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and Terrorism and Illicit Finance Subcommittees

Increasing the Effectiveness of Non-Nuclear Sanctions Against Iran

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INTRODUCTION

Chairman Barr, Chairman Pearce, ranking members Moore and Perlmutter, members of the committee, on behalf of the Foundation for Defense of Democracies and its Center on Sanctions and Illicit Finance, I thank you for the opportunity to testify.

The Joint Comprehensive Plan of Action (JCPOA) that was implemented in January 2016 has emboldened Iran and given its leaders additional resources to pursue their regional hegemonic ambitions. In theory, under the JCPOA, the United States retains both the authority and leverage to counter Iran's regional ambitions and ongoing support for terrorism, including through the use of non-nuclear sanctions. In practice, however, since the implementation of the JCPOA, this arsenal has been rarely used.

This is especially true with regards to Iran's ongoing airlifts to the Syrian regime of Bashar al-Assad and to Hezbollah, Iran's terror proxy in Lebanon. In fact, the JCPOA lifted decades of U.S. and international sanctions against Iran's civil aviation sector exactly at a time when the sector became vital to Tehran's war efforts in the Syrian theater. Put simply: Iran has devoted its commercial aviation sector to keeping Assad in power and Hezbollah armed to the teeth. The JCPOA, meanwhile, has made it legal to sell new aircraft to carriers that are complicit.

Iranian commercial carriers have been crisscrossing Iraqi airspace to deliver military support to Assad and Hezbollah since 2011, but they have increased their tempo since the summer of 2015, when Iran and Russia coordinated their efforts to save Assad's regime from crumbling in Aleppo. Hundreds of flights, most of them operated by commercial airlines using civilian aircraft, have helped reverse the course of that war.

The Iranian aviation sector has exposed the inadequacy of the JCPOA caveat that licensed items and services must be used "exclusively for commercial passenger aviation."¹ Currently, at least five Iranian and two Syrian commercial airlines are engaged in regular military airlifts to Damascus. They are:

- Iran Air (Iranian, national carrier, de-sanctioned under the JCPOA)
- Mahan Air (Iranian, privately owned, U.S. sanctioned)²
- Pouya Air (Iranian, IRGC owned, U.S. sanctioned)³
- Saha Airlines (Iranian, privately owned, not sanctioned)
- Fars Air Qeshm (Iranian, privately owned, not sanctioned)
- Cham Wings Airlines (Syrian, privately owned, U.S. sanctioned)⁴

¹ Joint Comprehensive Plan of Action, Vienna, July 14, 2015, Annex II – Sanctions related commitments, section 5.1.1. (http://eeas.europa.eu/statements-eeas/docs/iran_agreement/annex_2_sanctions_related_commitments_en.pdf)

² U.S. Department of the Treasury, Press Release, "Treasury Designates Iranian Commercial Airline Linked to Iran's Support for Terrorism," October 12, 2011. (<https://www.treasury.gov/press-center/press-releases/Pages/tg1322.aspx>)

³ U.S. Department of the Treasury, Press Release, "Treasury Targets Networks Linked to Iran," August 29, 2014. (<https://www.treasury.gov/press-center/press-releases/pages/j12618.aspx>)

⁴ U.S. Department of the Treasury, Press Release, "Treasury Sanctions Additional Individuals and Entities in Response to Continuing Violence in Syria," December 23, 2016. (<https://www.treasury.gov/press-center/press-releases/Pages/j10690.aspx>)

- Syrian Arab Airlines (Syrian, national carrier, U.S. sanctioned).⁵

The Department of Treasury cited collusion between Iranian commercial airlines and Iran's Islamic Revolutionary Guards Corps (IRGC) in these military airlifts to Syria as a reason for its 2011 designations of Iran Air⁶ and Mahan Air.⁷ It also designated Syrian Arab Airlines in 2013⁸ and Cham Wings in 2016⁹ for transporting weapons and fighters to Syria. Clearly, these airlines are not ferrying civilian passengers between Tehran and Damascus.

The administration should suspend licensing for aircraft deals with Iranian commercial carriers while it conducts a thorough review of their role in the airlifts to Syria. The U.S. should proceed to revoke licenses and re-impose sanctions if that role were to be ascertained. But the only way to prevent U.S. manufacturers such as Boeing from supplying aircraft to Iranian entities involved in material support for terrorism is to rely on U.S. non-nuclear sanctions. While the United States cannot stop every plane, it can use sanctions to exact a heavy price on Iran's aviation sector.

U.S. sanctions can also target providers of material support to the Syria airlifts, both inside and outside Iran. The U.S. should use these sanctions to communicate to Iran that its continuous support for Assad and Hezbollah comes with a cost, one that, especially in the case of aviation, could diminish the economic benefits Iran accrued from the nuclear deal.

IRAN'S AVIATION SECTOR AND THE JCPOA

The JCPOA removed U.S. aviation sanctions against Iran. After nearly four decades, Iran is now able to buy new aircraft and original spare parts, and access training and maintenance. While initial U.S. sanctions passed in 1979 were not directly aimed at the aviation sector, broadly crafted sanctions affected Iran's ability to access goods and services for this industry.¹⁰ President Jimmy Carter first imposed sanctions freezing the assets of the Government of Iran ten days after the seizure of the American embassy in Tehran.¹¹ Over the next year, Carter expanded sanctions to

⁵ U.S. Department of the Treasury, Press Release, "Treasury Increases Sanctions Against Syria," May 16, 2013. (<https://www.treasury.gov/press-center/press-releases/Pages/jl1947.aspx>)

⁶ U.S. Department of the Treasury, "Fact Sheet: Treasury Sanctions Major Iranian Commercial Entities," June 23, 2011. (<https://www.treasury.gov/press-center/press-releases/Pages/tg1217.aspx>)

⁷ U.S. Department of the Treasury, Press Release, "Treasury Designates Iranian Commercial Airline Linked to Iran's Support for Terrorism," October 12, 2011. (<https://www.treasury.gov/press-center/press-releases/Pages/tg1322.aspx>)

⁸ U.S. Department of the Treasury, Press Release, "Treasury Increases Sanctions Against Syria," May 16, 2013. (<https://www.treasury.gov/press-center/press-releases/Pages/jl1947.aspx>)

⁹ U.S. Department of the Treasury, Press Release, "Treasury Sanctions Additional Individuals and Entities in Response to Continuing Violence in Syria," December 23, 2016. (<https://www.treasury.gov/press-center/press-releases/Pages/jl0690.aspx>)

¹⁰ For an overview of the history of U.S. sanctions against Iran, see: Yishai Schwartz, "Iran Sanctions 101: A Historical Primer," *Lawfare*, February 2, 2015. (<https://www.lawfareblog.com/iran-sanctions-101-historical-primer>); Kenneth Katzman, "Iran Sanctions," *Congressional Research Service*, March 23, 2016. (<https://www.fas.org/sgp/crs/mideast/RS20871.pdf>); Gary Samore, Ed., "Sanctions Against Iran: A Guide to Targets, Terms, and Timetables," *Belfer Center for Science and International Affairs*, June 2015, pages 3-11. (<http://belfercenter.ksg.harvard.edu/files/Iran%20Sanctions.pdf>)

¹¹ Executive Order 12170, "Blocking Iranian Government property," November 14, 1979. (<http://www.archives.gov/federal-register/codification/executive-order/12170.html>)

include, *inter alia*, the prohibitions on the export of any U.S.-origin goods (with certain humanitarian exceptions) including those for Iran's aviation sector.¹²

These prohibitions were revoked in 1981 following the resolution of the Iranian hostage crisis.¹³ But after a series of terrorist attacks by Iranian-backed groups and the 1983 bombing of the U.S. Marine barracks in Beirut, President Ronald Reagan designated Iran as a state sponsor of terrorism in January 1984.¹⁴ This designation imposed sanctions under the Export Administration Act, the Arms Export Control Act, and the Foreign Assistance Act, which together prohibit the export of military goods, restrict exports of certain dual-use items, and prohibit U.S. foreign assistance. Controlled dual-use goods include those related to Navigation and Avionics, and Aerospace and Propulsion.¹⁵ Additionally, certain aircraft parts applicable to both commercial and military aircraft were also restricted under the U.S. Munitions List.¹⁶

The rules governing the export and re-export of all U.S.-origin goods are set out in the Export Administration Regulations (EAR).¹⁷ "Re-export" is the secondary sale of a good from one foreign country to another after it has already been exported from the United States.¹⁸ The EAR also requires foreign companies to receive export licenses if their goods contain a *de minimis* level of U.S.-made component parts depending on the type of good, the use, and the end-user.

