

United States Senate

WASHINGTON, DC 20510

September 12, 2012

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

Secretary Clinton:

We appreciate the comprehensive effort that the State and Treasury Departments have undertaken to implement Section 1245 of the National Defense Authorization Act of 2012 (P.L. 112-81). We look forward to your corresponding effort with respect to the recently-enacted Iran Threat Reduction and Syria Human Rights Act of 2012 (P.L. 112- 158).

The combined effect of the U.S. and E.U. sanctions on the Iranian economy has been considerable, causing the Iranian Rial to fall by more than 50 percent and a decline in Iranian oil exports by as much as 50 percent. Congressionally-mandated sanctions and the increasing probability of Iran achieving nuclear weapons capability have also encouraged many nations to cease purchasing oil from Iran and resulted in others significantly reducing their purchases, pursuant to U.S. law.

We continue to believe that the Section 1245 sanctions – requiring nations to significantly reduce their purchases of Iranian petroleum every 180 days – are a significant part of our effort to convince Iran to abandon its nuclear weapons ambitions. In that vein, we write today with reference to the forthcoming round of reductions required under the law.

The August 24, 2012 report by the Energy Information Administration (EIA), issued pursuant to section 1245 (d) (4)(A) of the National Defense Authorization Act of 2012, found that production of petroleum by OPEC “has increased over the past year,” due to enhanced production by Libya and Iraq and strong production by Saudi Arabia. Non-OPEC country production has also increased marginally in the last year.

Presuming that the President determines – based on the information contained in the EIA report – that there continues to be a sufficient supply of non-Iranian petroleum, it is our shared belief that the minimum standard for significant reductions established in the first 180-day period – approximately 18% – should be no less than equivalent in the second 80-day period. Pursuant to Section 1245 (4) (D), these reductions should be based on purchases made in “the period beginning on the date on which the President submitted the last report with respect to the country,” as compared to purchases made by the country in the 180-days preceding the date of the last report/exception.

As we argued in our letter of January 20, 2012, and as authorized by the Iran Threat Reduction and Syria Human Rights Act, we believe the term "significant reduction" to mean a minimum of 18% in purchase reduction whether achieved through price discounts or volume reductions and oriented toward a complete cessation of such purchases.

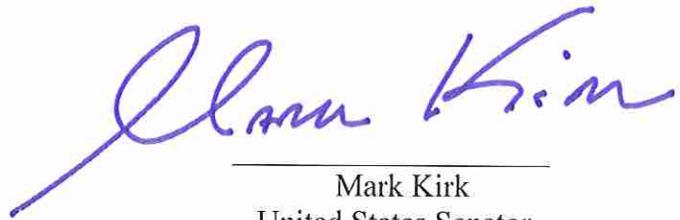
Iran's nuclear weapons ambitions are a threat to the peace and the national security of the United States and our allies. Countering Iran demands nothing less than full compliance with U.S. sanctions law, if there is any hope of deterring Iran from its nuclear ambition.

We appreciate your continued effort to work with nations to bring about full compliance with the law.

Sincerely,



Robert Menendez
United States Senator



Mark Kirk
United States Senator

cc: The Honorable Timothy Geithner
Secretary, U.S. Department of the Treasury