

January 26, 2010

The Honorable Lawrence H. Summers
Assistant to the President for Economic Policy
National Economic Council
The White House
Washington, DC 20500

The Honorable James L. Jones
Assistant to the President for National Security
National Security Council
The White House
Washington, DC 20500

Dear Dr. Summers and Gen. Jones,

The undersigned business organizations are profoundly concerned that current legislative proposals to expand U.S. sanctions on Iran (H.R. 2194 and S. 2799) would significantly undermine the U.S. national interest. While we agree that preventing Iran from developing the capability to produce nuclear weapons is an urgent U.S. national security objective, the unilateral, extraterritorial, and overly broad approach of these bills would undercut rather than advance this critical objective.

The proposed sanctions would incite economic, diplomatic, and legal conflicts with U.S. allies and could frustrate joint action against Iran. They could prohibit any U.S. company from transacting routine business with critical partners from around the globe even if these transactions have no bearing on business with Iran. These provisions could encompass a very large portion of the global trade community with consequences that in our view have not been adequately assessed.

The proposals could have a large impact on the U.S. Export-Import Bank, precluding it from partnering with counterpart agencies abroad to co-finance U.S. exports that have no relation to Iran's energy sector. A significant portion of the bank's portfolio could be impacted, compromising its ability to boost U.S. exports.

The history of similar efforts demonstrates that such a unilateral approach would provoke a negative response from our allies and would divert attention from an effective, coordinated response to Iran's nuclear ambitions. Imposing sanctions on entities in the same countries that are assisting us could undermine rather than advance our common efforts. At worst, these other governments could use blocking statutes and other measures to counteract the threat of U.S. penalties.

Finally, the legislative proposals eliminate the discretion afforded the president under the Iran Sanctions Act of 1996 with regard to decisions involving the initiation of investigations, which sanctions would be imposed, and the possible issuance of waivers. Doing so appears to constrain the executive branch's ability to direct U.S. foreign policy as stipulated by the U.S. Constitution.

The United States and our allies must present a united front in the face of Iran's nuclear ambitions. Unfortunately, these proposals would undermine these goals with sanctions of inappropriately sweeping reach, undue constraints on the U.S. Export-Import Bank, and the elimination of executive discretion in the conduct of U.S. foreign policy. We urge you to weigh in vigorously with Congress to eliminate these highly problematic proposals.

Sincerely,

Business Roundtable
Coalition for Employment through Exports
Emergency Committee for American Trade
National Association of Manufacturers
National Foreign Trade Council

Organization for International Investment
USA*Engage
U.S. Chamber of Commerce
U.S. Council for International Business