



## Legislation Text

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### Res. No. 1006

Resolution calling on the boards of New York City and New York State's pension funds to launch a policy of strategic divestment from companies with investments in Iran's energy sector.

By Council Members Oddo, Rivera, Brewer, Felder, Fidler, Gennaro, Gentile, Gerson, Nelson, Weprin and Gioia

Whereas, The United States Department of State's *Patterns of Global Terrorism Report* for 2003 and 2004 (the "2003 and 2004 Reports") referred to Iran as the "most active" state sponsor of international terrorism; and

Whereas, The 2003 and 2004 Reports, which are based on data from American and allied intelligence services, found that Iran continues to provide funding and training to known terrorist groups, including HAMAS, Hizbollah, and the Palestine Islamic Jihad, and provides a safe haven to members of Al Qaeda; and

Whereas, In addition to providing continued support to terrorist groups, Iran, in defiance of the international community, is aggressively pursuing a nuclear program that poses a grave threat to the United States, its allies in the Middle East, Europe and globally; and

Whereas, In 1979, in response to the Islamic Revolution in Iran and the holding of American citizens as hostages, the United States imposed economic sanctions against Iran that prohibit virtually all trade and investment in Iran by U.S. companies; and

Whereas, These sanctions were put in place to specifically prevent U.S. companies from investing in Iranian companies who, in turn, could help provide revenue for terrorism; and

Whereas, Despite these sanctions, which specifically prohibit American companies from doing business with Iran, a loophole in the law allows foreign subsidiaries of American companies to do business with Iran so

long as the subsidiary's decision-making is wholly independent of its United States parent company; and

Whereas, It appears that some American companies have taken advantage of this loophole to invest in Iran's energy sector through the use of such foreign subsidiaries; and

Whereas, According to the Energy Information Administration of the United States Department of Energy, Iran is the second largest oil producer in the Organization of Petroleum Exporting Countries (OPEC) and holds approximately 10% of the world's oil reserves; and

Whereas, In light of Iran's failure to comply with the international community's demand to stop its nuclear enrichment campaign and its continued support of terrorism, the City and State should take all possible measures to discourage and prevent American companies from investing in Iran's energy sector; now, therefore, be it

Resolved, That the Council of the city of New York calls upon the boards of New York City and New York State's pension funds to launch a policy of strategic divestment from companies with investments in Iran's energy sector.

AB/j:Resos/Iran Divestment  
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