



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 14, 2016
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

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, and one cosponsor)

The Administration strongly opposes H.R. 5711, a bill that would prevent the United States from implementing the Joint Comprehensive Plan of Action (JCPOA), a diplomatic arrangement that peacefully and verifiably prevents Iran from acquiring a nuclear weapon. The bill would undermine the ability of the United States to meet our JCPOA commitments by effectively prohibiting the United States from licensing the sale of commercial passenger aircraft to Iran for exclusively civil end uses, as we committed to do in the JCPOA, and seeking to deter companies from pursuing permissible business with Iran. The JCPOA has significantly constrained Iran's nuclear program – key aspects of the program are dismantled under the JCPOA, and it subjects Iran's nuclear program to unprecedented verification and monitoring requirements. It is profoundly in the national security interest of the United States to continue to meet our commitments under the JCPOA as long as Iran continues to meet its commitments.

The bill prohibits the U.S. government from authorizing transactions by U.S. financial institutions in connection with the export or re-export of commercial passenger aircraft to the Government of Iran or Iranian entities and mandates the revocation of any such licenses already issued. Without the ability to license these transactions, the United States will be unable to fulfill one of its JCPOA commitments to the detriment of U.S. companies, foreign partners, and the world. The commitment to license these transactions, clearly outlined in the JCPOA text, has been clear since the conclusion of the JCPOA in July 2015 and as briefed publicly by this Administration, including during the robust congressional debate on the JCPOA. Attempts at this juncture to preclude implementation of U.S. commitments are in bad faith.

The bill further limits the role of Export-Import Bank financing by mandating vague restrictions with potentially undefined impact on commerce. For example, the bill requires the Export-Import Bank to cancel any financial assistance issued post-enactment that has "facilitated" the export, sale, or lease of an aircraft to Iran or an Iranian entity. The sweeping and vague nature of this provision would have a chilling effect on U.S. and non-U.S. entities seeking to engage in permissible business with Iran.

This bill, if enacted, would contravene U.S. commitments in the JCPOA and interfere with its successful implementation. The United States has a long tradition of remaining faithful to our commitments and our international partners, and a reversal of this principle undercuts our credibility, diminishes our ability to lead globally, and threatens the very alliances we rely upon in implementing the JCPOA. We fully expect that, if these measures became law, our closest allies would view this bill as a violation of our JCPOA commitments and Iran would take the issue to the Joint Commission. Our allies have steadfastly supported us when Iran has brought

concerns to the Joint Commission, but they would be unable to do so if this legislation were enacted. We would lose the P5+1 unity on this issue that has been and will remain critical to preserving the deal. Continued implementation of JCPOA commitments by all participants – including the United States and our closest allies – is critical to ensuring that Iran's nuclear program is and will remain exclusively peaceful, which is profoundly in the national security interests of the United States and the international community.

The President has made it clear that he will veto any legislation that prevents the successful implementation of the JCPOA. If the President were presented with H.R. 5711, he would veto the bill.

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