

BILL SUMMARY

July 31, 2007

Iran Sanctions Enabling Act of 2007 (S. 1430)

As Iran continues to make rapid advancements in its illicit nuclear weapons program, Senate leaders have introduced the Iran Sanctions Enabling Act of 2007. The bill, which was introduced by Sens. Barack Obama (D-IL) and Sam Brownback (R-KS), authorizes state and local governments to divest from companies investing in Iran's petroleum and natural gas sector and protects fund managers who divest from such companies from potential lawsuits. 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. Similar legislation introduced in the House (H.R. 2347) by Reps. Barney Frank (D-MA) and Christopher Shays (R-CT) was passed on July 31 by a vote of 408-6; the Senate version still awaits consideration.

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.