

United States Senate

WASHINGTON, DC 20510

January 27, 2022

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear President Biden,

We write to urge you to take action against the growing fleet of oil tankers evading U.S. sanctions and against the entities purchasing Iranian oil from these tankers.

As you are aware, Iran's energy sector is a primary source of funding to the Islamic Revolutionary Guard Corps, a designated foreign terrorist organization. Because of its critical role in funding terrorism, the National Iranian Oil Company is subject to U.S. terrorism sanctions.¹ Therefore, enforcing oil sanctions against Iran is also enforcing terrorism sanctions against Iran. Bipartisan laws enacted by Congress in 2011 and 2012 targeting Iran's oil exports and energy sector require the President to enforce these sanctions.²

The U.S. maximum pressure campaign seriously reduced Iranian oil exports and curtailed the Iranian regime's ability to finance terrorism and other malign activities. From April 2018 to June 2020, Iranian oil exports shrank from nearly 2.9 million barrels per day to 600,000 barrels per day.³ Tehran faced severe budget deficits in 2019 and 2020 due to the decline in oil sales. This massive drop in revenue gave the United States significant leverage over Iran and impeded the regime's strategic ambitions.

These gains have been threatened by the disturbing rise in Iranian oil exports since your administration began, despite U.S. sanctions remaining in place. Iran exported an estimated 418 million barrels of oil in 2021, 123 million more than in 2020.⁴ Twice in 2021, Iranian oil exports exceeded 1.4 million barrels per day, the highest rate since March 2019.⁵ Three-quarters of this oil was exported to China, which purchased 310 million barrels of Iranian oil last year.⁶ In recent

¹ Kenneth Katzman, "Iran Sanctions," *Congressional Research Service*, April 6, 2021, 78, <https://sgp.fas.org/crs/mideast/RS20871.pdf>.

² *National Defense Authorization Act for Fiscal Year 2012*, Sec. 1245, Public Law 112-81, December 31, 2011, <https://www.congress.gov/112/plaws/publ81/PLAW-112publ81.pdf>; and *Iran Threat Reduction and Syria Human Rights Act of 2012*, Public Law 112-156, August 12, 2012, <https://www.congress.gov/112/plaws/publ158/PLAW-112publ158.pdf>.

³ "Iran Tanker Tracking," *United Against Nuclear Iran*, accessed January 24, 2022, <https://www.unitedagainstanucleariran.com/tanker-tracker> (data from April 2018 and June 2020).

⁴ Clair Jungman and Daniel Roth, "December 2021 Iran Tanker Tracking and Year Review," *United Against Nuclear Iran*, January 3, 2022, <https://www.unitedagainstanucleariran.com/tanker-tracker>.

⁵ "Iran Tanker Tracking," *United Against Nuclear Iran*, accessed January 24, 2022, <https://www.unitedagainstanucleariran.com/tanker-tracker> (data from January 2021 and December 2021).

⁶ Clair Jungman and Daniel Roth, "December 2021 Iran Tanker Tracking and Year Review," *United Against Nuclear Iran*, January 3, 2022, <https://www.unitedagainstanucleariran.com/tanker-tracker>.

weeks, the Chinese government has openly acknowledged importing millions of barrels of Iranian oil for its strategic petroleum reserves.⁷

As a result of this surge in oil sales, Iranian currency reserves soared from just \$4 billion at the end of 2020 to \$31 billion at the end of 2021.⁸ These Chinese purchases give the Iranian regime a vital lifeline and flout U.S. sanctions with impunity. While your administration has reportedly warned China and other countries about the sanctions risks to their companies, these entities remain unpunished.⁹

Iran's increased oil exports are only possible because non-Iranian, foreign-flagged vessels are increasingly willing to risk U.S. sanctions to sell Iranian oil. Much of this activity is done illicitly, with foreign-flagged tankers transferring oil at sea from Iranian tankers to obscure the origin of their illegal cargo. These vessels avoid sanctions by hiding behind shell companies and often flying a false flag. Other such vessels turn off their satellite transponders, change their flag, or register under the flag of a country where maritime authorities are willing to look the other way. The number of foreign-flagged tankers suspected of involvement in the transport of Iranian oil has more than doubled from 70 vessels in November 2020 to 165 vessels in January 2022.¹⁰ This fleet will only continue to grow if your administration keeps refusing to crack down on this practice.

