



SELECT COMMITTEE ON THE CCP

DEMOCRATS | RANKING MEMBER RAJA KRISHNAMOORTHY

August 19, 2025

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

The Honorable Marco Rubio
Secretary
U.S. Department of State
2201 C St NW
Washington, D.C. 20451

Dear Secretary Bessent and Secretary Rubio,

I write to express my serious concern about the lack of adherence to United States sanctions policy regarding the purchase of Iranian petroleum. I am deeply concerned about reports that this Administration may be willing to consider trading away legally-binding sanctions on Iranian oil purchases in the course of trade negotiations with the People's Republic of China (PRC)¹. Additionally, recent public statements made in a Truth Social post on June 24, 2025, appear to conflict with existing U.S. sanctions policy regarding the purchase of Iranian petroleum. Executive Order 13846, signed by President Trump in 2018 and President Trump's more recent National Security Presidential Memorandum (NPSM)-2 from February 2025 both seek to neutralize Iran's aggressive behavior by denying and disrupting the country's access to financial and other resources that enable the regime's destructive behavior.² Sanctions on illegal activity that threaten the national security of the United States should not be compromised or traded away for leverage.

In his June 24, 2025, social media post, President Trump said that "China can now continue to purchase Oil from Iran."³ This statement directly contradicts the directives of NSPM-2, which require the Secretary of State and Secretary of the Treasury to "drive Iran's export of oil to zero, *including exports of Iranian crude to the People's Republic of China*" (italics added).⁴ Both NSPM-2 and Executive Order 13846 reimposed a broad range of secondary sanctions targeting foreign individuals and entities that support or engage in transactions involving Iranian petroleum, petroleum products, or petrochemicals, including through NPSM-2's direction to the Secretary of the Treasury to "immediately impose sanctions or appropriate enforcement remedies on all persons for which the Department has evidence of activity in violation of one or more Iran-related sanctions."⁵ Yet, the President is endorsing and encouraging the deviation from NSPM-2 in his statement. President Trump's statement not only contradicts the policies of his own administration but also endangers the national security of the United States by channeling resources to a dangerous regime, enabling the PRC to thrive on cheap energy, and establishing a precedent that U.S. sanctions may be openly violated without repercussion.

¹ <https://www.cbsnews.com/news/china-us-demands-stop-buying-russia-iran-oil/>

² <https://www.govinfo.gov/content/pkg/DCPD-201800524/pdf/DCPD-201800524.pdf>

³ <https://www.reuters.com/business/energy/trump-says-china-can-continue-purchase-oil-iran-2025-06-24/>

⁴ <https://www.whitehouse.gov/presidential-actions/2025/02/national-security-presidential-memorandum-nspm-2/>

⁵ <https://www.whitehouse.gov/presidential-actions/2025/02/national-security-presidential-memorandum-nspm-2/>

Iran's sales of its petroleum products have generated revenues of \$53 billion in 2023 and \$54 billion in 2024 for the country, with more than 90 percent of these sales going to the PRC at a submarket rate.⁶ Most PRC buyers are small, semi-independent refineries known as "teapots" that are hard to uncover and not exposed to the U.S. financial system. PRC traders have used deceptive techniques including relabeling Iranian-origin petroleum, broadcasting fake tanker route information, falsified manifests, reflagged vessels, and employing "dark" or "shadow fleets" of older ships that are difficult to track.⁷ These nefarious efforts to evade U.S. sanctions policy make clear and robust enforcement of U.S. sanctions policy all the more important.

The erosion of sanctions credibility disproportionately empowers the PRC, which has capitalized on diminished enforcement to deepen its economic ties with Iran at favorable, discounted rates. In effect, any public ambiguity from the United States regarding sanctions enforcement gives Beijing a freer hand to dictate terms in the Persian Gulf, assert energy dominance, and insulate its companies from multilateral pressure, all while sustaining Iran's capacity to destabilize the Middle East and other nations.

Therefore, I seek clarity on current U.S. policy towards the purchase of Iranian oil by the PRC and ask that you respond to the list of below questions by no later than August 28, 2025.

1. Do the President's statements in his June 24, 2025, Truth Social post reflect a change in current U.S. sanctions policy regarding Iranian oil exports, the enforcement of Executive Orders 13846, 13224, 13886, or the February NPSM-2?
 - a. If not, will both the Department of the Treasury and the Department of State publicly reaffirm that all foreign purchases of Iranian petroleum remain sanctionable, as mandated by EO 13846 and reinforced by NSPM-2?
2. Has the Department of the Treasury issued, or does it plan to issue, any revised guidance to sanctions enforcement personnel or international stakeholders in response to the President's remarks contained in the June 24, 2025, Truth Social post?
3. Has the Department of State issued or considered issuing any waivers for the purchase of Iranian oil by PRC based entities pursuant to the powers given to them in the President's NPSM-2 Section 2(b)(i)?
4. To what extent has the United States offered concessions on Iranian oil sanctions and the enforcement thereof under trade negotiations with the PRC?

Thank you for your attention to this important matter of national and economic security.

Sincerely,



Raja Krishnamoorthi
Ranking Member
Select Committee on China

⁶ U.S. Energy Information Administration, *Report on Iranian Petroleum and Petroleum Product Exports*, October 2024; <https://www.reuters.com/business/energy/chinas-heavy-reliance-iranian-oil-imports-2025-06-24/#:~:text=HOW%20MUCH%20IRANIAN%20OIL%20DOES, traders%20and%20experts%20have%20said.>

⁷ Bloomberg, *The Clandestine Oil Shipping Hub Funneling Iranian Crude to China*, November 19, 2024. <https://www.bloomberg.com/graphics/2024-iran-south-china-sea-oil-trade/>