AIPAC
THE AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE
America's Pro-Israel Lobby

BILL SUMMARY

July 31, 2007

Iran Sanctions Enabling Act of 2007 – H.R. 2347

The House on July 31 passed the Iran Sanctions Enabling Act of 2007 by a vote of 408-6, authorizing state and local governments to divest from companies investing in Iran's petroleum and natural gas sector and protecting fund managers who divest from such companies from potential lawsuits. The passage of the bill, which was introduced by Reps. Barney Frank (D-MA) and Christopher Shays (R-CT), comes as states around the country -- including Florida, California, Ohio, Illinois, Texas, New York and New Jersey -- are mounting efforts to divest their pension funds from companies investing in Iran's petroleum sector or conducting business with its defense or nuclear sectors. Companies invested in Iran's oil and natural gas sector, which accounts for 80 percent of the country's hard currency, provide the economic wherewithal needed by Iran to fund its nuclear weapons pursuit and support for terrorism. A similar bill was introduced in the Senate (S. 1430) by Sens. Barack Obama (D-IL) and Sam Brownback (R-KS) and remains pending.

KEY PROVISIONS:

- Requires the U.S. government to publish a list every six months of companies that invest more than $20 million in Iran's energy sector, thereby providing investors with the knowledge to make informed investment decisions and discouraging foreign companies from initiating investments.

- Authorizes state and local governments to divest the assets of their pension funds and any other funds under their control from companies on the list.

- Protects fund managers who divest from companies from lawsuits directed at them by investors who are unhappy with the results.

- Urges the Thrift Savings Plan—a retirement savings plan for federal employees—to offer a terror-free investment option.

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440 First Street, NW
Suite 600
Washington, DC 20001

Tel 202-639-5200
Fax 202-639-0630
www.aipac.org