

Press Releases: Briefing With an Iran Diplomacy Update

Special Briefing
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MS NAUERT: Welcome to all of you, and thanks for coming in. I know a lot of you have an interest in what we're doing with regard to Iran and our diplomatic efforts going forward. So keeping that in mind, we asked Brian Hook, our director of policy planning, to come down and give you a few minutes' briefing on where things stand right now.

So I'll welcome Brian Hook. I'll call on you take a few questions and then we'll go on about our day, and I'll see you tomorrow at our briefing then. Brian, go right ahead.

MR HOOK: Thank you, Heather. Good morning.

QUESTION: Morning.

MR HOOK: I'd like to update you on the progress we're making to advance the President's Iran policy. It has been almost two months since President Trump announced our withdrawal from the Iran deal and a little over one month since Secretary Pompeo laid out a roadmap for achieving a better deal.

The Secretary outlined a clear and compelling vision for a better future for the Iranian people. This future can only be realized, though, if Iran meets 12 demands to become a normal country. Normal countries don't terrorize other nations, proliferate missiles, and impoverish their own people.

As Secretary Pompeo has said, this new strategy is not about changing the regime, it is about changing the behavior of the leadership in Iran to comport with what the Iranian people really want them to do. A key part of our strategy is a campaign of maximum economic and diplomatic pressure. The first part of our sanctions will snap back on August 4th^[1]. These sanctions will include targeting Iran's automotive sector, trade in gold, and other key metals. Our remaining sanctions will snap back on November 6th^[2]. These sanctions will include targeting Iran's energy sector and petroleum-related transactions and transactions with the Central Bank of Iran.

After leaving the deal, Secretary Pompeo and Secretary Mnuchin decided to create joint teams of senior officials to visit every region of the world. These teams were launched on June 4th and have already visited 13 countries in Europe and East Asia. Our diplomatic teams from State and Treasury are bringing with them a message of cooperation and coordination. Many countries around the world share our interests in countering terrorism, halting the proliferation of missiles, and promoting peace and stability in the Middle East. We want to work with these countries to build a strong global effort.

At each stop, the teams from Treasury and State explain the full snapback of our sanctions and warn governments and the private sector of the risks of continuing to do business with Iran. More than 50 international firms have already announced their intent to leave the Iranian market, particularly in the energy and financial sectors.

We have been clear with countries and companies around the world that we are bringing severe economic pressure on Iran until the regime changes its destabilizing policies. In the coming days, Treasury Under Secretary Mandelker and I will lead a delegation to the Gulf as our global diplomatic efforts continue.

As I mentioned earlier on the energy front, sanctions are set to be re-imposed on November 4th. Our focus is on getting as many countries importing Iranian crude down to zero as soon as possible. We are also working with oil market participants, including producers and consumers, to ensure market stability. Banking sanctions will also snap back on November 4th, and we will be aggressively enforcing these provisions to lock up Iran's assets overseas and deny the Iranian regime access to its hard currency.

Our sanctions do not now, nor have they ever, targeted humanitarian goods.

Our sanctions pressure the Iranian regime into changing its behavior and they do not target the Iranian people. The United States does not sanction the export of food or medicine to Iran.

In addition to building a campaign of strong economic pressure, Secretary Pompeo has also made it a priority to stand with the Iranian people, who are the longest-suffering victims of the Iranian regime. The average Iranian today is struggling to afford basics like water, bread, and eggs. At the same time, the Iranian regime is squandering millions of dollars on violent misadventures abroad. These serve no purpose other than to prolong pain and suffering of men, women, and children in Iran and elsewhere in the Middle East.

Iran's economy is getting worse. Foreign direct investment is falling, and the rial hit an all-time high against the dollar last week. On June 28th, the rial was trading at 85,000 to the dollar on the unofficial market. That is twice the official exchange rate of 42,500. The initial windfall the regime received after the Iran deal never benefited the Iranian people. The Iranian economy is too distorted by corruption and the IRGC's pervasive presence in most key sectors. Rather than create an economy that works for the Iranian people, the regime refuses to meet standard international banking practices. Iran accordingly remains on the blacklist for failing to prevent money laundering and terror financing.