During the 1980s and early 1990s, licenses for the direct export of U.S.-origin goods to Iran were generally denied, but the bans on re-exports to Iran and the sale of foreign goods with U.S. component parts contained several exceptions,¹⁹ including for certain navigation and aircraft parts.²⁰ The exceptions also allowed foreign companies to re-export navigation and aircraft parts

¹² Executive Order 12205, "Prohibiting certain transactions with Iran," April 7, 1980. (<http://www.archives.gov/federal-register/codification/executive-order/12205.html>); Executive Order 12211, "Further prohibitions on transactions with Iran," April 17, 1980. (<http://www.archives.gov/federal-register/codification/executive-order/12211.html>)

¹³ Executive Order 12282, "Revocation of prohibitions against transactions involving Iran," January 19, 1981. (<http://www.archives.gov/federal-register/codification/executive-order/12282.html>)

¹⁴ U.S. Department of State, Bureau of Counterterrorism, "State Sponsors of Terrorism," accessed May 17, 2016. (<http://www.state.gov/j/ct/list/c14151.htm>)

¹⁵ U.S. Department of Commerce, Bureau of Industry and Security, "Export Administration Regulation Downloadable Files," accessed June 1, 2016. (<http://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear>)

¹⁶ Joseph D. West, Judith A. Lee, and Jason A. Monahan, "U.S. Export Control Compliance Requirements For Government Contractors," *Thomson West Briefing Papers*, November 2005. (<http://www.gibsondunn.com/fstore/documents/pubs/WestJ-LeeJ-MonahanBriefingPapers1105.pdf>)

¹⁷ U.S. Department of Commerce, Bureau of Industry and Security, "Legal Authority: Export Administration Regulations," January 23, 2013, page 66. (https://www.bis.doc.gov/index.php/forms-documents/doc_view/16-legal-authority); The Export Administration Act of 1979, Pub. L. 108-458, codified as amended at 50 U.S.C. §5. (<http://legcounsel.house.gov/Comps/ea79.pdf>)

¹⁸ U.S. Department of Commerce, Bureau of Industry and Security "Guidance to the Commerce Department's Reexport Controls," accessed June 13, 2016, page 2. (https://www.bis.doc.gov/index.php/forms-documents/doc_view/4-guidelines-to-reexport-publications)

¹⁹ U.S. Department of Commerce, Bureau of Export Administration, "Export Administration Regulation; Simplification of Export Administration Regulations," 61 Federal Register 12714, March 25, 1996, §742.8 Anti-Terrorism: Iran, page 12790. (<https://www.gpo.gov/fdsys/pkg/FR-1996-03-25/pdf/96-4173.pdf>)

²⁰ U.S. Department of Commerce, "Category 7 - Navigation and Avionics," *Commerce Control List, Supplement No. 1 to Part 774*, pages 10-11. (https://www.bis.doc.gov/index.php/forms-documents/doc_view/1089-ccl7); U.S. Department of Commerce, "Category 9 - Aerospace and Propulsion," *Commerce Control List, Supplement No. 1 to*

without a license, and to sell these products to Iran without a license even if they contained U.S.-origin component parts.

Amidst continued Iranian malign behavior, the United States began significantly expanding sanctions against the Islamic Republic. Among other measures, President Bill Clinton issued Executive Order 13059 in 1999 prohibiting the export or re-export of all U.S.-origin goods to Iran²¹ and removing the navigation and aviation-related licensing exceptions, thus requiring export licenses for all sales to Iran's aviation industry.²²

Throughout the 1990s, Iran could purchase goods and equipment for its aircraft through third countries,²³ and according to industry insiders, export restrictions were not applicable or were not enforced on resellers of aircraft more than ten years after the date of manufacture.²⁴ The environment, however, began to change in 2006 as the Bush administration and then the Obama administration imposed more comprehensive financial sanctions against Iran.²⁵

Congress also contributed to these new restrictions through multiple bipartisan pieces of legislation.²⁶ Among other measures, legislation in 2010 banned the sale of refined petroleum products to Iran, including jet fuel and aviation gasoline.²⁷ This measure led international oil companies to cease refueling Iran Air planes in Europe and Asia, forcing the airline to cancel

Part 774, pages 20-22. (https://www.bis.doc.gov/index.php/forms-documents/doc_view/991-cc19); U.S. Department of Commerce, Bureau of Export Administration, "Revisions to the Export Administration Regulations; Conforming Revisions to the Wassenaar Arrangement List of Dual-Use Items and Revisions to Antiterrorism Controls," August 7, 1998.

(http://webapp1.dlib.indiana.edu/virtual_disk_library/index.cgi/5274509/FID661/bxa/pdf/fed_reg/1998/07aug98.pdf)

²¹ Presidential Documents, "Executive Order 13059 of August 19, 1997: Prohibiting Certain Transactions With Respect to Iran," 62 Federal Register 44531, August 19, 1997. (<https://www.treasury.gov/resource-center/sanctions/Documents/13059.pdf>)

²² U.S. Department of the Treasury, "Iranian Transactions Regulations: Implementation of Executive Order 13059," 64 Federal Register 20168, April 29, 1999. (<https://www.gpo.gov/fdsys/pkg/FR-1999-04-26/pdf/99-10179.pdf>)

²³ Ali Dadpay, "A Review of Iranian Aviation Industry: Victim of Sanctions or Creation of Mismanagement?" *Preliminary Draft Presented at the Conference on Iran's Economy, University of Chicago and University of Illinois*, October 2010, page 3. (<http://iraneeconomy.csames.illinois.edu/full%20papers/Dadpay%20-%20IranAviation.pdf>)

²⁴ "Post Sanctions and Opening Up Commercial Aviation - A View from Iran," *AirInsight*, May 31, 2016.

(<http://airinsight.com/2016/05/31/post-sanctions-opening-commercial-aviation-view-iran/>)

²⁵ For an in-depth description of these efforts, see: Juan Zarate, *Treasury's War: The Unleashing of a New Era of Financial Warfare* (New York: Public Affairs, 2013), chapters 13-14; Mark Dubowitz and Annie Fixler, "'SWIFT' Warfare: Power, Blowback, and Hardening American Defenses," *Foundation for Defense of Democracies*, July 2015, Part 1. (http://www.defenddemocracy.org/content/uploads/publications/Cyber_Enabled_Swift.pdf)

²⁶ Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, Pub. L. 111-195, 124 Stat. 1312, codified as amended at 111 U.S.C. (<http://www.treasury.gov/resource-center/sanctions/Documents/hr2194.pdf>); National Defense Authorization Act for Fiscal Year 2012, Pub. L. 112-81, 125 Stat. 1298, codified as amended at 112 U.S.C. § 1245. (<http://www.gpo.gov/fdsys/pkg/BILLS-112hr1540enr/pdf/BILLS-112hr1540enr.pdf>); Iran Threat Reduction and Syria Human Rights Act of 2012, Pub. L. 112-158, 126 Stat. 1214, codified as amended at 112 U.S.C. (<http://www.gpo.gov/fdsys/pkg/BILLS-112hr1905enr/pdf/BILLS-112hr1905enr.pdf>); National Defense Authorization Act for Fiscal Year 2013, Pub. L. 112-239, 126 Stat. 1632, codified as amended at 112 U.S.C. §§ 1241-1255. (<http://www.gpo.gov/fdsys/pkg/BILLS-112hr4310enr/pdf/BILLS-112hr4310enr.pdf>)

²⁷ Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, Pub. L. 111-195, 124 Stat. 1312, codified as amended at 111 U.S.C. § 102. (<http://www.treasury.gov/resource-center/sanctions/Documents/hr2194.pdf>)

certain routes,²⁸ use secondary airports, or make technical stopovers for refueling along the way, adding to operational costs and inconvenience.²⁹

Even as sanctions on Iran escalated between 2006 and 2012, Treasury's Office of Foreign Assets Control (OFAC) permitted the export to Iran (with a license) of equipment and parts for airline safety if the equipment was exclusively for U.S.-origin civilian, commercial aircraft.³⁰ During this time, however, very few licenses were granted.³¹

Over the two decades of sanctions, Tehran repeatedly argued that the U.S. sanctions affected the safety and security of Iranian aircraft by denying Iran "new technology for fleet renewal, spare parts and safety-related aviation equipment."³² The sector was certainly beset across the board by fleet age and quality issues, limited access to original spare parts, access only to second-hand planes, and little or no access to technical assistance and maintenance. This is a striking contrast to 1979, when Iran Air had one of the most modern fleets. It retired the last of its eight Boeing 747s, whose average age was more than 35 years, in May 2016.³³ It continues to operate numerous Airbus aircraft, some of which were acquired second-hand, that are only marginally younger.³⁴

Officials with Iran's airlines have in recent years complained that they have been forced to ground numerous planes because they could not purchase the equipment to service them.³⁵ However, while

²⁸ Thomas Erdbrink, "Iran's Aging Airliner Fleet Seen as Faltering Under U.S. Sanctions," *The New York Times*, July 13, 2012. (http://www.nytimes.com/2012/07/14/world/middleeast/irans-airliners-falter-under-sanctions.html?_r=1)

²⁹ Gerald Traufetter, "The Geopolitics of Jet Fuel: Sanctions Create Headaches for Iran Air in Europe," *Spiegel* (Germany), October 1, 2012. (<http://www.spiegel.de/international/world/sanctions-create-problems-for-iran-air-in-europe-a-858886.html>)

³⁰ Erich Ferrari, "Aircraft Safety in Iran: OFAC is Not (Entirely) in The Way," *SanctionLaw*, April 7, 2010. (<http://sanctionlaw.com/aircraft-safety-in-iran-ofac-is-not-entirely-in-the-way/>); U.S. Department of the Treasury, Office of Foreign Assets Control, "Iranian Transactions Regulations," 77 Federal Register 64664, October 22, 2012, page 64682. (https://www.treasury.gov/resource-center/sanctions/Programs/Documents/fr77_64664.pdf)

³¹ Between 2000 and 2010, however, according to a *New York Times* report, Boeing received only two licenses for Iran, out of a total of 10,000 licenses issued to American companies, to provide goods or services to Iran, Cuba, and Sudan. One of Boeing's licenses was to provide electronic maps to help the French civil aviation agency investigate the crash of an Iran Air plane. Of the 100 cases studies that *The New York Times* detailed in its reporting, no others involved civil aviation. Jo Becker, "U.S. Approved Business with Blacklisted Nations," *The New York Times*, December 24, 2010. (http://www.nytimes.com/2010/12/24/world/24sanctions.html?_r=0); "Licenses Granted to U.S. Companies Run the Gamut," *The New York Times*, December 24, 2010. (<http://www.nytimes.com/interactive/2010/12/24/world/24-sanctions.html>)

³² Islamic Republic of Iran, "The Safety Deficiencies Arising Out of the United States Sanctions Against the Civil Aviation of the Islamic Republic of Iran," *International Civil Aviation Organization Working Paper*, September 20, 2007, page 2. (http://www.icao.int/Meetings/AMC/MA/Assembly%2036th%20Session/wp275_en.pdf)

³³ "Iran Air retires last remaining pax B747-200," *Ch-Aviation*, May 11, 2016. (<http://www.ch-aviation.com/portal/news/46137-iran-air-retires-last-remaining-pax-b747-200>)

³⁴ Aaron S. Goldblatt and Roozbeh Aliabadi, "How sanctions relief will impact Iran's civil aviation industry," *The Hill*, June 5, 2014. (<http://thehill.com/blogs/congress-blog/foreign-policy/208085-how-sanctions-relief-will-impact-irans-civil-aviation>)

³⁵ For example, see David Kaminski-Morrow, "International sanctions force Iran Air to ground its Airbus A310 fleet, but restrictions may be lifted as part of nuclear deal," *Flight Global*, June 12, 2006. (<https://www.flightglobal.com/news/articles/international-sanctions-force-iran-air-to-ground-its-airbus-a310-fleet-but-restrictions-may-be-207182/>)

sanctions have certainly been a burden, five of the seven major crashes of civilian aircraft between 2000 and 2009 involved Russian (or Soviet) aircraft not subject to U.S. sanctions.³⁶

One can also easily make the case that these crashes were the result of corruption and mismanagement. A *Los Angeles Times* report from September 2009 quoted an industry expert accusing “politically motivated regulators of failing to adequately inspect and publicize aviation accidents, and of bending rules to accommodate well-connected airlines.”³⁷ The article cites a series of problems within the industry, including a lack of transparent investigations according to international standards and that “rules are bent to accommodate airlines with safety lapses.”

