

## House Passes Iran Gasoline Sanctions Bill

Congressman Rothman thought you may be interested in seeing this article from Reuters news service:

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WASHINGTON (Reuters) - The House of Representatives approved legislation on Tuesday to impose sanctions on foreign companies that help supply gasoline to Iran, a move lawmakers hope will deter Tehran from pursuing its nuclear program.

The bill authorizes President Barack Obama to levy sanctions on energy companies that directly provide gasoline to Iran along with the firms that provide insurance and tankers to facilitate the fuel shipments. The Senate is likely to approve a similar bill, but it is uncertain how soon it will vote.

The legislation, which would expand an existing U.S. law that seeks to punish foreign companies that invest more than \$20 million a year in Iran's energy sector.

"This bill has one overriding goal: To prevent Iran from achieving a nuclear weapons capability," said Representative Howard Berman, Democrat and sponsor of the legislation.

"We must use all the tools at our disposal, from diplomacy to sanctions, to stop Iran's march toward nuclear capability," said House Speaker Nancy Pelosi. "By targeting Iran's ongoing dependence from largely imported refined petroleum we reduce the chance that Iran will acquire the capacity to produce nuclear weapons."

The legislation passed the House in a 412-to-12 vote.

The sanctions include preventing companies in violation from getting financial assistance from U.S. institutions like the Export-Import Bank.

While Iran has some of the world's biggest oil reserves, it must import 40 percent of its gasoline to meet domestic demand because of a lack of refining capacity.

As the United States has stepped up pressure on companies doing business with Iran, a number of past suppliers like BP and Indian refiner Reliance have backed away from providing fuel, but imports have largely been maintained as companies like European trading firms Trafigura and Vitol, Kuwait-based International Petroleum Group and Malaysia's Petronas step into the breach, traders said.

## POTENTIAL BACKLASH

There is concern the bill could backfire by antagonizing U.S. trading partners and allies, hurting efforts to get multilateral action against Iran. Berman, speaking after the vote, said he was open to creating exceptions for companies from countries that have their own robust sanctions on Iran.

But he also said he was more optimistic than ever that the international community would soon embrace rigorous new sanctions. "The urgency of the situation is so much more clear. Iran's games are out there for the whole world to see."

There is also worry the legislation could backfire on the United States if Iranian citizens blame America for supply shortages and higher gasoline prices that would likely result.

"This will unify the Iranian people against us," Representative Ron Paul said.

Some energy experts have said fuel sanctions on Iran would raise prices but not stop supplies because the country has porous borders and a history of smuggling petroleum products.

Supporters of the legislation said the many Iranians upset over this summer's disputed presidential election would likely turn their anger toward the Iranian government.

"Before the regime's brutal effort to crush protests following the June 12th Iranian election, an Iranian cab driver who couldn't buy gasoline would probably curse the Americans," said Mark Dubowitz, who heads the Foundation for Defense of Democracies.

"After witnessing the brutal crackdown and his fellow citizens dying in the streets, he now might very well blame the regime," Dubowitz added.

The United States and five other major countries on Tuesday said that a planned meeting with Iran about its nuclear program will not take place this year because of scheduling conflicts, though talks will continue by telephone.

The group, which also includes Britain, France, Russia, China and Germany, is worried that Iran's nuclear program could lead to weapons production. Tehran says its nuclear program is solely for peaceful purposes like generating electricity.

In October, negotiators offered Iran a deal that would send most of its low-enriched uranium abroad by the end of the year for further enrichment, but Tehran has backed away from it.

If a similar bill passes the Senate, the final legislation would impose the harshest sanctions yet approved by Congress to protest Iran's nuclear program. The State Department said there are parts of both bills it likes, and it will work to make sure the final version that emerges supports administration policy.

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