

Obama Issues Rare Veto Threat on Iran Bill

December 16, 2013

By Carol E. Lee And Jay Solomon

WSJ

<http://online.wsj.com/news/articles/SB10001424052702304866904579268611658114286>

WASHINGTON—The White House issued a rare veto threat in response to a bipartisan Senate bill that would slap Iran with new sanctions if it violates an interim deal reached last month to curb its nuclear program.

The threat sets up a standoff in the new year between President [Barack Obama](#) and more than two dozen Senate Democrats and Republicans who introduced the legislation on Thursday. The challenge to Mr. Obama is particularly stark because half of the lawmakers sponsoring the new bill are from his own party.

The bill could also imperil Mr. Obama's efforts to reach a diplomatic end to the decadelong standoff over Iran's nuclear program, which administration officials hope will be a signature achievement of his second term.

Iranian officials have repeatedly threatened in recent days to back out of negotiations with the U.S. and other global powers over Tehran's nuclear program if Washington enacts new sanctions.

White House Press Secretary [Jay Carney](#) criticized the Senate move, saying such sanctions would undermine Mr. Obama's diplomatic efforts "no matter how they're structured."

"We don't think it will be enacted. We certainly don't think it should be enacted," Mr. Carney said. "If it were to pass, the president would veto it."

Iranian officials didn't comment Thursday on the introduction of the legislation. But in recent days they have described Iranian President Hasan Rouhani as in a power struggle with hard-liners in Iran's military and clergy over the November agreement with the five permanent members of the United Nations Security Council and Germany, a bloc called the P5+1.

Any moves by the U.S. to impose new sanctions on Tehran, said these officials, could weaken Mr. Rouhani's hand.

"Naturally, there is opposition to this agreement, both inside Iran and elsewhere," said Iran's Ambassador to France Ali Ahani, at a conference last weekend. "There are people who say you can't trust the Americans."

In Washington, Mr. Obama has little political capital with a divided Congress that has given him few recent victories. He is already bracing for tough legislative battles next year.

Republicans are weighing a fight over the need to raise the debt limit early next year, and Mr. Obama is set to give a speech in January outlining potentially sweeping changes to the government's contested spying programs. The programs, like Iran diplomacy, have prompted some members of the president's own Democratic Party to criticize his administration.

A presidential veto, while unusual for Mr. Obama—particularly on Democratic-backed legislation—could appease all sides. Mr. Obama may strengthen his hand in negotiations by keeping Congress at bay, while lawmakers who are under pressure over Iran get to vote for additional sanctions.

And a veto threat by Mr. Obama could provide American diplomats with a way to assure Iran that they are earnest about the diplomacy. Iran last week objected to U.S. moves to enforce existing U.S. sanctions against alleged violations by more than a dozen Iranian individuals and businesses.

But the White House also risks seeing Mr. Obama's veto overridden, if Republicans in the Senate remain unified and Democrats continue to feel emboldened to challenge the party line.

Mr. Obama, Secretary of State [John Kerry](#) and other top administration officials have worked vigorously to keep Congress from enacting new sanctions against Iran while the U.S. and other world powers negotiate a long-term diplomatic agreement with Tehran to curb its nuclear program. Iran says its program is for peaceful purposes only.

Negotiators now are working on details of an interim six-month deal, reached last month in Geneva, which would remain in place during talks over a comprehensive agreement. Administration officials succeeded in delaying Senate and House action this year.

Under the interim agreement, Iran has committed to freezing elements of its nuclear program most objectionable to the West, including the production of near weapons-grade fuel, in return for an easing of some sanctions and the release of more than \$4 billion in Iranian oil revenue.

But both congressional chambers appear poised to take up new sanctions legislation after the holiday break.

The new sanctions in the Senate bill seek to enforce a total embargo on Iran's oil exports over the next two years and to choke off Tehran's ability to access any of its revenue held in foreign bank accounts. They also seek to curtail Iran's ability to gain revenue from economic sectors so far not significantly hit by sanctions, such as the mining, engineering and real estate industries.

Sanctions imposed on Iran by the U.S. and [European Union](#) over the past two years have decimated the Iranian economy, cutting its oil exports to less than one million barrels a day from around 2.5 million just a few years ago.

The Senate bill would enact the sanctions on Iran if the country cheats on the interim agreement or if a comprehensive deal isn't achieved within a year. Iran's testing of a ballistic missile or its connection to a terrorist act on the U.S. would also put in place the new sanctions. The House passed a similar bill in July.

"The burden rests with Iran to negotiate in good faith and verifiably terminate its nuclear weapons program," said Sen. [Robert Menendez](#) (D., N.J.), chairman of the Senate Foreign Relations Committee, who co-sponsored the bill with Sen. Mark Kirk (R., Ill.). "Prospective sanctions will influence Iran's calculus and accelerate that process toward achieving a meaningful diplomatic resolution."

Under the current deal, the suspended sanctions would be reimposed if a comprehensive agreement isn't reached. But the international powers have the leeway to extend the six-month negotiating time frame.

Mr. Kirk urged Senate Majority Leader [Harry Reid](#) (D., Nev.) to bring the legislation up for a vote next year, saying, "This is a responsible, bipartisan bill to protect the American people from Iranian deception."

Other sponsors include Sen. [Marco Rubio](#) (R., Fla.) and Sen. Chuck Schumer (D., N.Y.), a White House ally who has been a vocal skeptic of Mr. Obama's diplomatic overtures to Iran.

Congressional staff and analysts estimate that the new sanctions, if imposed, could cost Iran as much as \$50 billion annually in lost revenue. The bill specifically would aim to force Iran's major remaining oil buyers, including China, India and Turkey, to cut their purchases to zero over the next two years, or risk facing U.S. sanctions themselves.

"Iran cannot walk away from negotiations without paying a heavy economic price," said Mark Dubowitz, who advised Congress on the new sanctions as an expert at the Foundation for Defense of Democracies, a conservative Washington think tank. "Unless Iranian leaders believe that they can rescue their failing economy through nuclear escalation, which is always possible given the Supreme Leader's intransigence, their best alternative remains a diplomatic deal."