

Press Releases: Press Availability With Secretary of Treasury Steven T. Mnuchin

Press Availability
Michael R. Pompeo

Secretary of State

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MODERATOR: Good morning, everyone, and welcome to the Foreign Press Center. We are pleased to have with us this morning Secretary Pompeo and Secretary Mnuchin. They'll both have some opening remarks and then hopefully we'll have time for one or two questions afterwards.

Secretary Pompeo, please.

SECRETARY POMPEO: Hey, Robert. Thank you. Good morning, everyone. It's great to be here at the Foreign Press Center. It's great to see you all. In May of

this year, after President Trump withdrew from the nuclear deal, the Trump administration announced a new strategy to fundamentally alter the behavior of the Islamic Republic of Iran's leadership. At the center of this effort – and there are multiple lines of effort – but at the center of it is an unprecedented campaign of economic pressure. Our objective is to starve the Iranian regime of the revenue it uses to fund violent and destabilizing activities throughout the Middle East, and indeed around the world.

Our ultimate goal is to convince the regime to abandon its current revolutionary course. Just look at what happened last week. Denmark announced it had uncovered an Iranian regime assassination plot on its own soil. The Iranian regime has a choice. It can either do a 180-degree turn from its outlaw course of action and act like a normal country, or it can see its economy crumble.

We hope a new agreement with Iran is possible, but until Iran makes changes in the 12 ways that I listed in May, we will be relentless in exerting pressure on the regime. As a reflection of that resolve, today we're reimposing all sanctions that were previously lifted under the nuclear deal. This includes sanctions on energy, banking, shipping, and shipbuilding industries.

Since the Trump administration came into office, we've done 19 rounds of sanctions targeting 168 Iranian entities. Today's sanctions will accelerate the rapid decline of international economic activity in Iran since the implementation of our strategy in May. Since that time, since back in May, over 100 companies have withdrawn from Iran or canceled plans to do business there. It should be noted that if a company evades our sanctions regime and secretly continues sanctionable commerce in the Islamic Republic, the United States will levy severe, swift penalties on it, including potential sanctions. I promise you that doing business with Iran in defiance of our sanctions will ultimately be a much more painful business decision than pulling out of Iran and it – being connected to Iran entirely.

More than 20 importing nations have zeroed out their imports of crude oil already, taking more than one million barrels of crude per day off the market. The regime today, since May, has lost over \$2.5 billion in oil revenue. We have decided to issue temporary allotments to a handful of countries responsible to specific circumstances and to ensure a well-supplied oil market. The U.S. will be granting these exemptions to China, India, Italy, Greece, Japan, South Korea, Taiwan, and Turkey. Each of those countries has already demonstrated significant reductions of the purchase of Iranian crude over the past six months, and indeed two of those eight have already completely ended imports of Iranian crude and will not resume as long as the sanctions regime remains in place. We continue negotiations to get all of the nations to zero.

Additionally today, 100 percent of the revenue Iran receives from the sale of oil will be held in foreign accounts. Iran can only use this money for humanitarian trade or bilateral – in bilateral nonsanctioned goods.

Speaking of Iran's nuclear program, we have decided to grant narrow and

temporary waivers that permit the continuation of three nonproliferation projects currently underway. Allowing these activities to continue for the time being will improve ongoing oversight of Iran's civil nuclear program and make these facilities less susceptible to illicit and illegal nuclear uses. Rest assured Iran will never come close to getting a nuclear weapon on President Trump's watch.

I will now turn it over to Secretary Mnuchin.

SECRETARY MNUCHIN: Thank you. Today the United States is executing on the final actions to withdraw on the Obama administration's fatally flawed Iran deal. This morning, we will fully impose sanctions on the Iranian regime. This is part of a maximum unprecedented economic pressure campaign the United States is waging against the world's largest state sponsor of terror. Today we sanctioned more than 700 individuals, entities, aircraft, and vessels as part of Treasury's largest ever single day action targeting Iran. Over 300 of those sanctions are new targets. In addition, we are relisting hundreds of individuals and entities that were previously sanctioned, granted sanctions relief under the JCPOA.

These powerful sanctions directly target Iran's banking, energy, and shipping sectors. The Iranian regime has funneled billions of dollars for the Islamic Revolutionary Guard Corps force through the banking sector. Today's designation includes 50 Iranian banks and their foreign and domestic subsidiaries in connection with Iran's regime support for international terrorism, proliferation of mass destruction, or their means of delivery and human rights abuses.

Our actions include the identification of more than 400 targets, including over 200 persons and vessels in Iran's shipping and energy sector; Iran Air, the national airline of Iran, and more than 65 aircraft; the placement of nearly 250 persons in associated block properties on the Specially Designated Nationals list; the Atomic Energy Organization of Iran.

Over the last five months, Treasury has implemented some of the most impactful sanctions ever seen. Combined with the previous actions, more than 900 Iran-related targets have been sanctioned under this administration in less than two years, marking the highest-ever level of U.S. economic pressure on Iran. We are making it abundantly clear to the Iranian regime that they will face mounting financial isolation until they fundamentally change their destabilizing behavior.

Iran's leaders must cease support for terrorism and end destructive regional activities immediately. They must stop ballistic missiles and abandon their nuclear ambitions if they seek a path to sanctions relief. We are watching the Iranian regime with laser focus. If they try to evade our sanctions, we will take action to disrupt their activity time and time again.

