

October 18, 2010

Ali E. Dashti, Ph.D.
Chairman
KGL Holding Company K.S.C.
P.O. Box 24565
Safat 13106
Kuwait

Re: Kuwait and Gulf Link Holding Company K.S.C. / U.S. Sanctions

Dear Mr. Dashti:

This letter is to inform the Kuwait and Gulf Link Holding Company K.S.C. ("KGL") that your continued business dealings in Iran constitute a violation of U.S. law and, to the extent that relationship continues, KGL will no longer be eligible to receive contracts from the U.S. government. United Against Nuclear Iran (UANI) calls upon KGL to follow the lead of responsible global corporations and cease doing business in Iran. The material assistance you have provided to Iran has facilitated Iran's pursuit of an illegal nuclear weapons program. Furthermore, the assistance you have provided fosters Iran's ability to oppress its own people and support terrorist entities in the region.

On July 1, 2010, President Obama signed into law new Iran sanctions legislation, the *Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010* (CISADA). The legislation received overwhelming bipartisan support, passing by a 99-0 vote in the Senate and a 408-8 vote in the House. It significantly expands the scope of entities covered under the Iran Sanctions Act of 1996 to include foreign subsidiaries and affiliates. Section 106 of CISADA expressly prohibits companies from entering into contracts with the U.S. government if engaged in sanctionable activity covered under the law.

The activities of KGL are clearly encompassed by the provisions of CISADA. KGL's joint venture with Iran's SSK Valfajr 8th Shipping Line Co. ("SSK Valfajr") appears to be a clear and flagrant violation. SSK Valfajr is an Iranian government-owned subsidiary of the Islamic Republic of Iran Shipping Lines Group (IRISL). Both entities were placed on the U.S. Office of Foreign Asset Control's (OFAC) Special Designated Nations (SDN) list in 2008, with the twofold consequence of a prohibition of business with U.S. entities and the freezing of their U.S.-overseen assets. Moreover, KGL is also aggressively expanding its business ties with Iran through the expansion of the Ras Al Khaimah sea port "known for its intensive commercial activities with Iran." (*Arab Times*, "KGL Moves to Boost Presence in Iran After Upgrade," 3/7/2010).

The net result of KGL's continued operations in Iran is that KGL is now prohibited from engaging in business with the U.S. government should this relationship continue. In the past decade, KGL has conducted some \$144 million in business with the U.S. federal government, specifically with the U.S. Department of Defense on logistic operations for U.S. bases in the Persian Gulf. In light of this cooperation, UANI is also notifying the Department of Defense and the General Services Administration of your business in Iran and calling on them to cease all contracts with you and place you on the U.S. debarment list in the event your business with Iran continues.

It is important to recognize the important dynamic taking place in the world today as the world increasingly recognizes the threat posed by Iran's nuclear weapons program – a program that also poses a direct threat to the security of the Gulf Region. In response to this threat, the international community is taking action. In June of this year, the United Nations Security Council imposed its fourth round of sanctions on Iran targeting a number of economic, high-technology, banking, and military entities in Iran. (United Nations Security Council Resolution 1929, June 9, 2010). In addition to this action, the European Union, Canada, Australia, Japan and South Korea have all passed new sanctions in recent weeks.

It is time for KGL to follow the lead of other responsible companies and stop putting short-term profits ahead of the lasting damage to not only your corporate image, but more importantly, to the people of Iran, and the international community.

Please let us hear from you by October 26, 2010 as to whether or not you will take action to end KGL's business in Iran.

Thank you for your consideration of this matter.

Very truly yours,


Ambassador Mark D. Wallace

cc: The Honorable Joseph I. Lieberman
Chairman, United States Senate Committee on Homeland Security & Governmental Affairs

The Honorable Susan M. Collins
Ranking Member, United States Senate Committee on Homeland Security & Governmental Affairs

The Honorable Christopher Dodd
Chairman, United States Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Richard Shelby
Ranking Member, United States Senate Committee on Banking, Housing, and Urban Affairs

The Honorable John Kerry
Chairman, United States Senate Committee on Foreign Relations

The Honorable Richard Lugar
Ranking Member, United States Senate Committee on Foreign Relations

The Honorable Claire McCaskill
Chairman, United States Homeland Security and Governmental Affairs Subcommittee on Contracting Oversight

The Honorable Scott Brown
Ranking Member, United States Homeland Security and Governmental Affairs Subcommittee on Contracting Oversight

The Honorable Bennie Thompson
Chairman, United States House Committee on Homeland Security

The Honorable Peter T. King
Ranking Member, United States House Committee on Homeland Security

The Honorable Howard Berman
Chairman, United States House Committee on Foreign Affairs

The Honorable Ileana Ros-Lehtinen
Ranking Member, United States House Committee on Foreign Affairs

The Honorable Robert M. Gates
Secretary of Defense, United States Department of Defense

The Honorable Mary L. Schapiro
Chairwoman, United States Securities Exchange Commission

The Honorable Martha N. Johnson
Administrator, General Services Administration

Adam J. Szubin
Director, Office of Foreign Assets Control, U.S. Department of the Treasury

Yaqoub Al-Wazzan
Vice Chairman, KGL Holding

Ahmed Afify
Chief Legal Officer, KGL Holding

Allan Rosenberg
Chief Executive Officer, KGL Ports International

Fadhel Albaghli
Chairman, KGL Ports International

Jafar Ali, Ph.D.
Chairman, KGL Logistics

Krishnan Mahesh
Chief Finance Officer, KGL Holding

Samir Hadeed
Chief Communications Officer, KGL Holding

Scott Beverly
Government Programs Director, KGL Holding