Remarkably, despite sanctions and these internal issues, Iran’s aviation industry has grown over the past decade, with total seat capacity for domestic and international flights increasing at an average three percent per year.³⁸

The United States has now lifted all restrictions³⁹ and removed all but four Iranian civilian airlines – Caspian Airlines, Mahan Air, Meraj Air, and Pouya Air – from its sanctions lists. With required licensing, companies can now sell planes, spare parts, and services to most of Iran’s aviation industry, and financial institutions can service these deals.

Since July 2015, Iran Air has signed multi-billion dollar deals with the world’s two largest aircraft manufacturers – Airbus and Boeing – for a reported 180 planes.⁴⁰ It signed another deal with the Italian-French joint venture ATR for 20 regional aircraft,⁴¹ and there could be additional deals with Canada’s Bombardier, Brazil’s Embraer, and Japan’s Mitsubishi.⁴² The list could grow further: Iran’s transportation minister announced that the country is looking to buy as many as 400-500

³⁶ “TIMELINE - Recent major plane crashes involving Iran,” *Reuters*, July 15, 2009.

(<http://in.reuters.com/article/idINIndia-41053520090715>)

³⁷ Borzou Daragahi, “Iran’s aviation regulation seen as a factor in air crashes,” *Los Angeles Times*, September 15, 2009. (<http://articles.latimes.com/2009/sep/15/world/fg-iran-aviation15>)

³⁸ “Window on Iran’s aviation market,” *OAG*, 2016. (<http://www.oag.com/window-on-irans-aviation-market-0>)

³⁹ The primary sanctions embargo broadly prohibiting trade between the United States and Iran remains in place; however, the U.S. government has issued licenses for trade in certain sectors, the aviation sector being one of them.

⁴⁰ “Iran selects Airbus for its civil aviation renewal,” *Airbus* (France), January 28, 2016.

(<http://www.airbus.com/presscentre/pressreleases/press-release-detail/detail/iran-deal/>)

⁴¹ Robert Wall, “Iran to Buy up to 40 ATR Turboprop Planes,” *The Wall Street Journal*, February 1, 2016.

(<http://www.wsj.com/articles/iran-to-buy-up-to-40-atr-turboprop-planes-1454330448>); “UPDATE 1-Iran Air finalizes deal to buy 20 ATR planes-report,” *Reuters*, February 15, 2017. (<http://www.reuters.com/article/iran-aircraft-idUSL8N1G067A>); “IranAir Expects Delayed ATR Deliveries amid Row with Canada,” *Aviation Iran*, March 9, 2017. (http://www.aviationiran.com/2017/03/09/iranair-expects-delayed-atr-deliveries-amid-row-with-canada/#.WN_WpVXyvIU)

⁴² Allison Lampert, “Bombardier says Iranian sales talks progress, denies new airline,” *Reuters*, April 24, 2016.

(<http://www.reuters.com/article/us-bombardier-canada-idUSKCN0XM007>); Lisandra Paraguassu, “UPDATE 2-Iran eyes Brazil deal for taxis, 50 Embraer jets -source,” *Reuters*, February 22, 2016.

(<http://www.reuters.com/article/embraer-brazil-iran-idUSL2N16114X>); Babak Dehghanpisheh, “Iran plans to buy 20 regional jets from Japan's Mitsubishi Heavy,” *Reuters*, August 8, 2016. (<http://www.reuters.com/article/us-iran-aircraft-mitsubishi-idUSKCN10I0TA>)

aircraft in the next decade to replace the country's aging fleet,⁴³ a number that aviation sector experts consider consistent with Iran's market potential.⁴⁴

Treasury's Office of Foreign Assets Control (OFAC) issued general licenses for the sale of aircraft to Iran in September 2016 and began the process of licensing individual aircraft sales soon after.⁴⁵ Although financing is proving difficult,⁴⁶ it is not impossible.⁴⁷ Iranian officials believe that 85 percent of the costs for the Boeing deal will be covered by financing from a variety of foreign institutions, with the remainder paid by Iran in cash.⁴⁸ *Forbes* also recently reported an agreement with a foreign leasing company to cover financing for 77 aircraft that are part of the Airbus and Boeing deals with Iran Air.⁴⁹

Iran Air has already started to receive the new aircraft. Airbus delivered one A321 in January 2017⁵⁰ and two A330 in March.⁵¹ Two more A330 are on their way. ATR's first four turboprops are expected to join Iran Air's fleet soon.⁵² Meanwhile, Boeing's first deliveries to Iran Air are expected in April 2018.

Other Iranian airlines are also seeking to replace their aging fleets. Aseman Airlines, for example, reportedly reached a deal to lease seven Airbus jets in December 2016.⁵³ According to *Forbes*, Aseman is also negotiating a leasing deal for Boeing 737 aircraft.⁵⁴

⁴³ Asa Fitch, "Iran Planning to Bolster Airplane Fleet After Landmark Nuclear Deal," *The Wall Street Journal*, August 2, 2015. (<http://www.wsj.com/articles/iran-planning-to-bolster-airplane-fleet-after-landmark-nuclear-deal-1438514651>); Fred Pleitgen and Jim Boulden, "Iran wants to buy 500 planes and resume flights to U.S.," *CNN*, January 25, 2016. (<http://money.cnn.com/2016/01/25/news/iran-planes-tourism-us-flights/>)

⁴⁴ "Iran: a market with enormous aviation potential," *Airline Leader*, Issue 31, November 2015.

(<http://www.airlineleader.com/categories/regions/iran-a-market-with-enormous-aviation-potential-251107>)

⁴⁵ Jon Gambrell, "US Grants Airbus, Boeing a Chance to Sell Airplanes to Iran," *Bloomberg*, September 21, 2016.

(<https://www.bloomberg.com/news/articles/2016-09-21/urgent-airbus-says-us-grants-license-for-planes-in-iran-deal>)

⁴⁶ Mike Snider and Oren Dorell, "Boeing's \$16B aircraft deal with Iran Air faces challenges," *USA Today*, December 11, 2016. (<http://www.usatoday.com/story/money/business/2016/12/11/boeing-sell-80-jetliners-worth-166-billion-iran-air-aircraft-maker-said-sunday/95298168/>)

⁴⁷ "Iran Air secures financing for 47 aircraft; 12 Airbus deliveries in 2017," *Aviation Iran*, December 17, 2016.

(<http://www.aviationiran.com/2016/12/17/iran-air-secures-financing-47-aircraft-12-airbus-deliveries-2017/#.WN1sRjvyvIU>)

⁴⁸ "Iran Air Unveils Boeing Deal Financing Process," *Financial Tribune (Iran)*, December 14, 2016.

(<https://financialtribune.com/articles/domestic-economy/55435/iran-air-unveils-boeing-deal-financing-process>)

⁴⁹ Dominic Dudley, "Iran reaches lease financing deal on 77 Boeing, Airbus planes," *Forbes*, February 17, 2017.

(<https://www.forbes.com/sites/dominicdudley/2017/02/17/iran-lease-finance-boeing-airbus/#752cd3854dfd>)

⁵⁰ "Iran Air takes delivery of its first 100 Airbus aircraft," *Airbus*, January 11, 2017.

(<http://www.airbus.com/presscentre/pressreleases/press-release-detail/detail/iran-air-takes-delivery-of-its-first-of-100-airbus-aircraft/>)

⁵¹ "Iran Air receives its first A330-200 as fleet upgrade continues," *Airbus*, March 10, 2017.

(<http://www.airbus.com/presscentre/pressreleases/press-release-detail/detail/iran-air-receives-its-first-a330-200-as-fleet-upgrade-continues/>); David Kaminiski-Morrow, "Iran Air Receives Second A330," *Flight Global*, March 25, 2017. (<https://www.flightglobal.com/news/articles/iran-air-receives-second-a330-435571/>)

⁵² "Iran Air Expects Delayed ATR Deliveries amid Row with Canada," *Aviation Iran*, March 9, 2017.

⁵³ Parisa Hafezi and Tim Hefer, "Iran's Aseman Airlines to lease seven Airbus Jet: sources," *Reuters*, December 15, 2016. (<http://www.reuters.com/article/us-airbus-group-iran-idUSKBN1441A9>)

⁵⁴ Dominic Dudley, "Iran reaches lease financing deal on 77 Boeing, Airbus planes," *Forbes*, February 17, 2017.

(<https://www.forbes.com/sites/dominicdudley/2017/02/17/iran-lease-finance-boeing-airbus/#752cd3854dfd>)

Iran's aviation sector is set to grow exponentially in the coming years. For the first time since the Iranian revolution of 1979, Iran can buy, operate, and maintain modern aircraft which, over time, will potentially allow Tehran to compete with Gulf aviation hubs such as Abu Dhabi, Doha, and Dubai.