Supreme Leader Khamenei seems all too aware that economic reform would expose just how much his economy facilitates war, terrorism, and crime. Since the President's May 8th announcement, the United States has designated two Iranian financial networks that support terrorism. One network involved a currency exchange scheme going through the UAE, and we worked very closely and very well with the Emirati Government to shut it down. The other network involved the Iranian central bank governor and an Iraqi bank. It is no wonder that international banks and firms refuse to enter the Iranian financial system.

The Iranian people are rightly frustrated with the regime, and they are expressing their frustration in nationwide protests and in smaller acts of defiance throughout the country. As the regime continues to crack down on these legitimate calls for reform in Tehran, Khorramshahr, and elsewhere with more repression and even greater violence, the United States stands with the Iranian people. Since withdrawing from the Iran deal, the United States has sanctioned 53 individuals and entities for human rights abuses, proliferation activities, or acts of terrorism, and we will continue to do so. We designated Sadeq Larijani, the head of the judiciary, which demonstrates that we will target those responsible for human rights abuses at the highest levels of the Iranian Government. A people with as rich a history and as deep a culture as the Iranian people deserve a government that treats them with dignity.

Lastly, I will be traveling to Europe at the end of this week for meetings with the political directors from Germany, France, and the United Kingdom, and that will continue very close consultations we've had with the Europeans. The Secretary is in regular touch with his E3 counterparts, with governments

around the world to discuss the way forward on Iran, and that will continue in the coming weeks. Happy to take any questions. I think Heather's going to –

MS NAUERT: Yeah. Start with – we'll start with AP. That's our tradition here. Go right ahead.

QUESTION: Thanks for this briefing. We heard the President Sunday warn the U.S.'s European allies of sanctions should they continue trade with Iran. I'm just wondering, was that the tenor of your discussions with the U.S.'s European allies on your recent trip to Europe, and have you heard back from any of those allies in response to the President's words yesterday?

MR HOOK: Well, we will not hesitate to take action when we see sanctionable activity, and that is consistent with our policy of economic and diplomatic isolation against Iran. We do work – as I said, these road shows of Treasury and State officials, they've been to Europe. They haven't been to all of Europe, but they've been to part of Europe, been to Asia. Those will continue. But our teams at Treasury are in very close consultation, we're in close consultation with not just Europe but with all countries who are affected by the re-imposition of our sanctions.

MS NAUERT: Lesley from Reuters.

QUESTION: Yes. Hello, Brian.

MR HOOK: Hi, Lesley.

QUESTION: I was wondering, the President also said over the weekend that he had asked King Salman of Saudi Arabia to – that he'd increase – to increase oil production by 2 million barrels. Can you please give us – have the Saudis agreed to that, number one? Number two, what do you think the market reaction is going to be to that? Would it press down – push down prices and will it make up for the shortage coming up? And number two, is that 2 million barrels per day?

MR HOOK: Well, I'd refer you to the White House for a specific readout on the Saudi reaction to the phone call the President had with the king. Our goal – with respect to the energy sanctions, our goal is to increase pressure on the Iranian regime by reducing to zero its revenue from crude oil sales. Now, we are working to minimize disruptions to the global market, but we are confident that there is sufficient global spare oil production capacity.

MS NAUERT: Next one, Dave from AFP.

QUESTION: Thank you. Thanks, Brian.

MR HOOK: Dave.

QUESTION: India and I believe Turkey have explicitly said that they will continue to import Iranian oil. Can you be precise about the kind of consequences they will face or their corporations and banks will face if they do this?

MR HOOK: We are not looking to grant licenses or waivers, because doing so would substantially reduce pressure on Iran. And this is a campaign of imposing pressure. And so we are not looking to grant licenses or waivers broadly on the re-imposition of sanctions, because we believe pressure is critical to achieve our national security objectives.

We are prepared to work with countries that are reducing their imports on a case-by-case basis. But as with our other sanctions, we are not looking to grant waivers or licenses.

MS NAUERT: I'm sorry, I forgot your name.

QUESTION: Alicia.

MS NAUERT: Alicia Rose, go ahead.

QUESTION: Sure. Thank you so much. You – on the cutting crude oil from Iran, which countries have already agreed to cut oil imports from Iran, and what has been the reaction from countries in your discussions?

MR HOOK: Well, the – I gave a statistic earlier about the number of countries that have announced that. I can get you a specific number, or a more specific description later.

QUESTION: (Off-mike.)

MS NAUERT: Nike from VOA.