The vessel owners and their customers in China are taking greater risks because they believe that your administration is too weak and indecisive to punish them for their crimes. Your unwillingness to take actions that could jeopardize the doomed Vienna nuclear talks has undeniably emboldened these criminals. Meanwhile, the boom in oil sales has refilled the Iranian regime's once-empty coffers, removed crucial American leverage over Iran, and encouraged the Iranians to stall negotiations in Vienna and irreversibly advance their pursuit of a nuclear weapon. It is long past time to stop your dithering. You are putting U.S. national security at risk.

We urge you to enforce U.S. sanctions against entities that purchase Iranian oil and against those foreign-flagged oil tankers which keep Iran's illicit oil trade alive. Each day you delay gives Iran more money to finance their terrorist activity and more time to develop a nuclear weapon. We would also remind you that sanctions against Iran's oil exports are mandatory and passed Congress with bipartisan majorities. You are not above the law and must stop violating it.

The radical mullahs in Iran will only abandon their nuclear ambitions when they believe time is no longer on their side. Decisive action by your administration can stop the regime's malign activity; more concessions and polite expressions of impatience are not going to cut it.

⁷ Chen Aizhu, "Exclusive: China Puts 4 mln barrels of Iranian oil into state reserves -source, Vortexa," *Reuters*, January 20, 2022, <https://www.reuters.com/business/energy/exclusive-china-puts-4-mln-bbls-iran-oil-into-state-reserves-source-vortexa-2022-01-20/>.

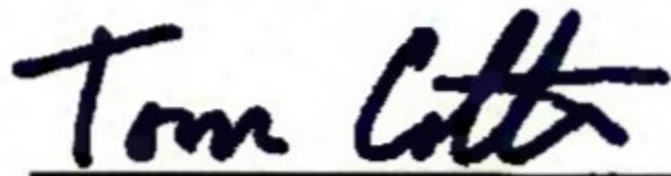
⁸ Adam Kredo, "Iran's Cash Reserves Soar Under Biden," *The Washington Free Beacon*, November 8, 2021, <https://freebeacon.com/biden-administration/irans-cash-reserves-soar-under-biden/>.

⁹ John Irish and Arshad Mohammed, "Exclusive: U.S. has reached out to China about cutting oil imports from Iran, officials say," *Reuters*, September 28, 2021, <https://www.reuters.com/business/exclusive-us-has-reached-out-china-about-cutting-oil-imports-iran-officials-say-2021-09-28/>.

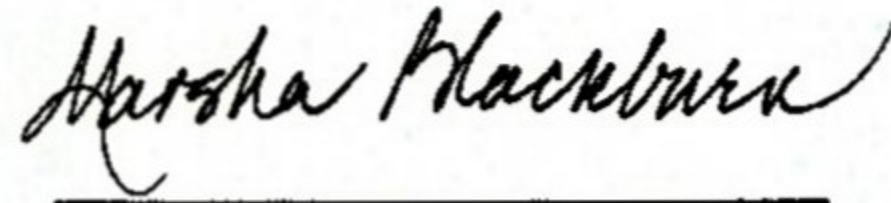
¹⁰ Clair Jungman and Daniel Roth, "Stop the Hop II: The Ghost Armada Grows," *United Against Nuclear Iran*, April 16, 2021, last updated January 3, 2022, <https://www.unitedagainstnucleariran.com/tanker-tracker>.

Thank you for your attention to this matter. We look forward to hearing from you.

Sincerely,



Tom Cotton
United States Senator



Marsha Blackburn
United States Senator



Chuck Grassley
United States Senator



Thom Tillis
United States Senator



Bill Hagerty
United States Senator



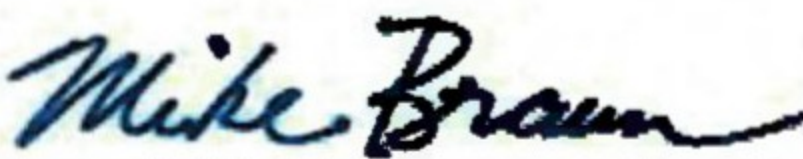
Joni Ernst
United States Senator



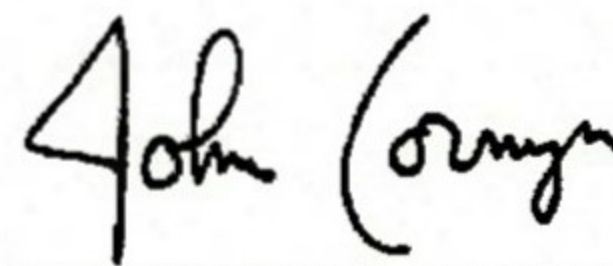
Ted Cruz
United States Senator



James Lankford
United States Senator



Mike Braun
United States Senator



John Cornyn
United States Senator