



IRAN IN FOCUS

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Iran's Destabilizing Activities Require Stronger U.S. Action

On March 24, the U.S. Treasury Department *announced* sanctions targeting supporters of Iran's ballistic missile program and Iran's Mahan Air airline. These limited sanctions are too weak to affect Iran's behavior. Instead, America must respond to Tehran's recurring provocations with swift and meaningful penalties. As President Obama said last week, Iran is not living up to the "spirit" of last summer's nuclear agreement. Without tougher steps from Washington, Tehran will conclude that it can violate Security Council resolutions and other agreements with impunity.

The "new" ballistic missile sanctions designate subsidiaries of already sanctioned entities, rendering them largely symbolic.

- The Treasury Department designated two Iranian companies, Shahid Nuri Industries and Shahid Movahed Industries, for supporting Iran's ballistic missile program. These companies are subsidiaries of Shahid Hemmat Industrial Group, which has already been designated for its role in facilitating Iran's illicit missile program.
- These newly-sanctioned entities do not engage in international trade and do not have any overseas assets. Therefore, U.S. sanctions against them are unlikely to have any effect.

The sanctions against Mahan Air are insufficient.

- The Treasury Department also imposed sanctions on individuals and entities supporting the Iranian airline Mahan Air—which the Islamic Revolutionary Guard Corps (IRGC) uses to move troops, equipment and arms to the Assad regime and Houthi rebels in Yemen in violation of the U.N.'s arms embargo against Iran.
- These sanctions targeted two entities in the United Arab Emirates not previously sanctioned and two United Kingdom companies previously sanctioned by the Commerce Department.
- These sanctions are a positive step, but will not touch the most important facilitator of Mahan Air—international airports and companies that enable the airline to operate outside of Iran. Dissuading these entities from working with Mahan Air would have a meaningful impact on Iran's ability to engage in malign activity.

Iran is ignoring its international obligations.

- Iran has repeatedly flouted its obligations under United Nations Security Council Resolutions (UNSCR) 1929 and 2231 with regard to ballistic missiles. UNSCR 2231 states, "Iran is called upon not to undertake any activity related to ballistic missiles designed to be capable of delivering nuclear weapons, including launches using such ballistic missile technology, until the date eight years after the JCPOA Adoption Day."

- Since the conclusion of the JCPOA last summer, Iran has test-fired new classes of missiles capable of carrying nuclear warheads. In October 2015, Iran launched the Emad. In November 2015, it tested the Ghadr-110. Both are precision-guided and more sophisticated than Iran's current Shahab-3 ballistic missiles, which can already reach Israel, other U.S. allies and regional U.S. military bases. In addition, in March 2016, Iran test-fired two ballistic missiles reportedly inscribed with the phrase "Israel must be wiped out" in Hebrew.
- Despite UNSCR 2231's explicit call for Iran to halt its ballistic missile activity, Iran's leadership has consistently rebuffed the international community and contends it is not bound by the resolution. In August 2015, Iran's Deputy Foreign Minister and chief nuclear negotiator, Abbas Araqchi, told *The Tehran Times*, "The restrictions on weapons posed through Resolution 2231...are not mandatory and we can disregard them."
- Iran's intransigence directly contradicts Secretary of State John Kerry's characterization of UNSCR 2231. Testifying before the Senate Foreign Relations Committee on July 23, 2015, Secretary Kerry said, "They are restrained from any sharing of missile technology, purchase of missile technology, exchange of missile technology, work on missiles. They cannot do that under article 41, which is chapter 7 and mandatory..."

The United States has the ability to take action.

- Senior U.S. officials have consistently affirmed that America has the capacity and the tools to carry out tougher measures against Iran in response to its ballistic missile program and support for terrorism.
- On Aug. 5, 2015, Acting Under Secretary for Terrorism and Financial Intelligence Adam Szubin told the U.S. Senate Banking Committee, "The sanctions regime that remains in place to combat Iran's malign activities ... That sanctions regime fully remains in place, and it's a very extensive one. So, it's not just the companies, the front companies and actors and the generals that we've listed so far, but it's an ongoing authority that we have, that the Europeans maintain, and that many of our allies maintain to go after these actors."

Stronger measures are needed to stop Iran's regional aggression.

- Iran's track record suggests that limited sanctions will only encourage it to accelerate its destabilizing activities. Iran has only been responsive when facing crippling sanctions, which are what led it to seek a negotiated resolution to the nuclear impasse.
- The United States must cast a wider net and target entities providing material support to Iran's illicit ballistic missile program, including within financial and transportation services.
- Iran's repeated noncompliance with UNSCR 2231 demands a strong international response. Despite Russia and China's defense of Tehran, Washington must continue to press the U.N. to enforce its own resolutions.
- The State Department should work with like-minded nations to press Iran to comply with key Security Council resolutions. Failure to respond forcefully only empowers the regime to violate its commitments under the JCPOA and continue development of nuclear-capable missiles.