

BOARD OF PUBLIC WORKS

(revised)

DECEMBER 19, 2012

SECRETARY'S AGENDA

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3. BOARD OF PUBLIC WORKS

List of Companies Engaged in Investment Activities in Iran

Recommendation: That the Board of Public Works finalize for publication a list of companies engaged in investment activities in Iran. Inclusion on the *Investment Activities in Iran List* would make these businesses ineligible to bid on, submit a proposal for, or enter into or renew a contract with a public body in Maryland for goods or services. Inclusion on the IAI List also bars financial institutions extending credit to those persons in certain situations from contracting with public bodies in the State. The IAI List will be published on the Board of Public Works Web site.

Authority: Investment Activities in Iran Act, Chapter 447 (Laws of 2012), codified at §17-701, State Finance and Procurement Article, Annotated Code of Maryland.

Background: This law requires the Board to use credible public information to create a list of persons who are engaged in investment activities in Iran. The list must be published by December 31, 2012. Engaging in investment activities in Iran is defined as:

- Providing goods or services of at least \$20 million in the energy sector of Iran; or
- For financial institutions, extending credit of at least \$20.0 million to another person for at least 45 days if the person is on the Board of Public Works list and will use the credit to provide goods or services in the energy of Iran.

Before publishing the list, the Board must provide 90 days' written notice that the Board intends to include the person on the list; and that inclusion on the list makes the person ineligible to bid on, submit a proposal for, or renew a contract with a public body for goods or services.

Reference is made to Secretary's Agenda Item 9 (Sept. 19, 2012), in which the Board approved the issuance of a 90-day notice to companies that would be included on the final list. The companies proposed to be listed were given 90 days to provide written documentation demonstrating that they do not engage in investment activities in Iran.

Removed from Proposed List: The following companies on the September proposed list should not be included on the final list because they have ceased engaging in investment activities in Iran.

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|---|--|
| • Petroleos de Venezuela | • Maire Tecnimont |
| • Zhuhai Zhenrong | • ONGC (Oil and Natural Gas Corporation) |
| • Emirates National Oil Company | • Grimley Smith Associates |
| • China National Offshore Oil Corporation | • Snam Rete Gas S.p.A. |
| • Belneftkhim/Belarusneft | • Kuo Oil |
| • Hyundai Heavy Industries | • INA (Industrija Nafta) |
| • Sonangol | |

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3. BOARD OF PUBLIC WORKS (continued)
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Final List: The following companies were proposed for the IAI List in September; were notified of the Board’s intended action; and either failed to respond in 90 days or failed to demonstrate that they are not engaged in investment activities in Iran. Accordingly, it is recommended that the Board adopt a final IAI List of persons* ineligible to contract with public bodies comprising:

1. Bharat Petroleum Corporation Ltd

2. China National Petroleum Corporation

3. FAL Oil Company Ltd

4. Indian Oil Corporation Ltd

5. Naftiran

6. Oil India Limited

7. ONGC Videsh Ltd

8. Daelim

*“Person” includes:

- (1) a natural person, corporation, company, limited liability company, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group;
- (2) a governmental entity or instrumentality of a government, including a multilateral development institution, as defined by the federal International Financial Institutions Act, 22 U.S.C. 262r(c)(3); or
- (3) any parent, successor, subunit, direct or indirect subsidiary of, or any entity under common ownership or control with, an entity described in item (1) or (2) above.

BOARD OF PUBLIC WORKS ACTION: THE ABOVE REFERENCED ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION