on the status of
5 consultations with the appropriate foreign govern-
6 ment under this subsection, and the basis for any
7 determination under paragraph (3).

8 (b) DURATION OF SANCTIONS.—The requirement to
9 impose sanctions under section 4(a) shall remain in effect
10 until the President determines that the sanctioned person
11 is no longer engaging in the activity that led to the imposi-
12 tion of sanctions.

13 (c) PRESIDENTIAL WAIVER.—

14 (1) AUTHORITY.—The President may waive the
15 requirement in section 4(a) to impose a sanction or
16 sanctions on a person in section 4(b), and may waive
17 the continued imposition of a sanction or sanctions
18 under subsection (b) of this section, 30 days or more
19 after the President determines and so reports to the
20 Committee on Banking, Housing, and Urban Affairs
21 of the Senate and the Committee on International
22 Relations of the House of Representatives that it is
23 important to the national interest of the United
24 States to exercise such waiver authority.

1 (2) CONTENTS OF REPORT.—Any such report
2 shall provide a specific and detailed rationale for
3 such determination, including—

4 (A) a description of the conduct that re-
5 sulted in the determination;

6 (B) in the case of a foreign person, an ex-
7 planation of the efforts to secure the coopera-
8 tion of the government with primary jurisdic-
9 tion of the sanctioned person to terminate or,
10 as appropriate, penalize the activities that re-
11 sulted in the determination;

12 (C) an estimate as to the significance of
13 the investment or the provision of the goods or
14 technology, as the case may be, to Iran’s ability
15 to develop its petroleum resources; and

16 (D) a statement as to the response of the
17 United States in the event that such person en-
18 gages in other activities that would be subject
19 to section 4(a).

20 (3) EFFECT OF REPORT ON WAIVER.—If the
21 President makes a report under paragraph (1) with
22 respect to a waiver of sanctions on a person in sec-
23 tion 4(b), sanctions need not be imposed under sec-
24 tion 4(a) on that person during the 30-day period
25 referred to in paragraph (1).

1 **SEC. 9. GOODS AND TECHNOLOGY SUBJECT TO EXPORT**
2 **CONTROL RESTRICTIONS.**

3 (a) CONTROL LIST.—

4 (1) CONTENTS OF LIST.—For purposes of the
5 determinations to be made under section 4(a), the
6 President, in consultation with the Secretary of
7 State and the Secretary of Energy, and the heads of
8 other appropriate departments and agencies, shall
9 establish and maintain the List of Petroleum and
10 Natural Gas-Related Goods and Technology. The
11 List shall consist of—

12 (A) all items listed in the Annex to Resolu-
13 tion 883 of the Security Council of the United
14 Nations, adopted November 11, 1993, and all
15 types of equipment, supplies, and grants of li-
16 censes prohibited by paragraph 5 of that resolu-
17 tion; and

18 (B) any other goods or technology (includ-
19 ing software and technical data) that the Presi-
20 dent determines could significantly or materially
21 contribute to Iran's ability to develop its petro-
22 leum resources, including goods and technology
23 that are required for the development, produc-
24 tion, or use of facilities (including the repair,
25 maintenance, or operation of equipment) for the
26 development of petroleum resources.

1 (2) PUBLICATION.—The President, within 60
2 days after the date of the enactment of this Act,
3 shall cause the List to be published in the Federal
4 Register, together with any regulations issued with
5 respect thereto. Thereafter, any revisions to the List
6 or amendments to the regulations shall be published
7 in the same manner.

8 (3) ADVANCE NOTICE TO CONGRESS.—Not less
9 than 30 days in advance of the publication of the
10 List, it shall be provided to the Committee on Bank-
11 ing, Housing, and Urban Affairs of the Senate and
12 to the Committee on International Relations of the
13 House of Representatives. The President shall con-
14 sult with such Committee regarding the content of
15 the List and shall respond to questions regarding
16 the basis for the inclusion on, or exclusion from, the
17 List of specified goods and technology.

18 (b) STATUTORY CONSTRUCTION.—Nothing in this
19 section prevents the inclusion on the List of any goods
20 or technology that may be produced in and traded inter-
21 nationally by persons or entities in countries other than
22 the United States.

23 **SEC. 10. REPORTS REQUIRED.**

24 (a) REPORT ON CERTAIN INTERNATIONAL INITIA-
25 TIVES.—Not later than 6 months after the date of the en-

1 actment of this Act, and every 6 months thereafter, the
2 President shall transmit a report to the appropriate con-
3 gressional committees describing—

4 (1) the efforts of the President to mount a mul-
5 tilateral campaign to persuade all countries to pres-
6 sure Iran to cease its weapons of mass destruction
7 programs and its support of international terrorism;

8 (2) the efforts of the President to persuade
9 other governments to ask Iran to reduce the pres-
10 ence of Iranian diplomats and representatives of
11 other government and military or quasi-govern-
12 mental institutions of Iran and to withdraw any
13 such diplomats or representatives who participated
14 in the takeover of the United States embassy in
15 Tehran on November 4, 1979, or the subsequent
16 holding of United States hostages for 444 days;

17 (3) the extent to which the International
18 Atomic Energy Agency has established regular
19 inspections of all nuclear facilities in Iran, in-
20 cluding those presently under construction; and

21 (4) Iran's use of Iranian diplomats and rep-
22 resentatives of other government and military or
23 quasi-governmental institutions of Iran to promote
24 acts of terrorism or to develop or sustain Iran's nu-

1 clear, chemical, biological, and missile weapons pro-
2 grams.

