

Isolating Iran

As Iran moves closer toward nuclear weapons capability, the United States has a variety of sanctions at its disposal that, if implemented, could help persuade Tehran to halt her path to the bomb. The urgency to impose more economic sanctions on Iran grows by the day as the regime continues to openly defy the U.N. Security Council's requirement that it stop its enrichment of uranium, the key step needed to produce nuclear weapons.

Iran's Central Bank plays a direct role in facilitating Iran's proliferation and terrorist financing activities. While the United States has already sanctioned four Iranian state owned banks—effectively barring them from conducting international financial transactions in dollars—imposing restrictions on the Central Bank of Iran would constitute an even more effective step against the regime. Imposing sanctions on the Central Bank of Iran would have a crippling impact on Iran's continued ability to operate in the international financial sector.

While many international banks have stopped doing business with Iranian banks, many other financial institutions, particularly in Asia, continue to do business with them. U.S. sanctions against these banks would send a strong message to the international community that companies cannot expect to do business with Iran and the United States.

Moreover, 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% of its gasoline, and limiting the country's access to it would devastate Iran's economy.

In addition the United States can implement measures that already exist under U.S. law. In 1996, Congress passed the Iran-Libya Sanctions Act, which requires the United States to impose sanctions on companies investing \$20 million or more per year in Iran's petroleum sector.

Today, there are approximately 20 non-U.S. companies liable for sanctions under the law, and states around the country have begun to divest from them. A designation and sanction of one of these companies by the federal government would have a chilling effect on the others and would be a huge setback for Iran's future economic outlook.

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