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Congress Should Reject the Obama Administration's Efforts to Weaken Iran Sanctions

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The Obama Administration, which once pledged to impose “crippling sanctions” on Iran’s hostile regime, now seeks to dilute economic sanctions that Congress is considering against Iran. The proposed sanctions, contained in an amendment to the Fiscal Year 2012 National Defense Authorization Act, would penalize foreign financial institutions that do business with the Central Bank of Iran (CBI), which is a major financier of Iran’s nuclear, ballistic missile, and terrorism efforts. By undermining congressional sanctions on Iran, the Obama Administration risks reducing the chances that Tehran can be persuaded to halt its nuclear weapons program and increasing the chances that Israel or the United States will be forced to take military action against Iran.

Urgent Need for Strongest Possible Sanctions. Iran’s uranium enrichment activities continue to accelerate despite four rounds of mild U.N. sanctions and a range of stronger sanctions imposed by the United States and its allies. Tehran has enough enriched uranium to build at least four nuclear weapons, if enriched further to weapons-grade levels, and soon will be ramping up enrichment activities in a hardened site carved deep into a mountain near the holy city of Qum. The International Atomic Energy Agency’s latest report, released on November 8, warned that Iran has made steady progress on its nuclear program and in designing a nuclear warhead for its ballistic missiles. The clock is ticking.

But the Obama Administration has exhibited little urgency on Iran sanctions issues. It has appeared complacent in recent months, promoting the narrative that the mysterious stuxnet virus that infected Iranian computers has dealt Tehran’s nuclear program a devastating setback, despite the fact that the pace of uranium enrichment has actually increased. The Administration has sanctioned only 10 companies under the Comprehensive Iran Sanctions, Accountability and Divestment Act (CISADA) since it was passed by Congress almost 18 months ago. The Administration also opposes some of the penalties incorporated in the Iran Threat Reduction Act, which Congress will soon consider.

Others Moving Forward on Banking, Oil Sanctions. In addition to opposing stronger congressional sanctions against Iran, the White House gave a cold shoulder to French President Nicolas Sarkozy’s call last week for an immediate freezing of CBI assets and a suspension of purchases of Iranian oil. Britain and Canada have already banned transactions with the CBI. But the Administration continues to drag its feet, despite promising that it would consider such sanctions as a response to the

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October revelation of a foiled plot by Iran's Revolutionary Guards to assassinate the Saudi Ambassador in a Washington, D.C. restaurant.

Imposing sanctions on the CBI could create more international leverage over Tehran by creating problems for Iran's oil trade. The sanctions would bar foreign banks and companies from operating in the United States if they conduct transactions with the CBI. Fewer foreign customers would purchase Iranian oil and gas for fear of triggering the sanctions, which would constrict the main conduit for Iran's oil sales. Iran's remaining customers would seek better terms, which eventually could compel the regime to accept lower prices for the energy exports that provide up to 80 percent of its revenues.

The CBI sanctions would be imposed under an amendment to the Defense Authorization bill co-sponsored by Senator Mark Kirk (R-IL) and Senator Robert Menendez (D-NJ). The Senate approved the amendment earlier this month by a vote of 100 to 0, and there also is strong bipartisan support in the House for CBI sanctions. House and Senate conferees are now hashing out a compromise version of the bill. The Administration has opposed the amendment, arguing that the sanctions could disrupt the world oil market or set back efforts to build an international coalition to pressure Iran by alienating governments whose banks and companies would be affected by the sanctions.

But absent much stronger sanctions, the world oil market is likely to be more severely disrupted by the aggressive policies of a nuclear-armed Iran, if not by Israeli or American preventive air strikes on Iran's nuclear infrastructure.¹ And a nuclear-armed Iran is likely to be a much more disruptive force that poses much greater security threats to the United States and its allies.

The Administration ignores the fact that time is rapidly running out before Iran attains a nuclear breakout capacity. Moreover, China and Russia have consistently delayed and diluted Iran sanctions resolutions at the U.N. Security Council.² It makes little sense to hold off on strong unilateral sanctions in a risky effort to gain weaker U.N. sanctions, which are sure to amount to too little, too late.

The Obama Administration maintains that U.N. sanctions have symbolic importance in isolating Iran's thuggish leaders. But such symbolic wrist slaps are unlikely to impress a regime that has shown a willingness to attempt a terrorist bombing in a Washington restaurant that almost certainly would have resulted in mass casualties of American citizens.

Left Behind on Iran Sanctions. The Obama Administration, which has paid lip service to the need for "crippling sanctions" on Iran, should reconsider its misguided opposition to sanctions on Iran's central bank. If there is any chance of halting Iran's nuclear weapons program short of war, then it is necessary to quickly impose the strongest possible sanctions on Tehran. Half-hearted half-steps on sanctions will have little impact on Iran's theocratic dictatorship, which is unlikely to bend unless it is convinced that the consequences of continuing its nuclear program threaten its hold on power.

Sanctions can help fuel popular dissatisfaction with Iran's dictatorship, and that eventually could lead to a change of regime. Such a change would be the best possible outcome not only for American counter-proliferation, counterterrorism, and human rights goals, but also for the Iranian people. Such international sanctions are unlikely without strong American leadership. Regrettably, the Administration's lethargic approach means that it is not even

1. See James Phillips, "An Israeli Preventive Attack on Iran's Nuclear Sites: Implications for the United States," Heritage Foundation *Backgrounder* No. 2361, January 15, 2010, at <http://www.heritage.org/research/reports/2010/01/an-israeli-preventive-attack-on-iran-nuclear-sites-implications-for-the-us>.
2. See James Phillips, "Iran Economic Sanctions at the U.N. Security Council: The Incredible Shrinking Resolution," Heritage Foundation *WebMemo* No. 2853, April 2, 2010, at <http://www.heritage.org/research/reports/2010/04/iran-economic-sanctions-at-the-un-security-council-the-incredible-shrinking-resolution?query=Iran+Economic+Sanctions+at+the+U.N.+Security+Council:+The+Incredible+Shrinking+Resolution>.

“leading from behind” on Iran sanctions—but is in danger of being left behind.

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