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AIPAC Applauds House Passage of Iran Sanctions Enabling Act

AIPAC applauds the House of Representatives' passage of the Iran Sanctions Enabling Act of 2009, authorizing state and local governments to divest from companies investing in Iran's petroleum, natural gas, and nuclear energy sectors.

The bill also 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 \$20m 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

The Iran Sanctions Enabling Act of 2009 (H.R. 1327) passed the House by a vote of 414 to 6. A companion bill (S.1065) has been introduced in the Senate by Senators Robert Casey (D-PA) and Sam Brownback (R-KS). 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 Mark Kirk (R-IL).

Iran's continued defiance of repeated U.N. Security Council resolutions demanding immediate suspension of Tehran's nuclear fuel work, and Tehran's failure to meet international obligations – to immediately stop enriching, come completely clean about its illicit nuclear program and open up to late-notice inspections anywhere, anytime -- calls for diplomacy to be reinforced by concerted and biting sanctions to compel Iran to change its behavior.

By passing this important piece of legislation, Congress is aiming to deprive Iran of the money it needs to pursue a nuclear weapons capability, ratcheting up pressure on those who are financing Tehran's nuclear pursuits through their investments and support to Iran's petroleum and natural gas industry.

Facing the urgent and time-sensitive need to change Iranian behavior or face even more difficult choices, the United States and our allies must 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.

Given that Iran is desperate for foreign investment in its energy sector, which accounts for 80% of Iran's hard currency, this bill has the potential to make Tehran 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 it faces a bleak economic future and growing domestic unrest unless it changes course.

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