

**Congress of the United States**  
**Washington, DC 20515**

June 28, 2016

The Honorable John F. Kerry  
Secretary  
Department of State  
2201 C Street, N.W.  
Washington, D.C. 20523

The Honorable Penny Pritzker  
Secretary  
Department of Commerce  
401 Constitution Ave, N.W.  
Washington, D.C. 20523

Dear Secretary Kerry and Secretary Pritzker:

We write to you today with our concerns about the integrity of our economic sanctions and their use as a tool for American national security.

As you are well aware, a vigorous policy of economic sanctions against Iran was the key factor in bringing that regime to the negotiating table over its nuclear program. While we may disagree on the merits of the ultimate deal that came out of that negotiation, there can be no doubt that our economic sanctions directly impacted the Iranian regime's willingness to talk.

As Secretary Kerry noted last year, American economic sanctions "played a very significant role in bringing Iran to the table and in helping to make it clear that we needed to bring about a serious and productive negotiation with Iran."<sup>[1]</sup>

We believe that our nation's ability to use sanctions as a tool of foreign policy is now being eroded. We are specifically concerned about the recent decision by the Department of Commerce to suspend sanctions against ZTE which violated export controls on providing technological goods on Iran.

It appears that ZTE, a firm that is – at a minimum – influenced by the Chinese government, has developed such strong ties to the American business community that it has become "too big to sanction." Effectively, ZTE has discovered that by integrating with enough American firms, it can evade consequences for its intentional decision to ignore American sanctions on Iran, Cuba and other rogue regimes.

We would further note that ZTE specifically built its sanctions-evading strategy on a company it called "F7" in an internal memo.<sup>[2]</sup> It is clear that "F7" is in fact the Chinese government-influenced telecom company Huawei. Huawei may be the next large company to avoid consequences for its actions unless steps are taken now to prevent it from developing a critical mass of links to American companies and markets.

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<sup>[1]</sup> <http://www.state.gov/secretary/remarks/2015/07/245221.htm>

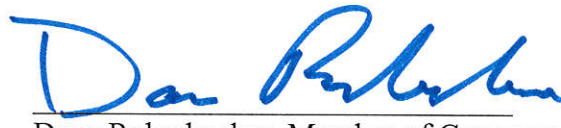
<sup>[2]</sup> <http://www.wsj.com/articles/zte-sanctions-crumble-1458605784>

We ask that you report back to us on steps you are taking to preserve the integrity of our economic sanctions by preventing companies like ZTE and Huawei from becoming “too big to sanction.” We also ask that the Department of Commerce report on its decision to suspend sanctions against ZTE, specifically the rationale for suspension, the conditions required to continue the suspension, and a comprehensive list of actions taken by ZTE since its listing that mitigated in favor of suspension. We expect that this topic will be the subject of oversight hearings in the near future and we welcome your input on this matter.

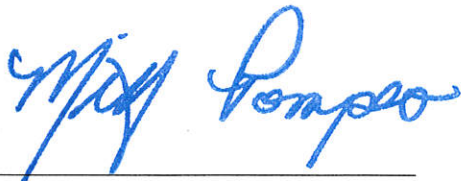
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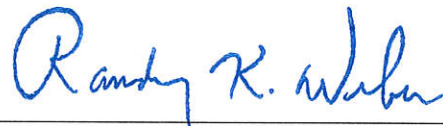
Steve Chabot, Member of Congress



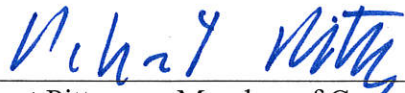
Dana Rohrabacher, Member of Congress



Mike Pompeo, Member of Congress



Randy Weber, Member of Congress



Robert Pittenger, Member of Congress