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AIPAC Applauds House Passage of Iran Sanctions Bill

AIPAC released the following statement regarding House passage of the Iran Sanctions Enabling Act

AIPAC applauds the House of Representatives' passage of the Iran Sanctions Enabling Act of 2007, which authorizes state and local governments to divest from companies investing in Iran's petroleum and natural gas sector or doing business with Iran's nuclear or defense sectors.

Since these companies are liable for sanctions under U.S. law, states have a responsibility to consider the financial consequences of holding stock in them, and the law also protects fund managers who divest from such companies from potential lawsuits.

The Iran Sanctions Enabling Act of 2007 (H.R. 2347) passed the House by a vote of 408 to 6 with 18 members voting present. A companion bill (S. 1430) has been introduced in the Senate and currently awaits consideration.

By passing this important piece of legislation, Congress is aiming to deprive Iran of the money that it needs to pursue a nuclear weapons capability, and ratcheting up pressure on those who are financing Tehran's nuclear pursuits by investing in Iran's petroleum and natural gas sector or doing business with Iran's nuclear or defense sectors. The United States needs to exhaust every economic, diplomatic and political tool to persuade the Iranian government to end its illicit nuclear program as the U.N. Security Council and the International Community have demanded.

Given that companies investing in Iran's oil and gas sector account for 80 percent of the country's hard currency, this bill has the potential to make Iran pay a steep economic price for its continuing defiance of the international community. Tough steps such as cutting off the flow of cash to the regime could help convince Iran that it faces a bleak economic future and growing domestic unrest unless it changes course.

AIPAC commends those House Members who voted in support of the bill and recognizes the leadership displayed by the bill's principal co-sponsors Reps. Barney Frank (D-MA) and Christopher Shays (R-CT).

The legislation requires the U.S. government to publish a list every six months of companies investing more than \$20 million in Iran's energy sector or doing business with Iran's nuclear or defense sectors. This will provide investors with the knowledge to make informed investment decisions and discourage foreign companies from initiating investments.

The bill also authorizes state and local governments to divest the assets of their pension funds of investments in companies who are liable to sanction under American law, and protects fund managers who divest from companies from lawsuits directed at them by investors who are unhappy with the results.

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

Consistently ranked as the most influential foreign policy lobbying organization on Capitol Hill, AIPAC is an American membership organization that seeks to strengthen the relationship between the United States and Israel. For more than 50 years, AIPAC has been working with Congress to build a strong, vibrant relationship between the U.S. and Israel. With more than 100,000 members across the United States, AIPAC works throughout the country to improve and strengthen that relationship by supporting U.S.-Israel military, economic, scientific and cultural cooperation.