

America Can Do More to Prevent a Nuclear Iran

The United States must maintain its leadership role in stopping Iran from developing the capacity to develop nuclear weapons. Despite efforts by both the United States and the international community to pressure Iran and isolate it from international financial markets, Tehran continues its dangerous course. The Obama administration and Congress should keep these critical principles in mind in carrying out American policies toward Iran during the coming months:

- Time is of the essence as Iran accelerates its nuclear development program.
- International pressure, while not yet changing Iran's behavior, is having a significant impact on Iran's economy and position in the world. Steps to increase pressure should accompany efforts to engage.
- Positive incentives for Iran should be accompanied by making clear that the international community will impose additional economic, diplomatic and political sanctions until Iran complies with its nonproliferation obligations.



Iranian President Mahmoud Ahmadinejad has called for a world without the United States and Israel.

- The ball is in Iran's court for ignoring both the promise of better relations with the United States and international community and demands to cease its nuclear enrichment activities.
- The United States still has both unilateral and multilateral tools available.

More Sanctions Needed to Persuade Iran to Change Course

The United States has led the five permanent members of the U.N. Security Council and Germany, the so-called P5+1, in pressing for sanctions that have severely hampered Iran's ability to conduct business abroad. The sanctions have also prevented Iran from attracting foreign investment to upgrade antiquated Iranian energy

facilities. Today, Iran is able to produce only two-thirds of the oil it pumped 25 years ago. The steep drop in oil prices has added to the pressure on Iran.

The U.N. Security Council has passed multiple binding resolutions with the weight of international law demanding that Iran stop enriching uranium and provide unfettered access to U.N. arms inspectors. Such measures also seek to ensure that Iran is not pursuing nuclear arms under the cover of a civilian nuclear energy program.

Steps to increase pressure on Iran should accompany any U.S. effort to engage with Iran, which must include clear consequences to convince the Iranians to undertake a serious dialogue and to prevent the regime from using talks merely as a tactic to continue its destructive policies. Below are some key steps the United States can take:

Limit Iran’s Access to Refined Petroleum Products

The United States can further isolate Iran by leading an international effort to prohibit the export to Iran of all refined petroleum products. Iran imports more than 40 percent of its gasoline, and limiting the country’s access to it would have a devastating effect on Iran’s economy.

Indeed, members of Congress have introduced legislation that would impose sanctions on companies providing refined petroleum to Iran or helping Iran expand its own refining capacity. During the presidential campaign, then-Senator Barack Obama backed efforts to limit Iran’s access to refined petroleum, saying during an Oct. 7, 2008, debate, “If we can prevent them from importing the gasoline that they need and the refined petroleum products, that starts changing their cost-benefit analysis. That starts putting the squeeze on them.”

Implement Existing Sanctions
The U.S. can implement existing sanctions to penalize companies investing in Iran’s energy sector as a deterrent to other firms.

Sanction Iran’s Central Bank
The Central Bank controls much of Iran’s proliferation and terrorist financing activities.

Limit Iran’s Importation of Refined Petroleum
Reducing Iran’s access to refined petroleum could cripple the regime, which must import 40 percent of its daily gasoline.

Sanction Companies Dealing with IRGC
Iran’s Islamic Revolutionary Guard Corps plays a key role in Tehran’s proliferation efforts.

PUTTING THE SQUEEZE ON IRAN

THE U.S. CAN TAKE CRITICAL STEPS TO PRESSURE IRAN TO HALT ITS ILLICIT NUCLEAR PROGRAM

Sanction the Central Bank of Iran

The United States can immediately sanction the Central Bank of Iran as well as banks that continue to conduct transactions with Iranian banks already subject to U.S. sanctions. Such sanctions would have a crippling impact on Iran's continued ability to operate in the international financial sector. Similarly, the United States could immediately sanction any foreign entity continuing to do business with the Islamic Revolutionary Guard Corps, the Islamic Republic of Iran Shipping Lines or any other entity subject to U.S. sanctions.

Enforce Current U.S. Sanctions Law

The U.S. should implement current law and sanction foreign energy companies investing more than \$20 million in Iran's energy sector. Sanctioning one of these companies would have a chilling effect on the others and would be a huge setback for Iran's future economic outlook.

Lead Effort to Impose Further U.N. Sanctions

The U.S. should also continue to work to pass meaningful sanctions against Iran at the United Nations. While this may be difficult in the face of Russian and Chinese opposition, it is clear that the United States has several options to ratchet up pressure on the Tehran regime to persuade it to drop its pursuit of nuclear weapons.

Any Dialogue with Iran Must Be Coupled With Tough Diplomatic Actions

Despite Iran's belligerence, the international community has—on at least three separate occasions—offered the Islamic Republic generous

packages of economic, security, political and energy-related incentives and stated that it stands ready to discuss the proposal upon Iran's suspension of its nuclear work.

President Obama also has reached out to Iran, saying the United States is prepared for direct dialogue with Tehran if it “unclenches its fist.” While Iran has yet to respond definitively to the American offer of talks, senior administration officials have said the United States needs to prepare if such engagement efforts do not work. “In the event that our offers are either rejected or the process is inconclusive or unsuccessful, [the United States is] laying the groundwork for the kind of very tough ... crippling sanctions that might be necessary,” Secretary of State Hillary Clinton said in recent testimony before the House Foreign Affairs Committee.

It is critical for Congress and the administration to redouble efforts to halt Tehran's rapidly expanding nuclear program. If the United States is to induce Iran to stop enrichment activities, the P5+1 offer of economic, political and military cooperation must be coupled with firm and decisive sanctions. The United States and its allies must continue to push for multilateral and unilateral economic and diplomatic penalties if Iran continues to use negotiations as a stalling tactic and defy Security Council demands by refusing to stop enrichment work.