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Contact: Josh Block
press@aipac.org

Governors Tell Senate: Support Iran Sanctions Enabling Act

A group of seven [State Governors signed a joint letter](#) to Senate and Committee leadership to express their support and urge the passage of the Iran Sanctions Enabling Act of 2009, the Federal legislation authorizing state and local governments to divest from companies investing in Iran's petroleum, natural gas, and nuclear energy sectors. AIPAC applauds these State Governors for their leadership and expression of support of this important legislation.

The letter, initiated by Governors Tim Pawlenty (R-MN) and Jennifer Granholm (D-MI), was also signed by Governors Arnold Schwarzenegger (R-CA), Martin O'Malley (D-MD), Bill Ritter, Jr. (D-CO) David Paterson (D-NY), and Bobby Jindal (R-LA), all governors that have authorized Iran divestment legislation or policies in their states.

"As governors," the letter declares, "we have individually taken steps to address this growing threat by authorizing the divestment of state funds from companies that have economic interests in the Iranian oil and natural gas sectors. Yet, with the Iran Sanctions Enabling Act...we expect more of our fellow governors may engage in similar efforts, thus dramatically increasing leverage to influence this urgent matter."

Nineteen states and the District of Columbia have already approved divestment through legislation or executive policies, as well as several major cities such as New York, Atlanta, and Los Angeles, and counties such as Los Angeles County in California and Fulton and DeKalb counties in Georgia.

"In order for diplomacy to succeed, the Iranian government must know that it faces a very bleak economic future if it does not change course," Governor Pawlenty said. "State and local governments can play an important role in this effort." Governor Granholm agreed, noting that state divestment, "can complement the efforts of our federal partners" adding that such efforts "will increase the economic pressure on Iran to curtail its nuclear ambitions to ensure the safety and security of all people. I urge Congress to pass this act so all states may join in this effort."

The original legislation introduced in the Senate by Senators Robert Casey (D-PA) and Sam Brownback (R-KS) is to be incorporated into a comprehensive Iran sanctions legislation introduced this week by the Chairman of the Senate Banking Committee, Sen. Chris Dodd. The provision mirrors a bill introduced during the last Congress by then-Sen. Barack Obama (D-IL) and Sen. Brownback. The U.S. House passed the ISEA on Oct 14 by a vote of 414-6.

The legislation authorizes divestment from any company providing tankers or any product used to construct or maintain pipelines that transport Iranian oil or liquefied natural gas, and targets any financial institution that extends \$20 million or more in credit to any entity investing in Iran's energy sector. Since these companies are already liable for sanctions under U.S. law ([see Iran Sanctions Act](#)),

states have a fiduciary responsibility to consider the financial consequences of holding stock in them. The law also protects fund managers who divest from such companies from potential lawsuits.

With their ongoing leadership on state divestment, and initiating this letter, these governors have demonstrated an understanding of the urgent need to exhaust every economic, diplomatic and political tool to pressure and persuade the Iranian government to end its illicit nuclear program as the U.N. Security Council and the International Community have repeatedly demanded.

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