The JCPOA has thus created a dilemma for U.S. policy: Given the industry's involvement in the Syria airlifts, it is in the U.S.'s interest to impose sanctions on Iran's aviation sector to prevent Iran from exploiting global commerce to aid its illicit activities. But, simultaneously, the end of long-standing U.S. aviation sanctions against Iran has opened the potentially lucrative Iranian market to the U.S. aviation industry. A \$16.6-billion deal between Boeing and Iran Air, and possible future deals between the U.S. aviation industry and other Iranian airlines, means that thousands of U.S. jobs are now at stake.

That is precisely the type of dilemma Iran wants us to face. These multi-billion dollar deals create a powerful argument against the re-imposition of sanctions. Iran could insulate its commercial industry from its military activities by relying solely on military aircraft. Instead, Tehran is using the JCPOA and the economic benefits it yields as a shield to protect its ongoing nefarious support for Assad and Hezbollah.

For the U.S., there are no half measures. Limiting sales to non-sanctioned entities will not prevent those involved in the airlifts from benefiting from the upgrade of the Iranian commercial air fleet. End user licenses may not be honored. Trained technicians could easily transfer knowledge to their counterparts in sanctioned airlines. In some cases, they themselves will likely repair aircraft involved in the airlifts, too. Spare parts might be sold to designated entities.

Simply put, a firewall cannot be established between Iran's commercial air traffic and its military airlifts to Syria. This is because Iran is using its civil aviation sector to fulfill its military needs.

IRAN'S AIRLIFTS TO SYRIA

Since the beginning of Syria's civil war in March 2011, more than half a million Syrians have lost their lives in the conflict. Syria has been emptied of its people. Half of the country's population is either internally displaced or has sought refuge in neighboring countries. The refugee crisis has spilled over into Europe as well, with an unprecedented wave of refugees seeking shelter. The Assad regime has also made systematic use of chemical weapons, ethnic cleansing, systematic torture, and indiscriminate attacks against civilian targets like hospitals and market places. Iran has provided financial assistance to the Assad regime to carry out these crimes, and it also provides military assistance ranging from hardware to additional manpower.

Much of Iran's assistance is hard to track. But its airlifts can be viewed rather openly, through flight tracking websites and software. Iranian aircraft have relied on deceptive practices – switching off transponders for parts of their journey, falsifying flight manifests, or concealing their destinations by broadcasting flight numbers associated with different itineraries.⁵⁵ But the evidence is clear. Iran has made its aviation sector a legitimate target for U.S. sanctions.

⁵⁵ Sohrab Ahmari, "The Mullahs' Syrian Airlift Gets a Boost," *The Wall Street Journal*, December 15, 2016. (<https://www.wsj.com/articles/the-mullahs-syrian-airlift-gets-a-boost-1481839332>); Bill Coffin, "Is the Iranian

The airlifts run counter to U.S. interests for the following reasons:

- Iran's airlifts provide Hezbollah and the Assad regime with continued access to advanced weaponry⁵⁶ and fresh troops⁵⁷ to sustain their ongoing engagement in Syria's civil war.
- The airlifts are therefore instrumental in facilitating ongoing war crimes and atrocities against the Syrian civilian population; is supporting the Assad regime's ethnic cleansing;⁵⁸ and is helping exacerbate the already dire refugee crisis triggered by Assad's war.
- The continuing flow of weapons to Hezbollah is cementing the terrorist group's role as a state within a state inside Lebanon.⁵⁹
- The participation of Shiite militias from Afghanistan,⁶⁰ Iraq,⁶¹ and Pakistan,⁶² alongside Hezbollah and the Syrian Army, in military operations is part of an ongoing effort to build a multi-national Shiite militia. These Shiite international brigades are fully integrated into and under the command of the IRGC military structure and provide Iran with a force multiplier in other regional theaters of conflict.⁶³
- The airlifts have greatly contributed to the Hezbollah/IRGC military buildup on the Israel-Syria border. Were a kinetic conflict to begin between Israel and Hezbollah, the IRGC could open a new front, leading to a direct Israel-Iran military showdown.⁶⁴

airline industry still filled with bandits?" *Compliance Week*, October 14, 2016.

(<https://www.complianceweek.com/blogs/coffin-on-compliance/is-the-iranian-airline-industry-still-filled-with-bandits#.WNwGnjvys2y>)

⁵⁶ Dana Somberg, "Israel: Iran is smuggling weapons to Hezbollah on commercial flights," *The Jerusalem Post* (Israel), November 22, 2016. (<http://www.jpost.com/Middle-East/Iran-News/Israel-Iran-is-smuggling-weapons-to-Hezbollah-on-commercial-flights-473344>)

⁵⁷ Nick Tattersall, "Fugitive VP says Iraq letting Iran ferry arms to Syria," *Reuters*, September 17, 2012 (<http://www.reuters.com/article/us-iraq-hashemi-idUSBRE88G0TB20120917>)

⁵⁸ Martin Chulov, "Iran repopulates Syria with Shi'a Muslims to help tighten regime's control," *The Guardian* (UK), January 13, 2017. (<https://www.theguardian.com/world/2017/jan/13/irans-syria-project-pushing-population-shifts-to-increase-influence>)

⁵⁹ Jesse Rosenfeld, "How the Syrian Civil War has Transformed Hezbollah," *The Nation*, March 30, 2017. (<https://www.thenation.com/article/how-the-syrian-civil-war-has-transformed-hezbollah/>)

⁶⁰ "Iran Sending Thousands of Afghans to Fight in Syria," *Human Rights Watch*, January 29, 2016. (<https://www.hrw.org/news/2016/01/29/iran-sending-thousands-afghans-fight-syria>)

⁶¹ Martin Chulov, Saeed Kamali Dehghan, and Patrick Wintour, "Iran hails victory in Aleppo as Shia militias boost Syria's Bashar al-Assad," *The Guardian* (UK), December 14, 2016. (<https://www.theguardian.com/world/2016/dec/14/iran-aleppo-syria-shia-militia>)

⁶² Babak Dehghanpisheh, "Iran recruits Pakistani Shi'ites for combat in Syria," *Reuters*, December 10, 2015. (<http://www.reuters.com/article/us-mideast-crisis-syria-pakistan-iran-idUSKBN0TT22S20151210>)

⁶³ Hugh Naylor, "In Syria's Aleppo, Shia militias point to Iran's unparalleled influence," *The Washington Post*, November 20, 2016. (https://www.washingtonpost.com/world/middle_east/in-syrias-aleppo-shiite-militias-point-to-irans-unparalleled-influence/2016/11/20/2f1a47c2-92cd-11e6-bc00-1a9756d4111b_story.html?utm_term=.3991c1ac1f3f)

⁶⁴ Lizzie Dearden, "Iranian Revolutionary Guards opposite Israeli troops on 1967 ceasefire line in Golan Heights as tensions mount," *The Independent* (UK), March 10, 2017. (<http://www.independent.co.uk/news/world/middle-east/syrian-civil-war-iran-irgc-israel-golan-heights-benjamin-netanyahu-vladimir-putin-meeting-basij-a7622081.html>)

- Iran is using the airlifts to supply strategic ‘game-changing’ weapons to Hezbollah. Israel’s Air Force bombing raids against weapons convoys heading to Lebanon are a direct response to the increased flow of strategic arms from Syria to Lebanon – all facilitated by Iran.⁶⁵ If delivered, these weapons would likely facilitate a future escalation along the Israel-Lebanon border and potentially lead to a third Lebanon war.⁶⁶
- The inclusion of strategic weapons in the airlifts and Israel’s response thus puts the Israeli Air Force in the sights of Russian military aircraft, heightening the risks of a quick escalation in an already tense theater.⁶⁷

Iran’s airlifts have picked up in frequency and scope since Moscow and Tehran directly intervened in the conflict in the summer of 2015 to prevent Aleppo from falling into rebel hands. Flight tracking data indicate that, when all commercial airlines participating in the airlifts are considered, from Implementation Day on January 16, 2016 to March 30, 2017 there were a total of 690 flights from Iran to Syria. Of those, Iran Air operated 114, Mahan Air operated 231, Pouya Air operated 15, Syrian Arab Airlines operated 227, Cham Wings operated 100, Fars Air Qeshm operated two, and Saha Airlines operated one. By contrast, Iran’s Air Force flew its old Boeing 747 to Syria six times during that period, bringing the total of tracked flights to 696.

Clearly, the bulk of transport occurs on commercial aircraft, which in many cases are repurposed for commercial flights once the planes return to Tehran. For example, the Iran Air aircraft (EP-IEE) that flew from Abadan to Damascus on March 23, returned to Tehran, and departed on a scheduled flight for Istanbul the next day.⁶⁸ The Mahan Air aircraft (EP-MNF) that flew to Damascus through Abadan on March 30, flew back to Abadan, likely to deliver wounded fighters,⁶⁹ and then went on to Tehran and left on a scheduled flight for Ankara shortly after.⁷⁰

The two primary Iranian actors in the airlifts are Iran Air and Mahan Air, the two leading Iranian commercial carriers, with a combined 345 out of the 696 tracked flights, almost half of the total flights since January 2016. Both were designated by the U.S. Department of the Treasury in 2011.⁷¹ Treasury targeted Iran Air because the airline was providing material support and services to the

⁶⁵ John Reed & Erica Solomon, “Israeli air raids in Syria raise fears of wider conflict,” *The Financial Times* (UK), March 22, 2017. (<https://www.ft.com/content/e5625674-0ee6-11e7-b030-7689543946230>)

⁶⁶ Alexander Fullbright, “Hezbollah said to have obtained ‘game-changing’ anti-ship missiles,” *The Times of Israel*, February 19, 2017. (<http://www.timesofisrael.com/hezbollah-said-to-have-obtained-game-changing-anti-ship-missiles/>)

⁶⁷ Adam Chandler, “What’s behind Israel’s diplomatic flare-up with Russia,” *The Atlantic*, March 24, 2017. (<https://www.theatlantic.com/international/archive/2017/03/israel-russia-syria/520410/>)

⁶⁸ “EP-IEE Flight History,” *FlightRadar24*, accessed March 31, 2017 (requires subscription). (<https://www.flightradar24.com/data/aircraft/ep-iee#cd51ac7>)

⁶⁹ MEMRI, “IRGC using Mahan Air civilian airliners to hide transfers of weapons and fighters to Syria, Yemen,” *Memri Special Dispatch n. 6814*, March 6, 2017. (<https://www.memri.org/reports/irgc-using-mahan-air-civilian-airliners-hide-transfer-weapons-and-fighters-syria-yemen>)

⁷⁰ “EP-MNF Flight History,” *FlightRadar24*, accessed March 31, 2017 (requires subscription). (<https://www.flightradar24.com/data/aircraft/ep-mnf>)

⁷¹ U.S. Department of the Treasury, Press Release, “Treasury Designates Iranian Commercial Airline Linked to Iran’s Support for Terrorism,” October 12, 2011. (<https://www.treasury.gov/press-center/press-releases/Pages/tg1322.aspx>)

IRGC, Iran's Aerospace Industries Organization (AIO),⁷² and Iran's Ministry of Defense.⁷³ According to Treasury's statement at the time, the sanctions were related to transporting military-related equipment including rockets and missiles, activities not covered by the JCPOA.