The maximum pressure exerted by the United States is only going to mount from here. Companies around the world need to know we will be strictly enforcing our sanctions. Thank you.

MODERATOR: That – we'll have time for a few questions. Let's go to Sky News, Cordelia Lynch.

QUESTION: Hello, this is a question for Secretary Pompeo. The President invoked Game of Thrones when he was discussing sanctions. Do you think that was appropriate?

SECRETARY POMPEO: This administration has been consistent from, frankly, President Trump's campaign to the first day he was inaugurated about our intention. We understand that the Islamic Republic of Iran presents a threat to the United States of America, and we are determined to stop it. And much has been made about this Game of Thrones. Qasem Soleimani responded, and I haven't seen any of you comment on that. This is a man who has American blood on his hands. He's killed American soldiers, and that's not funny. And the actions that the Islamic Republic of Iran are taking are not about little silly things that people get wrapped up here in Washington, D.C., but about very serious matters that impact all of Europe, all the Middle East and the world, and our young men and women who are in harm's way today.

MODERATOR: Thank you, sir. Next question is going to be Asahi Shimbun, Yuko Lanham. Yuko?

All right. We're going to move on to EFE, Beatriz Pascual Macias.

QUESTION: Hi, thank you very much. Thank you very much. I was wondering, what could you say to the European countries that were expecting to be in this list of countries that are not going to suffer the sanctions? And what kind of relation have you have with them, what are the conversations regarding this topic? Thank you.

SECRETARY POMPEO: You want to talk about on the financial side, Steven?

SECRETARY MNUCHIN: Well, I don't think we've ever said that it relates to the European countries, that they'll be exempt. I think quite the contrary. We've said that we expect them to honor the sanctions. Having said that, there are certain transactions that they can continue to do, whether they're humanitarian transactions or specific trade in the restricted accounts. And again, let me just emphasize, as I said last week, we will make sure that humanitarian transactions are really going for those purposes. So this is not about hurting the people of Iran, but we will not let money be diverted to humanitarian purposes and then put for terrorist activities.

SECRETARY POMPEO: And then just to follow up, with respect to the relationship, we've been very candid and clear with all of the European countries. There are more than three, we should note. Many of them are fully supportive of what it is that we are undertaking. They have taken a different approach with respect to the JCPOA, but it is also something that the whole world should know. European businesses have already made their decisions. They've decided not to do business with the Islamic Republic of Iran, and so we're very confident that the sanctions regime that we're putting in place will be effective.

MODERATOR: Al Jazeera English, James Bays.

QUESTION: James Bays from Al Jazeera English. You talk about the destabilizing behavior of Iran in the region. How does that differ from the behavior of Saudi Arabia?

SECRETARY POMPEO: So let me just go through the list: Underwriting Lebanese Hizballah, that presents a threat to the United States of America and Israel; underwriting the Houthis in Yemen, causing an enormous conflict to take place there in that country; the efforts in Iraq to undermine the Iraqi Government, funding Shia militias that are not in the best interests of the Iraqi people; their efforts in Syria; the list goes on. The difference in behavior between those two countries is remarkable. Since we've taken office, the Kingdom of Saudi Arabia has been very supportive of our efforts on counterterrorism. They've assisted us. I know Secretary Mnuchin has worked with them on a couple of projects as well. It is completely clear the Islamic Republic of Iran is the destabilizing force in the Middle East today.

Do you want to add to that?

SECRETARY MNUCHIN: No, I think it's well said.

MODERATOR: Last question. Let's go to TASS, Dmitry Kirsanov.

QUESTION: Thank you. Gentlemen, thanks a lot for coming over to brief us. For Secretary Pompeo. Sir, you mentioned that three waivers have been issued for the civilian nuclear energy project. Could you clarify what those are? And Bushehr nuclear power plant, will it be the one under the waiver? Thank you.

SECRETARY POMPEO: Thank you. That's a great question. It's a pretty complicated area, that nonproliferation issue. There are three. Bushehr is one of the three. But if I may, we will get out a full fact sheet on that here in the next hour or so that you'll all be able to see. What we've authorized is very narrow, very limited, very time limited as well, but important nonetheless that these nonproliferation projects are not things that are taking place without some ability to see what's going on, and we'll give you the full details of the scope of those waivers.

MODERATOR: We have time for – this is the last one. Let's go right to the front, right here, please.

QUESTION: Thank you. Roj Zalla with RUDAW TV in Iraqi Kurdistan. Mr. Secretary, Iran has very powerful hands in Iraq. Are you not concerned that with these sanctions Iran might increase the pressure on some of your allies in Iraq? And in that case, what can you do to reassure those allies?

SECRETARY POMPEO: So it's a very reasonable question. Here's the facts. Since the United States entered the JCPOA in 2015, Iran has turned up the heat on those very entities to which you're referring. So we have a history, we have data set, we have a historical basis upon which to say that we know that the JCPOA didn't impede Iran one bit from putting pressure on Kurdistan, pressure in Baghdad, pressure throughout the region. We are very hopeful that the set of efforts we're undertaking – we've focused here on the financial and

economic, but the full range of efforts we're taking to push back against the Islamic Republic of Iran will have the intended effect of reducing Iran's capacity to be destabilizing and present risk to the Middle East, to Europe, and the world.

MODERATOR: With that, that concludes this morning's briefing. Thank you very much to Secretaries Pompeo and Mnuchin.

SECRETARY POMPEO: Thank you all

MODERATOR: Thank you, sir. Thank you all

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