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Obama Urged to Punish Russian Firms on Iran

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The administration of U.S. President Barack Obama is facing pressure to punish Russian companies after it slapped sanctions on a state-owned Belarussian energy company over a $500 million investment with an Iranian firm accused of contributing to Iran's suspect nuclear program.

A senior congresswoman said the State Department had not done enough in announcing Tuesday that it had hit Belarusneft with penalties cutting its access to U.S. markets over a 2007 contract it signed with NaftIran Intertrade Co. to develop Iran's Jofeir oil field. The penalties include a ban on U.S. export licenses, loans and government contracts.

"The conspicuous absence of any sanctions on Russian and Chinese companies, despite their long-standing involvement in Iran, is deeply troubling," said Ileana Ros-Lehtinen, chairwoman of the Foreign Affairs Committee in the House of Representatives.

"In addition to going after the low-hanging fruit like Belarusneft, the State Department must impose sanctions against energy giants that continue to do business with Iran,"

the Republican congresswoman said in a statement. "That's the only way that our sanctions will have the force to compel the Iranian regime to stop policies and programs that threaten the United States."

Russian energy companies like LUKoil, Gazprom and Gazprom Neft have worked with Iran in the past. The U.S. State Department imposed sanctions on state arms exporter Rosoboronexport and jet fighter maker Sukhoi in 2006 for purportedly violating the Iran Non-Proliferation Act of 2000. The sanctions were later lifted amid the "reset" in U.S.-Russian ties.

The Belarusneft sanctions were imposed under U.S. laws that seek to punish Iran for failing to prove its nuclear program is peaceful by penalizing foreign businesses that invest in its energy sector. The United States says such investments help support the Iranian nuclear program.

Belarus, already chafing under U.S. and EU sanctions after a disputed presidential election in December, denounced the latest move Wednesday.

"Unilateral actions are counterproductive and detrimental to bilateral relations," said Foreign Ministry spokesman Andrei Savinykh, according to Interfax.

Belarusneft is the second company to be hit with sanctions under the legislation that Obama signed in 2010 with broad bipartisan support.

The law requires the administration to identify and impose sanctions on foreign companies that invest more than $20 million in Iran's oil and gas sector but allows the president to waive the sanctions for national security reasons.

Republican Senators Mark Kirk and Jon Kyl along with independent Joe Lieberman complained in a letter to Secretary of State Hillary Clinton and Treasury Secretary Timothy Geithner that the Obama administration had "designated only one additional entity for violating U.S. sanctions with regard to Iran."

"We do not believe this represents full compliance with the sanctions regime put in place by Congress," they wrote. "We are deeply concerned with what appear to be sanctionable activities by other entities involving energy investments in Iran, the provision of refined petroleum products to Iran, financial relationships with Iran, as well as the regime's proliferation activities." (AP, MT)

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