Iran Air's cargo division was also previously singled out in United Nations Resolution 1929 (2010) for possible involvement in sanctions evasion.⁷⁴

In May 2012, Treasury designated Yas Air (later renamed Pouya Air) for supplying arms to Iranian proxies in Africa and Syria.⁷⁵ Later in 2012, Treasury listed 117 Iranian aircraft owned by Iran Air, Mahan Air, and Yas Air, concurrently releasing satellite imagery of Iran Air Cargo docking at Damascus International terminal.⁷⁶ At the time, Treasury stated, "In the summer of 2012, Iran used Iran Air and Mahan Air flights between Tehran and Damascus to send military and crowd control equipment to the Syrian regime. This activity was coordinated with Hizballah, which in mid-August was designated pursuant to E.O. 13582 for providing support to the Government of Syria."

Treasury has also targeted two Syrian airlines, Syrian Arab Airlines and Cham Wings,⁷⁷ for providing material support to the airlifts. Iranian carriers Fars Air Qeshm and Saha Airlines joined the airlifts only last week, when their aircraft was tracked for the first time on the Tehran-Damascus route. Both privately-owned airlines discontinued operations in 2013, so it is not clear whether they are operating these flights or whether the tracker is simply not up to date on the aircraft ownership.

Mahan remains under U.S. sanctions per Executive Order 13224 as a material supporter of terrorism. Iran Air, by contrast, is no longer sanctioned. The U.S. government delisted Iran Air because of a political agreement – the JCPOA – not based on merit. Iran Air was not sanctioned for nuclear proliferation: Its original designation in 2011 under E.O. 13382 mentioned material support to the IRGC, material support to Syria's internal repression, weapons' transfers to Syria, and the use of deceptive practices to conceal its cargo.

⁷² In May 2013, Treasury designated several entities providing support to Iran's aviation industry, including some involved in leasing aircraft to Iran Air. Detailing the basis for these sanctions, Treasury indicated that "Iran Air was designated pursuant to E.O. 13382 in June 2011 for providing support and services to Iran's IRGC, Ministry of Defense and Armed Forces (MODAF), and Iran's Aerospace Industries Organization (AIO)," although it made no reference to AIO in its original 2011 designation. U.S. Department of Treasury, Press Release, "Treasury Announces New Sanctions against Iran," May 31, 2013. (<https://www.treasury.gov/press-center/press-releases/Pages/jl1965.aspx>).

⁷³ U.S. Department of the Treasury, "Fact Sheet: Treasury Sanctions Major Iranian Commercial Entities," June 23, 2011. (<https://www.treasury.gov/press-center/press-releases/Pages/tg1217.aspx>)

⁷⁴ United Nations Security Council, Resolution 1929, June 9, 2010, page 7. (https://www.iaea.org/sites/default/files/unsc_res1929-2010.pdf)

⁷⁵ U.S. Department of the Treasury, Press Release, "Treasury Targets Iranian Arms Shipments," March 27, 2012. (<https://www.treasury.gov/press-center/press-releases/Pages/tg1506.aspx>)

⁷⁶ U.S. Department of the Treasury, Press Release, "Treasury Designates Syrian Entity, Others Involved in Arms and Communications Procurement Networks and Identifies Blocked Iranian Aircraft," September 19, 2012. (<https://www.treasury.gov/press-center/press-releases/Pages/tg1714.aspx>)

⁷⁷ U.S. Department of the Treasury, Press Release, "Treasury Sanctions Additional Individuals and Entities in Response to Continuing Violence in Syria," December 23, 2016. (<https://www.treasury.gov/press-center/press-releases/Pages/jl0690.aspx>); U.S. Department of the Treasury, Press Release, "Treasury Increases Sanctions Against Syria," May 16, 2013. (<https://www.treasury.gov/press-center/press-releases/Pages/jl1947.aspx>)

Based on publicly available open source information, it is extremely likely that Iran Air is still an active participant in the airlifts. This conclusion is based on the following:

- There is no justification for frequent commercial flights to Damascus; Syria is a war zone with little tourism or commerce, yet it is served by an average of 11 flights a week.
- Iran Air operates flight number 697 from Tehran to Damascus twice a week. The flight cannot be purchased on Iran Air's booking website or through travel agencies and the booking website does not include Damascus among its destinations from Tehran's international airport, where the flights originate.
- Iran Air flight 697 occasionally makes a stopover in Abadan, a logistical hub for the Syria airlifts regularly used by other airlines. This diversion is inconsistent with international civil aviation regulations and suggests that the airline is trying to disguise its flight path.

The United States must determine if Iran Air is an active participant in Iran's airlifts to Syria. Such participation would make Iran Air eligible for an Executive Order 13224 designation, which would be entirely consistent with the JCPOA.

The United States should also renew its focus on Mahan Air, Iran's largest commercial carrier, a Specially Designated Global Terrorist entity under E.O. 13224, and the Iranian carrier with the largest number of flights to date in the Syria airlifts.

MAHAN AIR: A TROUBLING CASE STUDY

Mahan Air was founded in 1991 in Iran's Kerman province. From the very beginning, it maintained a close relationship with the IRGC and the Iranian government. Officially, Mahan is owned by a charitable organization, but a former senior manager for Mahan's procurement operations abroad, who agreed to speak to me on condition of anonymity for a report I co-authored in 2016 with my colleagues, Yaya Fanousie and Annie Fixler,⁷⁸ explained that the airline was controlled by the late Iranian President Akbar Hashemi Rafsanjani.⁷⁹ Hamid Arabnejad Khanooki, Mahan Air's chairman and CEO, is a former member of the IRGC, and according to our interlocutor, he is a veteran of the same local IRGC division that spawned IRGC-Quds Force Commander Qassem Soleimani.⁸⁰

⁷⁸ Emanuele Ottolenghi, Annie Fixler, and Yaya J. Fanousie, "Flying Above the Radar: Sanctions Evasion in the Iranian Aviation Sector," *Foundation for Defense of Democracies*, July 2016.

(http://www.defenddemocracy.org/content/uploads/documents/Ottolenghi_Fixler_Fanousie_Aviation_Sanctions_Evasion.pdf)

⁷⁹ Such proximity was confirmed by a diplomatic cable filed by the U.S. Consulate in Istanbul in 2010. "Turkey-Iran Trade Woes; Rafsanjani Family and Business Allies Under Pressure," *WikiLeaks*, February 2, 2010.

(https://www.wikileaks.org/plusd/cables/10ISTANBUL43_a.html)

⁸⁰ According to his U.S. Treasury designation, Arabnejad "has a close working relationship with IRGC-QF personnel and coordinates Mahan Air's support and services to the paramilitary group." U.S. Department of the Treasury, Press Release, "Treasury Announces New Sanctions Against Iran," May 31, 2013.

(<https://www.treasury.gov/press-center/press-releases/Pages/j11965.aspx>)

These leaders reportedly were blood brothers on the frontline of the Iran-Iraq War in the 1980s. When Mahan was established, Arabnejad, a local Kermani with a strong record of loyalty in the service, was entrusted with running the airline. Arabnejad is believed to have been the man in charge of Iran's clandestine military supply operation to Bosnia's Muslim forces during Yugoslavia's civil war in the 1990s.

This close connection to the IRGC is critical in understanding Mahan Air's role in the Syria airlifts.

Since Syria's civil war erupted in 2011, Mahan Air has been the IRGC's main conduit to carry weapons and personnel to Syria. The ongoing airlifts – which have surged since the summer of 2015 – provide key weapons and provisions to Syria's embattled president, Bashar al-Assad, and Iran's proxy terror group in Lebanon, Hezbollah. It has enabled Iran to deploy thousands of troops – including Afghan, Pakistani, and Iraqi militias – to Syria's battlefields.⁸¹

Mahan has not only managed to operate under a stifling sanctions environment, but it has modernized its aircraft – even after 2011. Given the relatively small size of the aviation industry, it is all the more remarkable that Mahan could circumvent sanctions. It did so mainly thanks to a network of front companies it established across numerous jurisdictions.

For example, Mahan used a UK firm headed by a dual UK-Iranian national for its 2007 purchase of six used Boeing 747 cargo aircraft. The firm used an Armenian registered subsidiary to purchase the aircraft and then re-exported them to Iran.⁸² The company also leased U.S.-origin aircraft to Mahan Air for flights to and from Iran. In 2010, the UK firm agreed to pay \$15 million in fines (one of the largest in history for an export violation) for illegally exporting three Boeing aircraft to Iran without an export license.⁸³

Mahan appears to have repeated this scheme on May 9, 2015, when it managed to acquire nine used Airbus aircraft (eight long-haul and one short- to medium-haul). For this procurement, instead of using a British company and an Armenian airline, Mahan relied on an Iraqi regional airline, Al-Naser Airlines (see Figure 1), and, per Treasury's designation, a Dubai-based company and its Syrian owner to broker the deal.⁸⁴

Al-Naser acted as intermediary and purchased all nine planes on Mahan's behalf, four of which were first transferred to a Maltese leasing company, Hifly Malta, and then to Al-Naser. There is no indication that Airbus or other European companies that owned or leased the planes prior to the

⁸¹ "Iran Sending Thousands of Afghans to Fight in Syria," *Human Rights Watch*, January 29, 2016.

