

United States Senate

WASHINGTON, DC 20510

May 12, 2021

Suzanne Clark
President and CEO
U.S. Chamber of Commerce
1615 H St NW
Washington, D.C. 20062

Kevin Fromer
President and CEO
Financial Services Forum
60113th St, NW Suite 750
Washington, D.C. 20005

Joshua Bolten
President and CEO
Business Roundtable
1000 Maine Ave, SW Suite 500
Washington, D.C. 20024

Dear Ms. Clark, Mr. Fromer, and Mr. Bolten,

We write to alert your member companies of the risks that they may face if the United States temporarily removes sanctions on Iran's outlaw regime and they seek to reenter the Iranian market or establish business relations with sanctioned individuals, entities, and sectors.

The Iranian regime remains the world's foremost state sponsor of terrorism. Through its terrorist forces and proxies, Iran is responsible for the deaths of hundreds of U.S. servicemembers and continues to threaten the lives of Americans and the citizens of our allies and partners in the Middle East. The Iranian regime is directly responsible for recent attacks on international civilian air and maritime traffic in the region. The Iranian regime and its proxies are responsible for terror plots across five continents and more than 35 countries, including against the United States, Israel, India, Denmark, France, Germany, and Turkey. Given Iran's track record of violence and malign behavior, you can understand the U.S. government's strong desire to ensure that this fanatical regime ceases its statecraft of terrorism and never achieves a nuclear weapons capability.

In 2015, President Obama negotiated the so-called Joint Comprehensive Plan of Action (JCPOA) with Iran and other P5+1 partners, even though it was far from a comprehensive effort addressing Iran's malignancy around the world. This deeply flawed agreement handed Iran significant economic concessions in exchange for modest and temporary restrictions on Iran's nuclear enrichment activities. The JCPOA undermined previous UN Security Council resolutions requiring Iran to stop enriching uranium, instead only temporarily capping Iran's still-substantial enrichment capability. The agreement ignored indications of Iran's past nuclear weapons activities and failed to include inspections of military organizations involved in those efforts. Iran continues to block IAEA inspections of suspected nuclear sites and refuses to provide a credible explanation for undeclared nuclear material that the Agency recovered.

The agreement also failed to address the threat of Iran's missile programs and other malign activities. Instead, negotiators in Vienna opted for a short-term ban on conventional arms transfers and merely condemned Iran's nuclear-capable ballistic missile activities. The deal gratuitously lifted sanctions on Iranian institutions that had been sanctioned for illicit conduct unrelated to the Iranian nuclear program. As a result of these egregious faults, bipartisan majorities in both the U.S. Senate and House of Representatives opposed the JCPOA and the sanctions relief contained in the deal.

Recognizing that the agreement paved Iran's path to nuclear weapons, President Trump withdrew the United States from the agreement and pursued a strategy of "maximum pressure" to force a change in Iranian behavior. Since the JCPOA was not a legally binding instrument under U.S. or international law, the sanctions waived in the JCPOA were re-imposed by the United States in 2018, resulting in more than 100 international companies and organizations terminating or curtailing business with the Iranian regime to avoid U.S. sanctions.

In addition, the Trump administration sanctioned numerous economic sectors and hundreds of entities and individuals for their involvement in terrorism, ballistic-missile development, human-rights abuses, and other rogue activities. These sanctions were based on detailed evidence of malign conduct that continues today. The Trump administration also designated the Islamic Revolutionary Guard Corps (IRGC)—which controls large swathes of Iran's fledgling economy—as a Foreign Terrorist Organization. This designation dramatically increases the risk of criminal prosecution and civil litigation for the provision of material support to IRGC entities.

Several foreign business entities and individuals who continued to do business with Iran were sanctioned, leading to massive financial losses that forced some businesses to permanently shut down. The U.S. Department of Justice has also filed charges against individuals who seek to circumvent U.S. sanctions, confiscating their assets and seeking significant criminal sentences against offenders.

