

# Press Releases: Special Representative for Iran Brian Hook And Assistant Secretary for Energy Resources Francis R. Fannon

Special Briefing  
Brian Hook

Senior Policy Advisor to the Secretary of State and Special Representative  
for Iran  
Francis R. Fannon

Assistant Secretary, Bureau of Energy Resources

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**QUESTION:** Hey guys. Thanks very much for doing this. Nick from PBS NewsHour here.

A couple of follow-ups: One, the Secretary was almost getting there at the end, but just specifically, is there a wind-down period? What kind of wind-down period will there be?

And as you know, with China and Turkey, you're in the middle of huge strategic conversations with them. Turkey, obviously S-400, F-35. China, the entire trade talks. Do you have – do you believe that this announcement, this move, will impact those larger strategic talks? Thanks.

**MR HOOK:** You want to do the first one?

**MR FANNON:** Sure, I'll speak to the wind-down period. Hi. Yeah, I would say that we've – the wind-down period, if we look at it, was – will be a year in terms of going to zero. We've been very clear from the outset when the administration initiated its withdrawal from the JCPOA. So that continues. We've already taken a million and a half barrels off the market and are finalizing our path to zero, which will end on 2nd May.

We're doing this purposefully. The Secretary made the announcement today to provide the ability for markets to be managed prior to the expiration. And

we're doing this in close cooperation and consultation with some of the largest producers in the world alongside of the U.S. production. So we feel very confident in terms of – the global oil markets will remain well supplied.

**QUESTION:** Sorry, one year from May 2nd, you're saying, or one year from the JCPOA?

**MR FANNON:** We started this last May, right?

**QUESTION:** Right.

**MR FANNON:** Well, if we hit that one year this May, so we say the wind-down period was – began then. We've been very clear in terms of our path to zero, and we're pleased to see that global market conditions and cooperation from other partners allow us to close out this year to zero.

**QUESTION:** No further wind-down period after May 2nd?

**MR HOOK:** There will be no additional SREs granted. That is the policy.

With respect to the impact, the point of this is not to negatively impact other countries. We have – we are doing everything we can to ensure a well-supplied oil market and that there aren't any supply interruptions. We have a very well supplied oil market right now. We have always said from the time – this has been a year now, we've said this repeatedly, Frank and I have, and the Secretary, the President – we are not looking to grant any exceptions or waivers to our campaign of maximum economic pressure. And this is the only way – this is the biggest leverage we have on the Islamic Republic of Iran, is their oil exports. And if you want to seek a change in behavior, you have to show seriousness of purpose on the oil.

And we're seeing – I was here a week or two ago giving a briefing on the impact that we are seeing. With this decision today, we expect to see more positive impacts to deny Iran the revenue it needs to conduct its foreign policy, to fund its proxies and satellites around the region, to fund its missile program. And that's a very positive thing. And so we think that this sort of move pays a lot of benefits for the Middle East broadly to promote peace and stability. It is very hard to imagine a peaceful and stable Middle East if you accept the status quo of Iran's expansionist foreign policy.

**QUESTION:** Can I just try –

**QUESTION:** Can you talk about the –

**MR HOOK:** Michele.

**QUESTION:** – the sanctions that these countries could face? I mean, are you talking about targeted sanctions? Are you talking about sanctions that could affect the U.S. trade relationship with countries like India and China?

**MR HOOK:** I don't have anything to add beyond what the Secretary said. We will sanction any sanctionable behavior. We have given countries – after the

President announced he was leaving the deal, countries were given a six-month pre-wind-down before the sanctions were re-imposed in November. And then because we had a very tight and fragile oil market in November, the President decided to grant a handful of waivers. We have always wanted to get to zero as quickly as market conditions will permit. We just face a much better oil picture globally than we did six months ago, and it will only improve from here.

**MS ORTAGUS:** Matt.

**QUESTION:** Yeah.

**MR HOOK:** And so that's why we're in a better place.

**QUESTION:** I just want to – I understand you, the Secretary, and the White House also have all said there will be no more SREs granted, the waivers granted. But does that mean – will all of these countries whose waivers are expiring on the 2nd get hit with sanctions on May 3 if they haven't cut all of their purchases, or is there some kind of leeway in there for them to, let's say, continue to take delivery of pre – of oil that they purchased before May 2nd before the waivers expire, or will they be able to use money after May 2nd that's already been set aside for these purchases? I mean, forget about whether the waivers will be continued – are they going to get hit with sanctions starting May 3?

**MR FANNON:** I think the Secretary spoke to that.

**MR HOOK:** Yeah, he already spoke to it. We don't have anything to add beyond what he said.

**QUESTION:** Well, I – well, he didn't, actually –

**MR FANNON:** No, he did.

**QUESTION:** – because you keep saying that SREs won't be – look, I'm not accusing you, I just don't want this to be, like, you're playing cute here. Will India, Turkey, Japan, South Korea, all the – China, get hit with sanctions on May 3rd if they do not stop between now and then taking delivery of Iranian oil?

**MR HOOK:** It's a hypothetical that the Secretary's already addressed.

**MS ORTAGUS:** Kylie, another question.

**QUESTION:** Can you talk a little bit about the numbers? You said that – excuse me – 1.5 million barrels have been taken off the market. So how many was Iran exporting last year at this time? How many are they exporting now? And the five countries that are still largely importing Iranian oil, how much are they importing?

**MR FANNON:** Well, we can get – with respect to some of the specific numbers and the 1.5, that's been – made that – those numbers available publicly in the past. In terms of the specific countries, that's subject – some of those

are subject to ongoing – the diplomatic discussions. There's plenty of published reporting on – in terms of estimates on what different countries are importing, and we just – we haven't any further – anything further to comment on those specifically.

I think what – the other point the Secretary underscored was just the tremendous increase in continued uptick in production in the United States, and how EIA continues to have to revise upward almost on a couple-month basis in terms of what U.S. production – what the U.S. production is. Just last year, adding 1.6 million barrels to the market is significant. We're on trend to – projected to do something along similar this year, so we're very confident in terms of the overall supply.

I think the other point is global oil stocks are at five-year averages. That's important. And we're in a very positive position relative to some of the other producers the Secretary alluded to that are working with us in partnership.

**QUESTION:** Those prices went up significant today, though. Can you speak to that? Do you expect them to level out later this week?

**MR FANNON:** We saw some increase, so it's hard to conflate our announcements – what was made versus other things. I think just a few hours prior you could look at other reporting as to the OPEC curtailment. There's lots of reasons in terms of what affects oil markets. What we're here to say also, though, and as the Secretary alluded, we're having to do it – we're doing this in coordination with other major producers, and we would refer you to their actions as well. We're doing this to ensure – in a coordinated way to ensure that the global oil market is well supplied.

**MS ORTAGUS:** Great. Thanks, guys.

**MR HOOK:** Thanks.

**QUESTION:** Thank you.

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