(<https://www.hrw.org/news/2016/01/29/iran-sending-thousands-afghans-fight-syria>)

⁸² Laura Rozen, "UK firm pleads guilty to selling U.S. 747 to Iran," *Politico*, February 5, 2016.

(http://www.politico.com/blogs/laurarozen/0210/UK_firm_pleads_guilty_to_selling_US_747s_to_Iran.html)

⁸³ U.S. Department of Justice, Press Release, "U.K. Firm Pleads Guilty to Illegally Exporting Boeing 747 Aircraft to Iran," February 5, 2010. (<https://www.justice.gov/opa/pr/uk-firm-pleads-guilty-illegally-exporting-boeing-747-aircraft-iran>)

⁸⁴ U.S. Department of Treasury, Press Release, "Treasury Department targets those involved in Iranian scheme to purchase planes," May 21, 2015. (<https://www.treasury.gov/press-center/press-releases/Pages/j110061.aspx>)

sale to Al-Naser were aware that the company planned to transfer the aircraft to Mahan Air in violation of U.S. sanctions.⁸⁵

To understand this scheme, my colleagues and I traced the ownership of the nine Airbus-made aircraft (seven A340-600s, one A340-300, and one A321-131 aircraft). Information from the British Civil Aviation Registry and open sources provide details of ownership for each plane until they were deregistered and transferred to either Iraq or Malta's civil aviation registries.

The scheme began in 2014. By that time, all of the planes – which had been previously leased by Virgin Atlantic and the Chinese Sezhuan Airlines – had reverted to their lessors: Blue Aviation Ltd (three aircraft), Airbus Financial Services (one aircraft), Avaio Ltd (one aircraft), Avaio 371 Ltd (one aircraft), Avaio 376 Leasing Ltd (one aircraft), and ILFC UK (two aircraft).⁸⁶ Avaio, Avaio 371, Avaio 376 Leasing, and Blue Aviation were all special purpose companies set up by Airbus for standard leasing purposes.⁸⁷

Then, one-by-one the planes were sold, deregistered from the UK aviation registry, and transferred to foreign registries. Four of the planes were first registered on the Maltese registry when they were purchased by HiFly Malta and then moved to the Iraqi registry, and one also passed through the Guernsey Island registry.⁸⁸ After Al-Naser took possession of all nine planes, it transferred them to Mahan Air.

An in-depth look at one plane helps explain the pattern: From December 2002 to December 2012, Virgin Atlantic operated Airbus A340-600 MSN (manufacture serial number) 449.⁸⁹ Then, the aircraft was put in storage for two years, and on November 19, 2014 it was registered in Malta. When Al-Naser leased the plane from HiFly Malta eight days later, it was transferred to the Iraqi registry.⁹⁰ The aircraft was again stored until May 2015, when it was transferred to Mahan Air, under its new EP-MMQ tail number. Al-Naser used the same technique for the other eight aircraft.

Figure 1: Mahan Air's 2015 Sanctions Evasion Scheme

⁸⁵ Virgin Atlantic, HiFly (the parent company of HiFly Malta), and AerCap (which merged with ILFC UK), declined to answer requests for comments. Airbus confirmed its relationship with its subsidiaries and stated that the company “fully respects international rules and export controls put in place by EU, US or UN in regards to Iran.” Email from Airbus Spokesman Justin Dubon to Emanuele Ottolenghi, July 7, 2016.

⁸⁶ By then, ILFC UK had merged with the Dutch company, AerCap NV.

⁸⁷ Email from Airbus Spokesman Justin Dubon to Emanuele Ottolenghi, July 7, 2016.

⁸⁸ “Channel Islands Guernsey Aircraft Register,” *Bones Aviation Page*, accessed July 7, 2016.

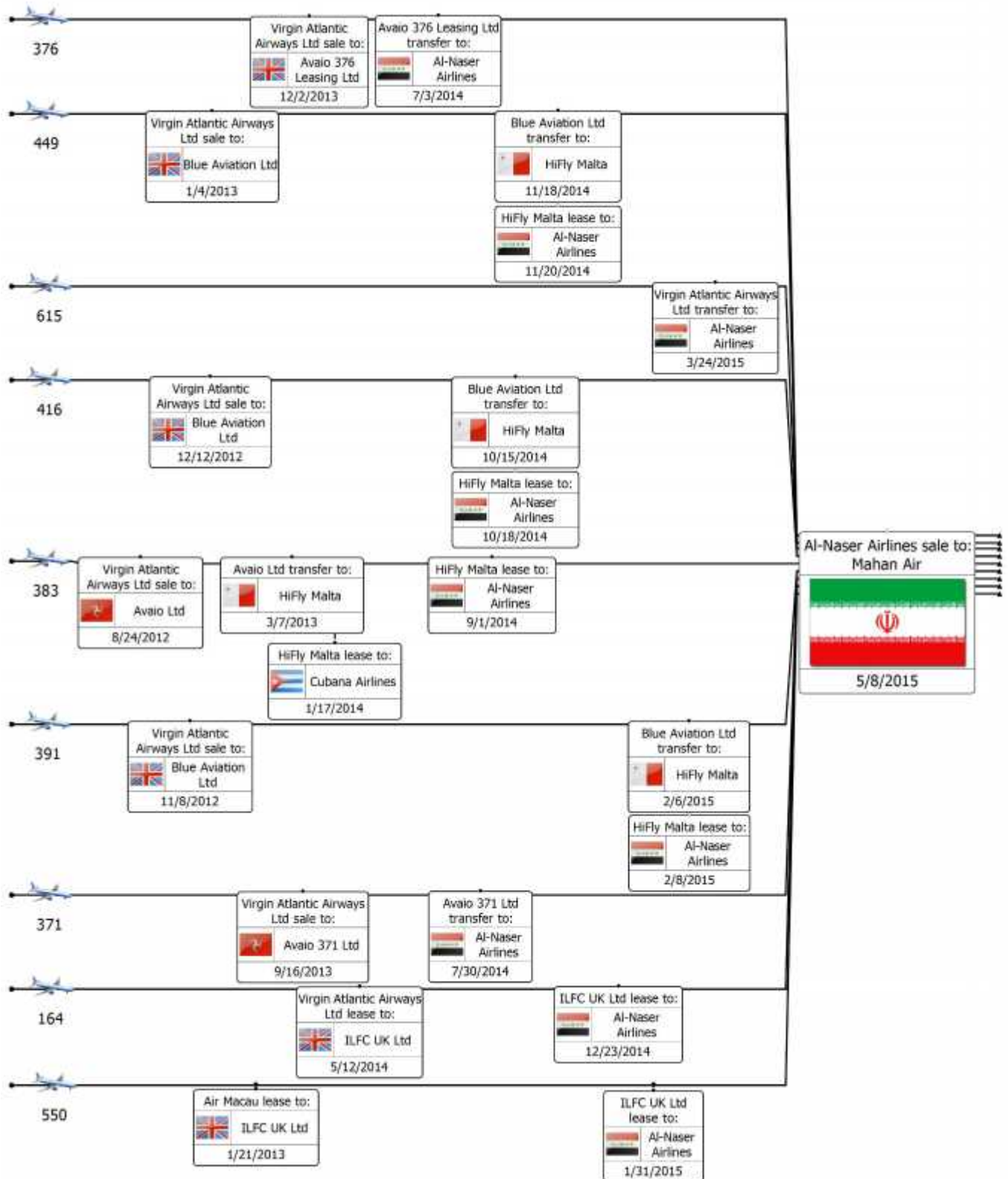
(<http://woodair.net/Guernsey%20Register/GuernseyRegister001.htm>)

⁸⁹ “Airbus A340 - MSN 449 - EP-MMQ,” *AirFleets.net*, accessed July 2, 2016.

(<http://www.airfleets.net/ficheapp/plane-a340-449.htm>)

⁹⁰ “EP-MMQ Mahan Airlines Airbus A340-642 - cn 449,” *PlaneSpotters.net*, accessed July 7, 2016.

(<https://www.planespotters.net/airframe/Airbus/A340/449/EP-MMQ-Mahan-Airlines>)



On May 21, 2015, the U.S. Department of the Treasury sanctioned Al-Naser Airlines along with Issam Shammout, a Syrian businessman, and his Dubai-based company Sky Blue Bird Aviation

FZE, for acting on behalf of Mahan Air.⁹¹ Sky Blue Bird Aviation and Shammout are believed to have mediated the transfer. Treasury also designated the nine planes.

Unfortunately, this action came too late. Mahan is currently operating all these aircraft on both European and Asian routes. Public information indicates that no country of destination has agreed to cooperate with U.S. efforts to impound the aircraft. Instead, Mahan Air lands at major international destinations where it receives services such as baggage handling, ticketing, and a variety of other ground services in violation of U.S. sanctions.⁹²

U.S. attempts to curb Mahan Air's commercial operations outside Iran, including in friendly countries such as Gulf states, NATO countries, and Asian partners, have so far yielded no tangible result. The existing U.S. sanctions have not discouraged European and Asian companies from transacting with Mahan Air, either. The reason for this is not that U.S. sanctions are ineffective. It is rather that the U.S. has so far declined to threaten sanctions against those who provide material support to Mahan Air.

RECOMMENDATIONS

Demand Transparency About Aircraft Sales to Iran Air and Other Iranian Airlines:

The financial terms of the Boeing and Airbus deals are surprisingly opaque.⁹³ Months of media speculation about the structure of these deals have failed to yield the entities involved in financing the transfer of aircraft to Iran and to conclusively determine the identity of the lenders. Given the high stakes involved in the sale of U.S.-manufactured aircraft to Iran, the world's foremost sponsor of terrorism, Congress is entitled to know. It should demand that Boeing and Airbus make those details public.