3 (b) OTHER REPORTS.—The President shall ensure
4 the continued transmittal to the Congress of reports de-
5 scribing—

6 (1) the nuclear and other military capabilities
7 of Iran, as required by section 601(a) of the Nuclear
8 Non-Proliferation act of 1978 and section 1607 of
9 the National Defense Authorization Act, Fiscal Year
10 1993; and

11 (2) the support provided by Iran for acts of
12 international terrorism, as part of the Department
13 of State’s annual report on international terrorism.

14 **SEC. 11. APPLICATION OF THE ACT TO LIBYA.**

15 (a) IN GENERAL.—The sanctions of this Act, includ-
16 ing the terms and conditions for the imposition, duration,
17 and termination of sanctions, shall apply to persons mak-
18 ing investments with respect to the development of petro-
19 leum resources of Libya, or exporting, transferring, or re-
20 leasing of certain goods or technology to Libya, nationals
21 of Libya, or entities owned or controlled by Libya, in the
22 same manner as those sanctions apply under this Act to
23 persons making investments with respect to the develop-
24 ment of petroleum resources of Iran, or exporting, trans-

1 ferring, or releasing of certain goods or technology to Iran,
2 nationals of Iran, or entities owned or controlled by Iran.

3 (b) APPLICATION OF SPECIFIC PROVISIONS.—In ap-
4 plying the provisions of this Act with respect to Libya
5 under subsection (a) each reference to “Iran” shall be
6 deemed to be a reference to “Libya”.

7 **SEC. 12. DETERMINATIONS NOT REVIEWABLE.**

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

10 **SEC. 13. DEFINITIONS.**

11 As used in this Act:

12 (1) ACT OF INTERNATIONAL TERRORISM.—The
13 term “act of international terrorism” means an
14 act—

15 (A) which is violent or dangerous to
16 human life and that is a violation of the crimi-
17 nal laws of the United States or of any State
18 or that would be a criminal violation if commit-
19 ted within the jurisdiction of the United States
20 or any State; and

21 (B) which appears to be intended—

22 (i) to intimidate or coerce a civilian
23 population;

24 (ii) to influence the policy of a govern-
25 ment by intimidation or coercion; or

1 (iii) to affect the conduct of a govern-
2 ment by assassination or kidnapping.

3 (2) AFFILIATE.—For purposes of section 4(b),
4 a person is an “affiliate” of another person if more
5 than 50 percent of the outstanding capital stock or
6 other beneficial interest in both persons is owned by
7 a third person or both persons are otherwise con-
8 trolled by a third person.

9 (3) APPROPRIATE CONGRESSIONAL COMMIT-
10 TEES.—The term “appropriate congressional com-
11 mittees” means the Committees on Banking, Hous-
12 ing, and Urban Affairs and Foreign Relations of the
13 Senate and the Committee on International Rela-
14 tions of the House of Representatives.

15 (4) COMPONENT PART.—The term “component
16 part” has the meaning given that term in section
17 11A(e)(1) of the Export Administration Act of 1979
18 (50 U.S.C. App. 2410a(e)(1)).

19 (5) DEVELOP AND DEVELOPMENT.—To “de-
20 velop”, or the “development” of, petroleum resources
21 means the exploration for, or the extraction, refin-
22 ing, or transportation by pipeline of, petroleum re-
23 sources.

24 (6) FINANCIAL INSTITUTION.—The term “fi-
25 nancial institution” includes—

1 (A) a depository institution (as defined in
2 section 3(e)(1) of the Federal Deposit Insur-
3 ance Act), including a branch or agency of a
4 foreign bank (as defined in section 1(b)(7) of
5 the International Banking Act of 1978);

6 (B) a credit union;

7 (C) a securities firm, including a broker or
8 dealer;

9 (D) an insurance company, including an
10 agency or underwriter;

11 (E) any other company that provides fi-
12 nancial services; and

13 (F) any subsidiary of an entity described
14 in any of subparagraphs (A) through (E).

15 (7) FINISHED PRODUCT.—The term “finished
16 product” has the meaning given that term in section
17 11A(e)(2) of the Export Administration Act of 1979
18 (50 U.S.C. App. 2410a(e)(2)).

19 (8) FOREIGN PERSON.—The term “foreign per-
20 son” means—

21 (A) an individual who is not a United
22 States person or an alien lawfully admitted for
23 permanent residence into the United States; or

1 (B) a corporation, partnership, or other
2 nongovernment entity which is not a United
3 States person.

4 (9) GOODS AND TECHNOLOGY.—The terms
5 “goods” and “technology” have the meanings given
6 those terms in section 16 of the Export Administra-
7 tion Act of 1979 (50 U.S.C. app. 2415).

8 (10) INVESTMENT.—The term “investment”
9 means—

10 (A) the entry into a contract that includes
11 responsibility for the development of petroleum
12 resources located in Iran or Libya (as the case
13 may be), or the entry into a contract providing
14 for the general supervision and guarantee of an-
15 ther person’s performance of such a contract;

16 (B) the purchase of a share of ownership
17 in that development;

18 (C) the entry into a contract providing for
19 the participation in royalties, earnings, or prof-
20 its in that development, without regard to the
21 form of the participation; or

22 (D) the entry into or performance of—

23 (i) a contract for the financing of the
24 development of petroleum resources located
25 in Iran or Libya (as the case may be); or

1 (ii) a guaranty of another person's
2 performance under such a contract.

3 (11) IRAN.—The term “Iran” means—

4 (A) the territory of Iran; and

5 (B) any territory or marine areas over
6 which the Government of Iran claims sov-
7 ereignty, sovereign rights, or jurisdiction, if the
8 Government of Iran exercises partial or de facto
9 control over such territory or areas or derives a
10 benefit from economic activity in the territory
11 or area pursuant to an international agreement.

12 (12) IRANIAN DIPLOMATS AND REPRESENTA-
13 TIVES OF OTHER GOVERNMENT AND MILITARY OR
14 QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN.—

15 The term “Iranian diplomats and representatives of
16 other government and military or quasi-govern-
17 mental institutions of Iran” includes employees, rep-
18 resentatives, or affiliates of Iran's—

19 (A) Foreign Ministry;

20 (B) Ministry of Intelligence and Security;

21 (C) Revolutionary Guard Corps;

22 (D) Crusade for Reconstruction;

23 (E) Qods (Jerusalem) Forces;

24 (F) Interior Ministry;

1 (G) Foundation for the Oppressed and
2 Disabled;

3 (H) Prophet’s Foundation;

4 (I) June 5th Foundation;

5 (J) Martyr’s Foundation;

6 (K) Islamic Propagation Organization; and

7 (L) Ministry of Islamic Guidance.

8 (13) LIBYA.—The term “Libya” means—

9 (A) the territory of Libya; and

10 (B) any territory or marine areas over
11 which the Government of Libya claims sov-
12 ereignty, sovereign rights, or jurisdiction, if the
13 Government of Libya exercises partial or de
14 facto control over such territory or area or de-
15 rives a benefit from economic activity in the ter-
16 ritory or area pursuant to an international
17 agreement.

18 (14) NUCLEAR EXPLOSIVE DEVICE.—The term
19 “nuclear explosive device” means any device, wheth-
20 er assembled or disassembled, that is designed to
21 produce an instantaneous release of an amount of
22 nuclear energy from special nuclear material (as de-
23 fined in section 11aa. of the Atomic Energy Act of
24 1954) that is greater than the amount of energy

1 that would be released from the detonation of one
2 pound of trinitrotoluene (TNT).

3 (15) PARENT.—For purposes of section 4(b), a
4 person is a “parent” of another person if that per-
5 son owns, directly or indirectly, more than 50 per-
6 cent of the outstanding capital stock or other bene-
7 ficial interest in that other person, or otherwise con-
8 trols that other person.

9 (16) PERSON.—The term “person” means a
10 natural person as well as a corporation, business as-
11 sociation, partnership, society, trust, any other non-
12 governmental entity, organization, or group, and any
13 governmental entity operating as a business enter-
14 prise, and any successor to any such entity.

15 (18) PETROLEUM RESOURCES.—The term “pe-
16 troleum resources” includes petroleum and natural
17 gas resources.

18 (19) SUBSIDIARY.—(A) For purposes of section
19 4(b), and subject to subparagraph (B), a person is
20 a “subsidiary” of another person if that other per-
21 son owns, directly or indirectly, more than 50 per-
22 cent of the outstanding capital stock or other bene-
23 ficial interest in that person, or otherwise controls
24 that person.

1 (B) A person is a “wholly owned” subsidiary of
2 another person if all the outstanding capital stock or
3 other beneficial interests of that person are owned
4 by that other person.

5 (20) UNITED STATES OR STATE.—The term
6 “United States” or “State” means the several
7 States, the District of Columbia, the Commonwealth
8 of Puerto Rico, the Commonwealth of the Northern
9 Mariana Islands, American Samoa, Guam, the
10 United States Virgin Islands, and any other terri-
11 tory or possession of the United States.

12 (21) UNITED STATES PERSON.—The term
13 “United States person” means—

14 (A) a natural person who is a citizen of the
15 United States or who owes permanent alle-
16 giance to the United States; and

17 (B) a corporation or other legal entity
18 which is organized under the laws of the United
19 States, any State or territory thereof, or the
20 District of Columbia, if natural persons de-
21 scribed in subparagraph (A) own, directly or in-
22 directly, more than 50 percent of the outstand-
23 ing capital stock or other beneficial interest in
24 such legal entity.

○