

United States Senate

WASHINGTON, DC 20510

March 10, 2011

The Honorable Hillary Clinton
Secretary of State
U.S. Department of State
2201 C Street, NW
Washington, D.C. 20520

Dear Secretary Clinton:

You have frequently cited the progress of Iran's nuclear weapons program, despite the Administration's leading efforts to fashion multilateral and unilateral sanctions against Iran. We support the Administration's efforts, but we believe that there is still much more that must be done to prevent Iran from obtaining a nuclear weapons capability. We want to assure you of broad, bipartisan support in Congress for use of the full measure of U.S. economic, diplomatic, and political power to thwart Iranian nuclear ambitions.

On September 29, 2010, Deputy Secretary Steinberg announced the State Department's initiation of investigations into international firms that had not yet committed to exit Iran's petroleum sector. We understand that the State Department is continuing these investigations. As you know, the Comprehensive Iran Sanctions and Divestment Act (CISADA) provides the State Department with 180 days to complete its investigation and make a determination as to whether sanctions are warranted. We look forward to your notification of these determinations by March 29, 2011.

Numerous open sources, including reports by the Congressional Research Service and the Government Accountability Office, have detailed foreign investment and other activity that violates U.S. sanctions laws. We therefore also seek an update on the status of all investigations, as well as those transactions the Department is looking into but has not yet initiated an investigation, concerning violations of the Iran Sanctions Act (ISA) as amended by CISADA.

Based on publicly available information, we would hope that your update will include the following entities, which appear to be in violation of our law:

- 1) The Chinese National Offshore Oil Company, which is aiding Iran in the development of Iran's North Pars field.
- 2) The Chinese National Petroleum Company, which is aiding Iran in the development of the North Azadegan and South Pars fields.

- 3) Sinopec, which is aiding Iran's refinery capacity at Bandar Abbas and the Arak refinery near Markazi.
- 4) The German company ABB Lumus, which has signed a contract to expand the Abadan refinery with the U.S-sanctioned National Iranian Oil Company.
- 5) Entities reportedly selling refined petroleum to Iran, including: Zhuhai Zhen Rong of China, the PDVSA trading unit of Venezuela, Turpas of Turkey, and Unipecc of China.
- 6) The Industrial Bank of China, the China Construction Bank, the Agricultural Bank of China and the Bank of China, all of which are reportedly aiding Iran by providing financial services in violation of Section 104 of CISADA.

It appears that Chinese firms in the energy and banking sectors have conducted significant activity in violation of U.S. law. We cannot afford to create the impression that China will be given free rein to conduct economic activity in Iran when more responsible nations have chosen to follow the course we have asked of them. We are sure you agree.

We would also like to know whether the Department has developed standard criteria to determine when it would be appropriate to use the "necessary to the national interest" waiver and whether the Department is considering such a waiver in any pending investigation should the party not discontinue prohibited activities. Additionally, what guidance has the Department promulgated concerning when it has received "credible information" to launch an investigation? We request you make available to us the clear guidelines you have set for the Department.

The most recent International Atomic Energy Agency report on Iran's ongoing weaponization activities makes clear that we must decisively utilize tougher economic, political, and diplomatic measures in the limited time we may have left to thwart Iran's efforts to acquire weapons of mass destruction and the means to deliver them. We urge your prompt response to this letter, beginning with the determinations you have made with respect to the imposition of sanctions mandated by CISADA, by March 29, 2011.

Sincerely,




JON KYL
United States Senator



ROBERT MENENDEZ
United States Senator



KIRSTEN E. GILLIBRAND
United States Senator



JERRY MORAN
United States Senator



ROBERT P. CASEY, JR.
United States Senator



ROY BLUNT
United States Senator



LINDSEY GRAHAM
United States Senator



BILL NELSON
United States Senator



BENJAMIN L. CARDIN
United States Senator



MARCO RUBIO
United States Senator

cc: The Secretary of the Treasury