



Iran is Feeling the Pressure

It has been a few months since President Obama signed the Comprehensive Iran Sanctions, Accountability and Divestment Act. In just that short period of time, there is already strong evidence that Iranian leaders are feeling the economic pressure.

For example, Lloyd's of London and other major insurance companies have refused to insure tankers delivering gasoline to Iran. As a result, fuel imports are dropping—a serious blow to Iran, which depends on imports for approximately one-third of its domestic gasoline consumption.

There are numerous other examples. Significant numbers of Iranian cargo ships have been unable to leave Iranian ports because nobody will insure them. The owner of a gasoline tanker told his captain that he was not allowed to sail to Iran. Several European airports have refused to refuel Iranian airliners.

What is the predictable effect of all this? Iran must pay a price far above market rate for gasoline—25 percent more, in fact. Companies that are still willing to sell gasoline to Iran are charging a much higher price in order to compensate for the increased risk of doing business there.

And when the price of gasoline rises, the price of everything rises. Iran's central bank chief said that in order for his country to overcome the latest round of sanctions, it must cut down on imports. "There is no other way," he said.

On top of all this, major international companies are cutting ties with Iran. Toyota is one of them. The Japanese carmaker decided to stop its shipments to the Islamic Republic because "firms continuing to deal with Iran have come under scrutiny from the U.S. government."

Indeed, while Toyota's business with Iran might technically be legal under existing sanctions laws, the company does not want to risk its interests in the United States. That, by the way, is exactly the situation that Iran sanctions laws are supposed to produce.

In the weeks and months ahead, we must make sure that Iran continues to feel the pressure. To do that, we must continue to work with Congress to ensure that the Obama administration enforces Iran sanctions laws. Implementation, enforcement and accountability—these methods are the last best hope we have to peacefully persuade Iran to end its quest for nuclear weapons.