

July 14, 2011

The Honorable [insert name]
Governor of [insert state]
Address

Re: Iran Contracting Legislation

Dear Governor _____,

United Against Nuclear Iran (“UANI”) is writing your office today to ask for your support in countering what is unquestionably the principal threat to international peace and security confronting the people of our nation and the great state of _____ (insert state name). The prospect of the Islamic Republic of Iran successfully developing a nuclear weapons capability is one that would fundamentally alter the geopolitical landscape of the Middle East and the nonproliferation regime more broadly. The danger of a nuclear-armed Iran is sufficiently grave that confronting it is no longer just the responsibility of the U.S. Congress and members of the Executive Office in Washington, D.C. It is a responsibility that must be shared by us all.

Fortunately, there is meaningful and substantive action that can be taken by the state of _____, one that would be far more than just symbolic. As you are no doubt aware, a number of governmental bodies have adopted provisions to isolate and put pressure on Iran through a variety of means, including the United Nations, the European Union, as well as a number of sovereign states including the United States, Australia, Canada, Japan, and South Korea. And just this past month, California and Florida became the first individual states to adopt comprehensive measures pressuring companies to cease their business operations in or with Iran.

With respect to the United States, the measures adopted by California and Florida follow the passage of the *Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010*, which was enacted with overwhelming bipartisan support by the U.S. Congress and signed into law by President Barack Obama in July 2010. One of the most notable features of this law is that it presents companies, including foreign subsidiaries, with a clear choice: If you do business in Iran in key sectors benefiting the regime, you are precluded from winning government contracts with the U.S. government. The U.S. Congress and President Barack Obama agreed that U.S. taxpayer dollars should not line the pockets of companies doing business with a regime that poses a direct threat to our security, foments terrorism, is actively working to quash democratic movements in the region, and has established itself as one of the world’s worst human rights abusers by engaging in a campaign of terror against its own people.

In the cases of California and Florida, the states recently adopted the *Iran Contracting Act* and the *Scrutinized Companies Act*, respectively, which require companies to sever ties in certain business sectors in Iran if they wish to be eligible for lucrative state contracts. If companies continue to do business in Iran or with Iranian entities, they are subject to potential debarment from any future contracts. The impact of this action by California has already been profound. Several companies, including the Layher Group, a German construction company, announced that as a result of California's action, they would end all business ties in Iran. Additionally, the legislation has spurred ABB, the Fortune 500 Swiss engineering firm, "to complete its exit from all business in the oil and gas sector in Iran" within the next few months. These are real results.

UANI strongly encourages the state of _____ to follow the examples set by U.S. Congress and the states of California and Florida. We have attached for your convenience draft legislation that could serve as the basis for discussion and consideration. UANI staff is also happy to work directly with officials on implementation procedures. For example, UANI has an extensive database of companies doing business in Iran or with Iranian entities. This database is public and at the disposal of state agencies. It can serve as cost-free and user-friendly tool to help state officials enforce any measures adopted.

UANI recognizes that it is not typically the role of individual states to adopt measures that traditionally fall under the purview of national governments. In this case, however, state legislation would naturally complement and reinforce federal legislation. Moreover, the threat posed by Iran's nuclear program is atypical. If Iran develops a nuclear weapon, the security of our entire nation is jeopardized. For this reason, it is incumbent on us all to counter the threat posed by the current regime in Tehran. UANI strongly believes that the actions taken by individual states collectively would have an important impact on pressuring Iran to abandon the reckless course it is currently pursuing.

It is the will of the American people and your constituents that valuable taxpayer dollars do not go to companies doing business with the Iranian regime. UANI looks forward to working with you on this important issue. Please do not hesitate to contact us if we can be of any assistance or you would like further information.

Very Truly Yours,

Ambassador Mark D. Wallace

Enclosed:

--Draft Legislation

cc: [Insert name]
Majority Leader, State Senate ([Party affiliation])

[Insert name]
Minority Leader, State Senate ([Party affiliation])

Dan Crippen
Executive Director, National Governors Association