As a result of this maximum pressure approach, Iran's GDP shrank by six percent in 2018 and nearly seven percent in 2019. The Iranian Rial, which traded at roughly 40,000-to-one against the U.S. dollar in early 2018, traded at over 300,000-to-one late last year. Iranian oil production decreased more than half, with Iran's oil exports decreasing by over 90% through late last year. This pressure forced the regime to decrease military spending by 28% in 2019 and a further 24% in 2021, preventing the regime from funding its terror proxies at historic levels. This reduction forced Lebanese Hizballah to solicit donations from the general public to continue their terrorist activities.

Unfortunately, the Biden administration has ambitions to toss aside the progress of the maximum pressure campaign and return to a JCPOA-like framework. In fact, U.S. negotiators may begin offering sanctions relief even before Iran returns to compliance with the feeble nuclear agreement and regardless of whether the administration has addressed the full scope of Iran's malign activities or obtained the release of U.S. hostages in Iran.

Your member companies may see this potential removal of U.S. sanctions on Iran as a lucrative opportunity. Trust us, they should not. If U.S. sanctions on Iran were temporarily lifted and these firms decided to reenter the Iranian market, not only would they be engaging with a corrupt and capricious regime, they would be investing in ventures doomed to fail. These firms would also risk exposure to individuals and companies that are intertwined with the malign activities of the world's leading state sponsor of terrorism. So long as the Islamic Republic of Iran continues its outlaw behavior, we will support robust sanctions against the regime.

Any attempt by the Biden administration to broker a JCPOA-like deal or offer sanctions relief to the Iranian regime will be fleeting. The original Iran deal was never submitted to the United States Senate and ratified as a legally binding treaty. Any agreement that does not receive the broad and bipartisan support of Congress will not survive if a Republican is elected president in 2024. Any sanctions relief will also be severely limited if Republicans win back majorities in Congress in 2022. The U.S. Congress has passed several laws sanctioning the Iranian regime over the past decade, at times rolling over executive-branch opposition with huge bipartisan majorities. Put simply, any new Iran deal that does not address Iran's nuclear program, ballistic and cruise missile development, support for terrorism, hostage-taking, gross human rights violations, and other malign behaviors will not receive durable, bipartisan support in the United States.

We kindly ask that you distribute this correspondence to your member companies. Thank you for your consideration of this important matter.

Sincerely,



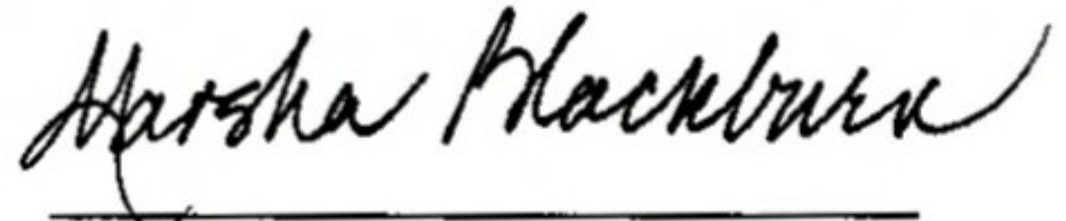
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United States Senator



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United States Senator



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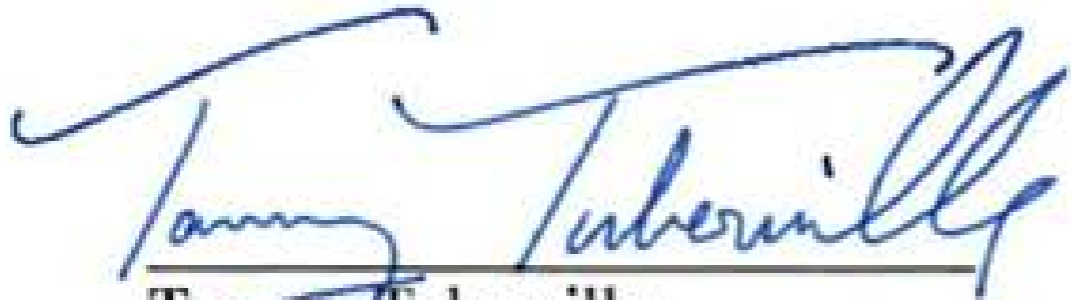
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CC:

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