

Congress of the United States
Washington, DC 20515

October 31, 2023

The Honorable Antony J. Blinken
Secretary of State
U.S. Department of State
2201 C Street, N.W.
Washington, D.C. 20520

The Honorable Janet L. Yellen
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220

Dear Secretary Blinken and Secretary Yellen:

We are deeply concerned with the Iranian regime's continued export of crude oil to China. In the wake of Hamas' barbaric terrorist attack on Israeli civilians on October 7th, which killed over 1400 people, the United States must use all available tools at its disposal to halt Iran's financing, arming, and training of terrorist organizations, including Hamas and Hezbollah.

According to data intelligence firm Kpler, Chinese imports of sanctioned Iranian oil are running at the highest level in at least a decade, as rising oil prices make discounted Iranian oil a more attractive option. China does not officially acknowledge purchasing any oil from Iran, which forces China to rely on shipments aboard tankers that turn off their automatic identification system (AIS) transponders and imports from vessels that perform "ship-to-ship" (STS) transfers at sea.

China receives an estimated 1.5 million barrels a day of Iranian crude, largely through smaller, semi-private refiners in Shandong known as "teapots." While nominally unaffiliated, teapots help obscure the role of the Chinese government in illicit oil purchases from Iran and shield larger Chinese firms and the Chinese Communist Party from exposure to the U.S. financial system and associated sanctions. For Iranian oil purchases, the teapots buy at steep discounts of at least \$4 a barrel below the standard Brent. The product's Iranian origin is also shielded and rebranded as either Omani Crude, Iraqi Crude, Russian Urals, Bitumen Blend, Nemina, or Malaysian Blend.

These increasingly sophisticated exports from Iran to China are helping fuel Iran's malign influence throughout the region, funneling hundreds of millions of dollars to terrorist organizations like Hamas and Hezbollah in the process. Iranian-backed proxy groups have also injured an estimated 24 U.S. troops since October 7th. Iran's evasion of sanctions constitutes a clear and present danger not only to our allies, but to America's forward operating forces in the Middle East. It is therefore critical that we do everything in our power to stop the financing of Iranian-backed terrorism.

To that end, we request answers to the following questions:

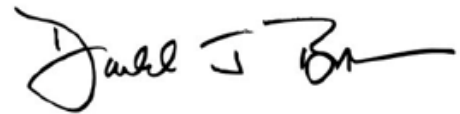
1. What is the administration's plan to stem the flow of illicit Iranian oil sales to China?
2. How is the administration preparing for an expected rise in oil prices resulting from instability in the Middle East?
3. How will the U.S. counter the economic benefits buyers might derive from buying discounted Iranian oil?
4. Is the administration planning to increase interdiction of illicit Iranian exports?
5. What steps are the administration taking to deter Iran from attacks against Western shipping?
6. What, if any new sanctions are the administration planning to put in place on Iran?

We look forward to working with you to counter Iran's state-sponsored terrorism and support Israel in this difficult time. Thank you for your consideration,

Sincerely,



Ruben Gallego
MEMBER OF CONGRESS



Don Bacon
MEMBER OF CONGRESS