QUESTION: Thank you so much, Heather. If I may, I would like to ask about the diplomatic efforts to bring China on board after U.S. ended JCPOA. Because China is a signatory of JCPOA, and the Government of China had expressed opposition of U.S. position to withdraw from JCPOA. What do you say to the Chinese Government? And would Chinese companies that continue to do business with Iran or buy oil from Iran be subject to U.S. sanctions? Thank you.

MR HOOK: Our diplomacy has been focused around mostly consultations with Europe, France, and Germany. Those are our allies. And so we work very closely with allies. We – in Secretary Pompeo's speech that he gave about a month ago, he listed all of the countries that we want to work with. We believe that China and Russia and the other countries who are part of the Iran deal are tired of the terrorism that Iran is causing. They don't support the proliferation of missiles around the Middle East. They don't support just how – this vast proxy network of terrorism.

And so we believe that most countries around the world share our goals. If you go through the list of the 12 objectives that Secretary Pompeo outlined, those objectives were a global consensus prior to the Iran deal. And so you've seen China vote repeatedly in a number of UN Security Council resolutions, and those resolutions stated objectives that are perfectly consistent with the 12 objectives that Secretary Pompeo laid out.

And so when we sit down with countries, we are beginning from a position of broad agreement on wanting to deter Iran's destabilizing activities in the

Middle East and its support for terrorism. No one supports Iran's terrorism in the world except perhaps Assad. And so we feel like we have enormous agreement with countries around the world on what we need to do to deter Iran's violence.

MS NAUERT: Michelle – Michelle –

QUESTION: You mentioned the waivers, case-by-case –

MS NAUERT: We've got to move on. Sorry. Two questions left. Michelle, go right ahead.

QUESTION: Well, it doesn't sound like there's enormous agreement in Europe as to how to go about this. And you mentioned that you're not looking to grant waivers, but does that mean that you're not ruling them out as well? And also, with Rouhani in Europe now, what do you expect will be accomplished in that? I mean, do you think that – that and the goal of moving forward with the sanctions on Europeans, is that just solidifying opposition to the way the U.S. is going about this?

MR HOOK: President Rouhani, as you've seen reported in the press, will be visiting Switzerland and Austria as part of their ongoing efforts to work with the Europeans. It is interesting that he will be traveling to Vienna. This is – this month of July is the 29th anniversary that Iranian operatives, using diplomatic cover, assassinated the head of an Iranian Kurdish dissident group and two others. And so we will be, in the near term, reminding people of Iran and the violence that they have – a lot of their attacks, assassinations, bombings, cyber attacks, kidnapping, hostage-takings, hijackings, small arms attacks, from 1979 to 2018, and we will be discussing that in every region of the world.

And so when you have somebody like Rouhani going to Europe to try to bring the Europeans, it's a very sad history of violence that Iran has committed against Europe since 1979. And it's important for Europeans to remember the kind of regime that they're dealing with.

MS NAUERT: And –

QUESTION: And you're not ruling out waivers, did you say?

MS NAUERT: Michelle, we've got to go. Final question, Nadia.

QUESTION: Thank you, Heather. As you just mentioned, a significant component of the Iran strategy is to counter its activities in the region. Have you seen any change since the withdrawal from the agreement, especially the support for the Assad regime or their activities in Yemen?

MR HOOK: Well, if you look at Iran and Syria, and Iran and Yemen, they are backing all the wrong people. And by backing them, that has contributed to enormous suffering and violence in the region. When you – we've put out a number of statements that summarize what Iran has been doing in Syria. They have been backing – these Iranian-backed forces are perpetuating the Assad regime's brutality against the Syrian people, and it's inciting instability

that spills into neighboring countries. And so this is the expansionist sort of policy that Iran has been pursuing, and a lot of the money that they received under the Iran deal has been used to fund these activities that has destabilized the Middle East, especially in Syria and Yemen.

MS NAUERT: Thank you everybody, we've got to go. Thanks, Brian.

MR HOOK: Thanks.

[\[1\]](#) The following is on the record to Brian Hook: The first part of our sanctions will snap back on August 6. These sanctions will include targeting Iran's automotive sector, trade in gold, and other key metals. The remaining sanctions will snap back on November 4. These sanctions will include targeting Iran's energy sector and petroleum-based transactions, and transactions with the Central Bank of Iran.

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