

Congress of the United States
Washington, DC 20515

September 19, 2024

The Honorable Joseph R. Biden
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear President Biden:

We are writing today to urge the Administration to exercise all available tools at its disposal to enforce sanctions against Iran, particularly as it pertains to Iranian exports of oil to China. Iran cannot be permitted to continue circumventing U.S. sanctions in order to gain revenue for its dangerous, deadly and destabilizing activities in the region, chiefly against Israel.

Due to its history of malign actions in the region and beyond, Iran currently faces a range of sanctions that include the blocking of Iranian assets in the United States, the banning of almost all U.S. trade with Iran, and the prohibition of U.S. foreign assistance and arms sales to Iran. Additionally, U.S. law authorizes sanctions targeting Iran's energy sector, including foreign corporations that buy, sell, or transport Iranian oil.

Further, this past April, new sanctions authorities were signed into law in H.R.815, the supplemental national security package. This includes authorities created through the Stop Harboring Iranian Petroleum (SHIP) Act and the Iran-China Energy Sanctions Act. SHIP Act sanctions target ports and refineries that process illicit Iranian oil, while Iran-China Energy Sanctions Act sanctions target Chinese financial institutions that process transactions involving Iranian oil.

But without full implementation and enforcement of U.S. sanctions authority, oil sales will continue to be Iran's primary source of revenue. Iran currently has an oil output of 3.2 million barrels per day—the highest production rate since 2018—and it is exporting about 1.5 million barrels per day to 17 countries.¹ Recently, Iran has sent small shipments of oil to Syria, Bangladesh, and Oman. However, Iran is suspected of selling most of its crude oil to China, which does not recognize U.S. sanctions against Iran. In the first quarter of 2024, “almost all” of Iran's petroleum exports went to China.² This trade in oil provided Tehran with up to \$11 billion in revenue in just three months.³ To circumvent sanctions, traders have re-branded Iranian oil

¹ Saul, Jonathan, and Alex Lawler, “Iran's oil finds new destinations in Tehran export push, sources say,” *Reuters*, August 9, 2024. <https://www.reuters.com/business/energy/irans-oil-finds-new-destinations-tehran-export-push-sources-say-2024-08-09/>

² Thomas, Clayton, Jennifer Elsea, and Liana Rosen, “Iran's Petroleum Exports to China and U.S. Sanctions,” Congressional Research Service, Updated May 8, 2024. <https://crsreports.congress.gov/product/pdf/IN/IN12267>

³ Ghasseminejad, Saeed, “Iran's Oil Exports Continue to Rise,” Foundation for Defense of Democracies, April 19, 2024. <https://www.fdd.org/analysis/2024/04/19/irans-oil-exports-continue-to-rise/>

destined for China as originating from another country, such as Malaysia, Oman, or the UAE. Iran carries this oil in “dark fleet” tankers that not only operate outside of maritime regulations, but they also do so with the intent to obscure their movement and operations.⁴

In an effort to encourage China to purchase its banned oil, Tehran has offered Beijing a discount of up to 15 percent off the market price.⁵ In spite of the risk of acquiring U.S.-banned products, China has an interest in Iranian oil as it seeks to diversify its sources of petroleum to ensure that it has the necessary energy requirements to support its economy.

We urgently ask that you prioritize the U.S. Government’s efforts to identify the means by which Iran is able to export its petroleum products and then use all available tools against individuals and companies engaged in those activities.

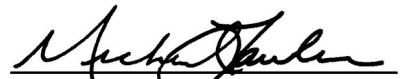
Existing sanctions must be more effectively enforced in order to promptly secure an end to Iran’s ability to circumvent these trade restrictions. Otherwise, Iran will continue to use its oil revenues to provide material support to its terrorist proxies, such as Hamas, Hizballah, and the Houthis.⁶

Thank you for your attention to this matter.

Sincerely,



Adam B. Schiff
Member of Congress



Michael V. Lawler
Member of Congress



Josh Gottheimer
Member of Congress



Jared Moskowitz
Member of Congress

⁴ Donovan, Kimberly, and Maia Nikoladze, “The axis of evasion: Behind China’s oil trade with Iran and Russia,” Atlantic Council, March 28, 2024. <https://www.atlanticcouncil.org/blogs/new-atlanticist/the-axis-of-evasion-behind-chinas-oil-trade-with-iran-and-russia/>

⁵ Sharifi, Kian, “Why are U.S. Sanctions Against Iran’s Oil Exports Ineffective?” Radio Free Europe/Radio Liberty, May 2, 2024. <https://www.rferl.org/a/iran-oil-sanctions-china/32930848.html>

⁶ Gavin, Gabria, “US eyes Iranian oil exports as threat of Israel attack grows,” Politico, August 13, 2024. <https://www.politico.eu/article/us-iranian-oil-exports-israel-attack-war-in-gaza-hamas/>

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