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FRIENDS COMMITTEE ON NATIONAL LEGISLATION

... a Quaker lobby in the public interest

March 4, 2009

Dear Senator,

We urge you to vote no on Amendment 634 to the omnibus appropriations bill for fiscal year 2009 offered by Senator John Kyl this afternoon.

Amendment 634, in the absence of a presidential waiver, 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.”

Congress should not approve this amendment without due consideration and deliberation of its likely consequences. This is especially so given the amendment's broken syntax. How, for example is “a company... identified... as having a business presence in... refined petroleum products...” to be understood?

And it is especially so in the absence of a definition of what constitutes a “business presence.” This may well entail a secondary embargo that would violate U.S. obligations as a member of the World Trade Organization. Congress should not act on this amendment without obtaining an opinion from the U.S. Trade Representative to avoid possible disruption to U.S. trade and business relations in the midst of this severe economic downturn.

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.

Approval of this amendment could impede administration initiatives and goals in the Middle East and Central Asia, including stabilization of Iraq, reduction of India-Pakistan tensions. It could also preempt efforts to develop a dialogue with Iran by sending a negative signal at the very point that the U.S. is attempting to open doors, thus destroying what may be the best chance to resolve concerns over Iran's nuclear program.

It would be grossly irresponsible for the Senate to approve the Kyl amendment without any prior consideration of the consequences.

We strongly urge you to vote no on amendment 634.

Sincerely,

A handwritten signature in cursive script that reads 'Jim Fine'.

Jim Fine
Legislative Secretary for Foreign Policy