

Letter on Iran

On behalf of the members of Peace Action of Central New York, I am urging you to vote no on Amendment 634 to the omnibus appropriations bill for fiscal year 2009 offered by Senator John Kyl. It may come up for a vote in the next few days.

With the exception of a presidential waiver, this amendment would prohibit spending “by a Federal agency in a new contract or other expenditure of Federal funds with a company identified by the Department of the Treasury Office of Foreign Assets Control (OFAC) as having a business presence in Iran's energy sector, including Iran's refineries, refined petroleum products, and oil and natural gas fields.”

This amendment may have broad consequences that require sufficient deliberations rather than a rushed vote. Indeed, it may well amount to a secondary embargo that would violate U.S. obligations as a member of the World Trade Organization. Before a vote, Congress would be wise to obtain an opinion from the U.S. Trade Representative to avoid possible disruption to U.S. trade and business relations during a world economic crisis.

While the amendment appears to prohibit funding to companies, not Countries, in some cases the companies that may be in question are partially state-owned (e.g. Russia, Kuwait, the UAE, and Turkey) so the amendment would have a direct impact on U.S. foreign relations.

Most importantly, this amendment could impede administration initiatives and goals in the Middle East and Central Asia, including stabilization of Iraq and the reduction of India-Pakistan tensions. Clearly, this amendment could thwart needed dialogue with Iran by sending a negative signal. The U.S. and its allies have continuously used the stick with Iran to no great effect. It is time for a different approach.

Thank you,