

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

August XX, 2011

Dear Secretary Clinton,

We write to express our concern with continued Chinese activity in the Iranian energy sector and urge sanctions on companies violating U.S. law.

Like you, we believe preventing Iran from acquiring a nuclear weapons capability is critical to American and international security. This is why we have been disappointed in China's continued involvement in Iran's energy sector, the lifeblood of the Iranian economy.

Congress recognized fifteen years ago that targeting investments in Iran's energy sector would be a key pressure point to persuade Iran to abandon its nuclear program. The administration's sanctioning of two companies under the Iran Sanctions Act for investing in Iran's energy sector was an important step in the right direction, but insufficient.

Instead of turning a blind eye, it is crucial that the United States impose sanctions on Chinese firms that continue to invest in Iran. The evidence is there – in 2009 British naval forces intercepted a Chinese firm's shipment of nuclear components to Iran; last year *The Washington Post* reported the sale of a high-quality carbon fiber needed to help build centrifuges by a Chinese firm to Iran; and in 2008 a Chinese company provided Iran with a number of high-grade alloys needed for Iran's nuclear program. With this mounting evidence, why has the State Department failed to take the necessary steps toward sanctions? Sanctioning these and other offending firms will send a clear and unambiguous message to Iran that, despite the unfolding events in the region, the United States remains determined to stop Iran's pursuit of nuclear weapons.

Sanctioning Chinese energy firms is also crucial to ensuring those energy firms that have already pulled out of Iran do not re-enter the Iranian market. Our closest allies, including Japan and South Korea, have made significant sacrifices in ending their Iranian investments. These countries are now beginning to question their decisions to exit Iran in light of the lenient enforcement of U.S. sanctions and the competitive advantage it gives to their Chinese competitors. The failure to stringently enforce the Iran Sanctions Act threatens to undermine the significant progress that has been made in drying up foreign investment in Iran and America's credibility to our allies on this important issue.

We must make clear that there will be consequences to energy firms that continue to invest in Iran. We urge you to enforce the law and sanction Chinese companies investing in Iran's energy sector.

Sincerely,

Daniel Lipinski
Member of Congress

Frank Wolf
Member of Congress