

# WebMemo



Published by The Heritage Foundation

No. 2647  
October 9, 2009

## Time for Tougher Sanctions on Iran's Terrorist Regime

*James Phillips*

There is growing bipartisan momentum in Congress to impose further sanctions on Iran. This long-overdue action, which would strengthen U.S. diplomatic leverage over Tehran, should be welcomed by the Obama Administration and integrated into its dual-track strategy for Iran.

New sanctions or measures to tighten up existing sanctions would send a strong signal to Iran's Islamist dictatorship that its support for terrorism, duplicity on its nuclear program, and widespread human rights abuses will trigger increasingly severe repercussions. Tehran is likely to end its problematic actions only if it is convinced that failing to do so would bring consequences that threaten its own hold on power.

**More Pressure Needed.** Iran ranks as the world's foremost state sponsor of terrorism and supports hostile groups in Iraq and Afghanistan that target American soldiers on a daily basis. The radical Islamist regime poses a threat not only to the United States and its allies but to the Iranian people, which it continues to brutally repress after crushing a popular opposition movement that was galvanized by President Mahmoud Ahmadinejad's widely disputed "re-election" last June.

Iran continues to hold as hostages three American hikers and two American citizens of Iranian descent and is suspected of involvement in the disappearance of retired FBI investigator Robert Levinson in Iran in 2007. But for many in Congress, the last straw was the September 24 revelation by President Obama that Western intelligence agencies had discovered a uranium enrichment facility that Iran had tried to hide for several years.

On September 26, the chairman of the House Foreign Affairs Committee, Howard Berman (D-CA), announced that he will fast-track Iran sanctions legislation in his committee. Berman said that the committee will soon consider the Iran Refined Petroleum Sanctions Act, which he had introduced along with Representative Ileana Ros-Lehtinen (R-FL), the ranking Republican on the committee.

This promising bill would increase the size of financial penalties against Iran and bar a handful of foreign companies that sell gasoline and other refined petroleum products to Iran from doing business in the United States. Iran is vulnerable to a cut-off of gasoline imports, which provide up to 40 percent of its consumption. The regime's attempts to reduce this vulnerability through rationing triggered riots in 2007 and remain a sore point with Iran's citizens today.

Three original sponsors of the Senate version of the Iran Refined Petroleum Sanctions Act, Senators Jon Kyl (R-AZ), Joseph Lieberman (I-CT), and Evan Bayh (D-IN), called on September 25 for the urgent passage of the bill, which has attracted 76 co-sponsors. The three issued a joint statement: "Given Iran's consistent pattern of deceit, concealment, and bad faith, the only way to force Iran to abandon its nuclear ambitions is to make absolutely clear to the regime in Tehran that its current course will carry

This paper, in its entirety, can be found at:  
[www.heritage.org/Research/Iran/wm2647.cfm](http://www.heritage.org/Research/Iran/wm2647.cfm)

Produced by the Douglas and Sarah Allison  
Center for Foreign Policy Studies

Published by The Heritage Foundation  
214 Massachusetts Avenue, NE  
Washington, DC 20002-4999  
(202) 546-4400 • [heritage.org](http://heritage.org)

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aid or hinder the passage of any bill before Congress.

catastrophic consequences. We must leave not doubt that we are prepared to do whatever it takes to stop Iran's nuclear breakout."<sup>1</sup>

This week, Senate Banking Committee Chairman Christopher Dodd indicated that he will introduce legislation that will incorporate the Senate version of the Iran Refined Petroleum Sanctions Act along with other sanctions such as tougher export controls and enhanced authority for freezing the assets of Iranian entities that support terrorism or proliferation activities.

The Obama Administration is also reportedly scrambling to put together a package of sanctions after the latest revelations about Iran's nuclear deceptions. But some within and outside the Administration are likely to argue that sanctions should be kept on hold as long as the P5+1 talks continue.

This is the wrong approach, because it gives Tehran every incentive to prolong the talks and stave off sanctions without fully complying with repeated U.N. Security Council resolutions demanding that it freeze its uranium enrichment activities. There is no time to waste, given that Iran already has the knowledge, technological infrastructure, and growing stocks of refined uranium to build a bomb in the coming months.

**Iran's Faltering Economy Is Vulnerable to Sanctions.** The decline in the global price of oil, which provides about 80 percent of Iran's export revenues, has left Tehran more vulnerable to foreign economic pressures. The fall of oil prices from their 2008 peak, growing domestic consumption of oil, and problems in maintaining the volume of Iran's oil exports have led to a sharp decline in Iran's oil export revenues, which has exacerbated structural weaknesses in the Iranian economy.<sup>2</sup>

Sanctions levied now are likely to have more political impact within Iran than in the past, given

the growing opposition to the regime, an unemployment rate of over 20 percent, and an annual inflation rate of about 13 percent.

Even more important than new U.S. sanctions would be greater international participation in existing sanctions on Iranian banks, the Revolutionary Guards, and other entities that support terrorism, Iran's military buildup, and its nuclear program. Especially needed are the adoption and implementation of stronger export controls by our allies—particularly in Europe—to restrict the export of nuclear, military, and dual-use technologies to Iran. Broadening international participation in tightening existing sanctions on Iran is also important, because Russia and China are likely to delay and dilute any new sanctions at the U.N. Security Council.

**No Silver Bullet.** Sanctions alone are unlikely to be decisive in changing Iranian behavior, but they can substantially raise the economic, political, and diplomatic costs to the regime of continuing its current hostile policies and drive a deeper wedge between the regime and the Iranian people. For sanctions to work, there must be widespread international cooperation in enforcing them over a prolonged period of time. But Iran may be only months away from attaining a nuclear weapon.

The sooner Congress acts on sanctions, the better. However, only decisive leadership from President Obama, supported by a broad international coalition willing to enforce much more harsh sanctions and backed by the credible threat of military force, is ultimately likely to force Tehran to give up its nuclear ambitions.<sup>3</sup>

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1. Press release, "Senators Lieberman, Bayh, and Kyl Issue Joint Statement on Discovery of Iran's Secret Nuclear Facility," office of Senator Joseph Lieberman (I-CT), September 25, 2009, at <http://lieberman.senate.gov/newsroom/release.cfm?id=318315&&> (October 9, 2009).
2. See Patrick Clawson, "Iran's Vulnerability to Foreign Economic Pressure," testimony before the Committee on Foreign Affairs, U.S. House of Representatives, July 22, 2009, at <http://foreignaffairs.house.gov/111/cia072209.pdf> (October 9, 2009).
3. See Iran Working Group, "Iran's Nuclear Threat: The Day After," Heritage Foundation *Special Report* No. 53, June 4, 2009, at [http://www.heritage.org/Research/NationalSecurity/upload/sr\\_53.pdf](http://www.heritage.org/Research/NationalSecurity/upload/sr_53.pdf) (October 9, 2009).