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H.R. 3457, Justice for Victims of Iranian Terrorism Act

FLOOR SITUATION

On Thursday, October 1, 2015, the House will consider [H.R. 3457](#) the *Justice for Victims of Iranian Terrorism Act*, under a [rule](#). H.R. 3457 was introduced on September 9, 2015 by Rep. Patrick Meehan (R-PA) and was referred to the House Committee on Foreign Affairs.

SUMMARY

H.R. 3457 prohibits the President from waiving, suspending, reducing, providing relief from, or otherwise limiting the application of statutory sanctions with respect to Iran pursuant to the Joint Comprehensive Plan of Action or any other Iranian nuclear agreement, until such time when the President has certified to Congress that Iran has paid court judgments that have been awarded to victims of terrorism.

The bill specifies that a judgment in this respect refers to a claim: brought against Iran (or any of its political subdivisions, agencies, or instrumentalities); for which Iran was not immune from the jurisdiction of US courts; and that was entered during the period beginning on April 24, 1996, and ending on the date of enactment of this Act.

BACKGROUND

In 1996 Congress amended the Foreign Sovereign Immunities Act (FSIA) to allow U.S. victims of terrorism to sue designated State sponsors of terrorism for their terrorist acts. Under the Terrorism Risk Insurance Act (TRIA), judgements are enforceable against blocked assets of Iran. The current and past administrations have intervened to block the judicial attachment of frozen assets to satisfy judgments.¹

U.S. courts have held Iran liable for a number of attacks carried out by its terrorist proxies, including the 1983 bombing of the U.S. Marine Barracks in Beirut and 1996 bombing of the Khobar Towers in Saudi Arabia, which together killed 260 American servicemen. These attacks were linked in court to Iranian support or financing.

¹ See CRS Report, [Suits Against Terrorist States by Victims of Terrorism](#), August 8, 2015.

U.S. courts have awarded judgments to the victims of these and other attacks, requiring Iran to compensate them for their losses. Dozens of such judgments remain outstanding – with approximately \$43.5 billion in unpaid damages in more than 80 cases over the last 15 years, according to the Congressional Research Service. In one such case, a U.S. District Judge found that Iran directed the 1983 attack on the U.S. Embassy in Beirut and carried it out through a Hezbollah suicide bomber who drove a van packed with 2,000 pounds of explosives into the front door. Tehran was found liable for \$320 million in damages to 47 American victims. Similarly, \$9 billion was awarded to victims of the bombing of the Marine barracks later that year. These judgments remain unpaid.

On August 5, 2015, a group of American terrorism victims, who hold terrorism-related judgments against Iran, filed a lawsuit against the State Department (*Victims of Iranian Terrorism v. U.S. State Department*) in order to stop the U.S. Government from releasing billions of dollars of frozen Iranian assets. The plaintiffs hold over \$152 million in compensatory damages awarded to them by Federal Courts.

The plaintiffs argue that the frozen Iranian assets (approximately \$100 to \$150 billion) reportedly subject to sanctions relief under the Joint Comprehensive Plan of Action (commonly referred to as the Iran deal) are required to remain frozen until the President certifies that Iran has ceased providing support for acts of terrorism. The plaintiffs assert that these assets are frozen under TRIA and if the Administration were to lift the sanctions, they would lose their only remaining leverage against Iran to enforce their judgments, which would amount to an unconstitutional taking without just compensation in violation of the Fifth Amendment.

According to the U.S. Treasury Department, there is approximately \$1.97 billion in frozen Iranian assets in the United States. These assets have been frozen since the Iranian hostage crisis in 1981.² However, according to the Congressional Research Service, “funds subject to foreign sanctions and freezing orders do not meet the definition of blocked assets under TRIA” and “the funds the plaintiffs seek to attach do not appear to be blocked assets within the meaning of TRIA, and they are not located within the jurisdiction of United States courts.”³

According to the bill sponsor, “Iran should not get a red cent in U.S. sanctions relief until it has paid its victims what they are owed. I oppose the Iran deal, but surely we can all agree that Iran should not reap any benefits from the U.S. until it has compensated the families of those whose lives were taken by Iranian terrorism.”⁴ Click [here](#) to see a video provided by the bill sponsor about this bill.

The rule incorporates an amendment offered by the bill sponsor that refines and clarifies legal definitions in the introduced bill text.

COST

A Congressional Budget Office (CBO) cost estimate is currently not available.

² See Treasury Report, [Terrorist Asset Report](#), 2014, at 14.

³ See CRS Report, [Terrorism Victims Sue to Enjoin Sanctions Relief under the Iran Nuclear Agreement](#), August, 27, 2015.

⁴ See Rep. Meehan Press Release, [“Meehan Introduces "Justice for Victims of Iranian Terrorism Act."](#) September 10, 2015.

STAFF CONTACT

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