Congress may also consider inviting the two air industry giants to testify about the terms of their respective deals to ensure full transparency. The companies should be able to explain the following: What guarantees are in place to ensure that the new aircraft will not be engaged in nefarious activities? What mechanisms are in place to avoid losses to the American economy in case sanctions are re-imposed?

Ascertain Iran Air's Role in the Airlifts:

Congress and the Trump administration should instruct the intelligence community to ascertain whether Iran Air is an active participant in the Syria airlifts. Provided this involvement is confirmed, the administration should then re-designate Iran Air under Executive Order 13224 (and possibly under Syria-related executive orders) for its material support to the IRGC-Quds Force and Hezbollah in Syria.

⁹¹ U.S. Department of the Treasury, Press Release, "Treasury Department Targets Those Involved in Iranian Scheme to Purchase Airplanes," May 21, 2015. (<http://www.treasury.gov/press-center/press-releases/Pages/j110061.aspx>)

⁹² Julian Pequet, "U.S. seeks to block sanctioned Iranian airline's flights to Europe," *Al Monitor*, February 11, 2016. (<http://www.al-monitor.com/pulse/originals/2016/02/us-treasury-block-iran-airline-mahan-sanctions.html>)

⁹³ Zohre Alami, Hamid Reza Gholamzadeh, "Airbus Regional Director: Silence best strategy of Airbus on ambiguities of Iran Air deal," *Mehr News* (Iran), January 11, 2017. (<http://en.mehrnews.com/news/122642/Silence-best-strategy-of-Airbus-on-ambiguities-of-Iran-Air-deal>)

Should this prospect be confirmed, the administration should also immediately revoke OFAC's licenses authorizing sales of aviation industry items and services to Iran Air, and it should relist all of Iran Air's current fleet, including the new, recently delivered Airbus aircraft.

Punish Iranian and Foreign Providers of Material Support to Syria's Airlifts:

U.S. designations of airlines and aircraft involved in the Syria airlifts have relied on Executive Order 13224, which targets non-U.S. persons involved in providing material support to terrorist entities. However, the U.S. has not yet designated the senior management of the airlines involved in the airlifts. This would be a clear opportunity for the United States to increase economic pressure on relevant Iranian airlines.

Additionally, the United States should examine all companies that provide material support to designated aviation companies. This could include:

- Ground services for airlines, their crews, and their passengers
- Financial services
- Logistical support of operations – including the use of airports
- Provision of jet fuel to operate the planes
- Insurance services to cover their liability

Attached to my testimony is an appendix with a list of companies that act as service providers (including ticketing, general sales, check-in, baggage handling, crew transfers, and hospitality services) to Mahan Air at its many destinations. The administration should direct OFAC to review and corroborate this list. OFAC should also compile a similar list of service providers for Iran Air.

Congress should also request that Treasury detail its communication with these companies, especially in allied countries, to dissuade them from providing material support to Mahan. U.S. leverage is strong, particularly when it comes to companies that may have a U.S. business presence.

This attached appendix, once independently verified, should also serve as a basis for designating and/or fining providers of material support to Mahan Air (and Iran Air, if appropriate).

FDD research has identified Abadan as the main logistical hub for the IRGC-run airlifts to Syria. Other airports where Syria-bound flights frequently originate are Tehran's Imam Khomeini International Airport (IKA), and Yazd. These airports and the authorities managing them should also be designated under Executive Order 13224.

The U.S. should also consider designating the Abadan Refining Company and its parent company, the National Iran Oil Refining and Distribution Company, for selling jet fuel to the airlifts, pursuant to E.O. 13224. The Abadan Refining Company is the principal supplier of jet fuel in Iran.

The U.S. also should designate Iranian financial institutions used by Mahan Air to pay for services necessary to carry out the airlifts, including the purchase of jet fuel. To this end, the administration

should send a joint State-Treasury team to discuss with foreign governments and foreign companies possible future action against non-Iranian companies that may be providing material support to newly designated Iranian entities. The team should note in public the nature of the mission and consequences that could occur.

Finally, the U.S. should designate the primary insurers of the aircraft involved in the airlifts, be they Iranian or foreign companies.

Chairman Burr, Chairman Pearce, these are my recommendations. I thank you for the invitation to testify and look forward to your questions.

APPENDIX: SERVICE PROVIDERS TO MAHAN AIR

City, Country	Type	Company	Address	Website	More information	Source
Yerevan, Armenia	Ticketing	TATEV-T.T.T. Tour Agency	19-1 Nalbanyan street, Yerevan, Armenia	http://www.tatev.com/	Tel: +374 10 524401 Fax: +374 10 524402 E-mail: mailto:mahanevn@tatev.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices ; "'TATEV-T.T.T." Co.Ltd," Spyur Information System (Armenia), accessed October 25, 2016. (http://www.spyur.am/en/companies/tatev-ttt/679)
Diagem, Belgium	Ticketing	Aviareps BVBA	Jan Emiel Mommaertslaan 18B, 3rd floor, 1831 Diegem	www.aviareps.com	Call Center: +32(0)2-7120569 Sales: +32(0)2-7120584 Fax: +32(0)2-7258392 E-mail: mahan.bru@aviareps.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Phnom Penh, Cambodia	Ticketing	Schedule freight	Intercontinental Hotel, Regency Complex C, Suite no 23-24A/168 Monireth Blvd, Phnom Penh, Cambodia	http://schedulefreight.com/	Tel: +855-23 993 637 Mobile: +855 12499 682 Fax: +855-23 223 839 E-mail: rothany@schedulefreight.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Beijing, China	Ticketing	Shanghai Elite International Travel Co., Ltd	S121 Lufthansa Center Business Building, 50 Liangmaqiao Road, Beijing Kempinski Hotel, Beijing	N/A	Tel: +86 10 64680100 Fax: +86 10 64601890 Mobile: +86 13 910620872 Email: mahan-bj@m3eliteclub.com Email: na.cai@m3eliteclub.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Shanghai, China	Ticketing	Mahan Air Airport Office	Pudong International Airport, Terminal 2, Area B~C, No. B12-302	N/A	Tel & Fax: +86 21 6883 5006 E-mail: PVG@station.mahan.aero	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices

Shanghai, China	Ticketing	Shanghai Elite International Travel Co., Ltd	Room B, 2nd floor, City Hotel, No. 5-7 ShanXi Road, Shanghai	N/A	Tel: +86 21 22871200 > Fax: +86 21 22871212 Mobile: +86 13636383583 E-mail: mahan@m3eliteclub.com Email: sabrina.chen@m3eliteclub.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Guangzhou, China	Ticketing	Shanghai Elite International Travel Co., Ltd	B-1, 2, Tower 1,120 Lihua Road, Dongfang Hotel, Guangzhou	N/A	Tel: +86 20 86692170 Tel: +86 20 86018966 Fax: +86 020 86663553 E-mail: Lily.Huang@m3eliteclub.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Shanghai, China	Cargo	Pana Rise	Unit 1206, 12/F, HuaiHaiGuoJi Plaza, No .45-49 East Huai Hai Road, HuangPu District, Shanghai 200021, China	http://www.panarise.com/	Phone: 0086 (180) 1600 7418 E-mail: markzhao@panarise.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Beijing, China	Cargo	Shanghai Unitrans International Logistics Co., Ltd	ChaoYang Road,ChaoYang District,Beijing, China Kempinski Hotel, Beijing	http://www.unitrans-lgs.cn/	Tel: 0086 10 670 82013 Tel: 0086 13 901 395289 Email: jerry@unitrans-lgs.com Email: air@unitrans-lgs.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Guangzhou, China	Cargo	Guangzhou Globair Air Services Co., Ltd.	Room 4H, DongFang Building, 417 Huangshi East Raod, Guangzhou, China	N/A	Tel: (8620) 3761 9876 Fax: (8620) 3761 9973 E-mail : w5res@globair.cn	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices ; http://rahnama.tv/%D8%B3%DB%8C%D8%B1-%D9%88-%D8%B3%D9%81%D8%B1/
Copenhagen, Denmark	Ticketing	Mahan Air Denmark PSA: Khyber International A/S	Vester Farimagsgade 3 Sal 1 1606 Copenhagen V	N/A	Tel: +45 33 12 11 88 Email: mahan@Khyber.dk	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices

Paris, France	Cargo	Fly US	6 RUE DU PAVE FRET 6 BUILDING B6 BP 18468 95708 ROISSY CDG CEDEX	N/A	Tel: +33 1 70 76 05 61-62-63 Fax :+33 1 70 03 96 97 E-mail: Cargosales.cdg@flyus.aero	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Dusseldorf, Germany	Ticketing	Mahan Air Airport Office: Reservation/ Ticketing & Passenger Services	Dusseldorf International Airport .Terminal C/ Office 1.727 Flughafenstr.1 40474 Dusseldorf	www.Mahan.aero	Tel: +49 (0) 180592000466 Fax: +49 (0) 211 421 71432 E-mail: Dus@station.mahan.aero	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Dusseldorf, Germany	Cargo	Transnautic Aircargo Agency GmbH	Dus-Air-Cargo-Center Eingang C Raum 4626 D-40474 Dusseldorf, Germany	http://www.transnautic.de/index.php/de/	Tel: +49 (0) 211 22 97 34-0 Fax: +49 (0) 211 22 97 34-24 E-mail: Baltes@transnautic.de Team: tndus@transnautic.de	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Frankfurt, Germany	Ticketing	Aviareps AG	Kaiserstraße 77 60329 Frankfurt am Main Germany	www.aviareps.com	Tel: +49 (0) 69 770 673 020 Fax: +49 (0) 69 770 673 028 E-mail: info.mahanair@aviareps.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Munich, Germany	Ticketing	Aviareps AG	N/A	www.aviareps.com	Tel: +49 69 7 70 67 30 20 E-mail: info.mahanair@aviareps.com	http://www.munich-airport.de/en/consumer/fluginfo/airlines/W5/index.jsp
Piraeus, Greece	Cargo	Be Accurate Ltd.	Filonos 113,GR-18535,Piraeus,Greece,	http://be-accurate.com/	Tel: +30 210 4594 401-6 Fax: +30 210 4595 419 E-mail: nikos.simou@be-accurate.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Kowloon, Hong Kong	Cargo	Globair Limited	Room 215, 2/F, Wing on Plaza, 62 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong.	http://globair.com.hk/	Phone: +852 2869 0668 +852 2869 0028 Fax: +852 2526 7207 E-mail: cargo@globair.com.hk	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices

New Delhi, India	Ticketing	Minar Travels	M-34, Ground Floor, Outer Circle, Connaught Place, New Delhi 110001	http://www.minartravels.com/airline.html	Tel: +91 11 43 41 64 50-59 Fax: +91 11 23 41 64 10 E-mail: Ticketsminar@minartravels.com mahansales@minartravels.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
New Delhi, India	Ticketing	Minar Travels	Level 4, Room No. 107, Terminal 3, Indira Gandhi International Airport, New Delhi 110037	http://www.minartravels.com/airline.html	Tel: +91 1149 63 88 24 Fax: +91 1149 63 88 25 E-mail: dellw5@minartravels.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
New Delhi, India	Cargo	Aargus Global Logistics Pvt Ltd	Basant Hotel, in front of Airport's main gate, Sanganer, Jaipur, India	http://www.aargusglobal.com/	Tel: +91 98 10036508 Email: info@aargusglobal.com	http://freightfolio.com/places/india/india/jaipur/freight-forwarder/aargus-global-logistics-pvt-ltd-6/
New Delhi, India	Cargo	Aerotek International	9-18 Ground Floor Lajpatnagar-II New Delhi-10024	http://www.aerotek.in/cargo-sales-agents	Tel: 9871924702, 9873663394.	http://www.aerotek.in/cargo-sales-agents
New Delhi, India	Cargo	Minar Travels	Room No. 18, First Floor, Public Amenities Building International Cargo Complex New Delhi 110037	http://www.minartravels.com/airline.html	Tel: +91 11 47 32 31 45 E-mail: W5delcargo@minartravels.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Sulaimaniyeh, Iraq	Ticketing	Mahan Air Town Office	Salim ST, Behind Khshro Khal Bridge, Zozik- Air	N/A	Tel: +9647504450884 Tel: +9647504880884 Tel: +9647706512884	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Sulaimaniyeh, Iraq	Ticketing	Hawar Hewa Abdulrahman	60M Malik Mahmood Street, Near Abu Sanaa Hotel, Sulaimaniyah-Iraq	http://www.zozik-air.net/	Tel: +964(771)3576565 Tel: +964(771)3577575 E-mail: mahan.isu@zozik-air.net	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Erbil, Iraq	Ticketing	Zozik Air	Galleria Mall Erbil, Gullan St.	http://www.zozik-air.net/	Tel: +964 7504018333 Tel: +964 7501339699 E-mail:	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices

					Mahan.zozik@yahoo.com	ro/en/contact/sales-offices
Erbil, Iraq	Cargo	Zozik Air	40M Gulan Str ,Galleria Mall office 08, Erbil, Republic of Iraq	http://www.zozik-air.net/	Tel: +964 750 445 0884 +964 750 401 8333	Information from Mahan Air website http://www.mahan.ae/ro/en/contact/sales-offices
Milan, Italy	Ticketing	Holiday Travel Agency (HTA)	Via Monte Rosa ,74 ,20149, Milano, Italy	https://www.instagram.com/holidaytravelagency/	Tel: +39 0223170024 Mobile: +39 3484564438 E-mail: Holidaytravelitalia@gmail.com	Information from Mahan Air website http://www.mahan.ae/ro/en/contact/sales-offices
Milan, Italy	Ticketing	Apadana Travel Agency (ATA)	Via Mauro Macchi, 42 (Centrale), Milano, Italy	https://www.facebook.com/Travelapadana/	Tel: +39 02 98993715 Mobile: +39 3711585322 E-mail: travelapadana@gmail.com	Information from Mahan Air website http://www.mahan.ae/ro/en/contact/sales-offices
Milan, Italy	Ticketing	Iran Travel Agency (ITA)	Via Lazzaro Palazzi 2/A (MM1 Porta Venezia) II Piano 20124, Milano, Italy	www.irantravelagency.it	Tel: +39 02 36644398-9 Tel: +39 3805836786 Email: info@irantravelagency.it	Information from Mahan Air website http://www.mahan.ae/ro/en/contact/sales-offices
Torino, Italy	Ticketing	Rafiki Viaggi	C,SO Toscana, 194/C-10151, Torino, Italy	http://www.rafikitor.com/home.html	Tel: +39 0112207679 Tel: +39 3939374327 E-mail: rafikiviaggi@yahoo.it	Information from Mahan Air website http://www.mahan.ae/ro/en/contact/sales-offices
Torino, Italy	Ticketing	Arta Travel Agency (ATA)	Corso Unione Sovietica, 163/C, 10134, Torino, Italy	https://www.instagram.com/artatravel/	Tel: +39 011 5843469 Tel: +39 3804623607 E-mail: artatravelagency@libero.it	Information from Mahan Air website http://www.mahan.ae/ro/en/contact/sales-offices
Florence, Italy	Ticketing	Global Travel Agency co.(G.T.A)	Piazza Liberta, Ponte Rosso, Via Bolognese 2, Piano 2	https://www.facebook.com/GlobalTravel.A/	Tel: +39 0559331081 Tel: +39 3293989481 Telegram: https://telegram.me/Global_Travel E-mail: global2016flight@gmail.com	Information from Mahan Air website http://www.mahan.ae/ro/en/contact/sales-offices
Milana, Italy	Cargo	Air Cargo S.r.l.	Malpensa Cargo City, 3° piano – Building A	http://www.iasaircargo.it/news/	Tel: +39 02 74865216*8 FAX: +39 02 74865014 E-mail: k.rapana@iasaircargosrl.it E-mail:	Information from Mahan Air website http://www.mahan.ae/ro/en/contact/sales-offices

					a.cossutta@iasaircargosrl.it	
Rome, Italy	Cargo	Air Cargo S.r.l.	Leonardo da Vinci Airport, Cargo City, Building N°3 – 1st Floor, 00050 Fiumicino	http://www.iasaircargo.it/news/	Tel: +39-06 65953288 Fax: +39 665953286 E-mail: mahan.booking@iasaircargosrl.it	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Tokyo, Japan	Cargo	International Marketing Inc.	Toranomon TBL Bldg. 8F. 1-19-9 Toranomom Minato-ku, Tokyo, 105-0001 Japan	http://www.imi-japan.jp/english/index.html	Tel: +81 3 5157 5756 Fax: +81 3 3593 6534 E-mail: momo@airsystem.jp	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Almaty, Kazakhstan	Ticketing	Mahan Air Town Office	Makatayeva-128-1 str. Almaty, Republic of Kazakhstan	N/A	Tel: +7 727 3933114 Tel: +7 701 3382976 Tel: +7 727 3907046 Mobile: +7 701 755 4559 E-mail: Babakziaee@mahan.kz	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Almaty, Kazakhstan	Ticketing	Mahan Air Airport Office	N/A	N/A	Mobile: +7 701 7310195 E-mail: Yaukhadiyev@mahan.kz	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Almaty, Kazakhstan	Ticketing	Mahan Air PAX GSA Almaty	Makatayeva-128-1 str. Almaty, Republic of Kazakhstan	N/A	Tel: +7 727 3933114 Tel: +7 727 3907046 Mobile: +7 701 8800123 E-mail: Sales@mahan.kz	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Almaty, Kazakhstan	Cargo	Mahan Air Cargo Office	Makatayeva-128-1 str. Almaty, Republic of Kazakhstan	N/A	Tel: +7 727 3933114 Mobile: +7 701 9860804 E-mail: Cargo@mahan.kz	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Almaty, Kazakhstan	Cargo	Tour Invest Co,	Republic of Kazakhstan, 050057, Almaty , Bostandyk district, Minbayeva Street, 68, 7flat,	N/A	Mobile: +7 701 8800122 E-mail: Cargo@mahan.kz	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices ; http://rahnama.tv/%D8%B3%DB%8C%D8%B1-%D9%88-%D8%B3%D9%81%D8%B1/

Beirut, Lebanon	Cargo	Sky Gift Office	South dhahya street Sheikh zayed steet Airport , MEA building , Second floor ,Sky gift office	N/A	Tel: +96 130 26662 +96 118 42147 +96 134 75249	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Kuala Lumpur, Malaysia	Ticketing	Mahan Air Town Office	C-LG-01 Lower Ground Floor Block C Megan Avenue 2, No. 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur	N/A	Tel: + 603 216 35366 Tel: + 603 216 68 977 Fax: + 603 216 65 977 E-mail: kualalumpur@yahoo.co m E-mail: Jef.dispatch@yahoo.co m	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Kuala Lumpur, Malaysia	Ticketing	Mahan Air Airport Office	Lot C 15, Level 4, Main Terminal Building KL International Airport, Sepang 64000 Selangor Darul Ehsan Malaysia	N/A	Tel: + 603 877 65 385 Fax: + 603 877 65 549 E-mail: kul@office.mahanairlin es.com E-mail: kul@station.mahan.aer o	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Sepang, Malaysia	Cargo	Icargos Sdn Bhd	Lot 202-3, 2nd Floor CSC Building, KLAS Cargo Complex, KLIA 64000 Sepang, Selangor	https://yellow.place/fr/mahan-travel-and-tourism-sdn-bhd-kuala-lumpur-malaysia	Tel: 603-8778 8781/2/3 Fax: 603-8778 8785 E-mail : lim@icargo.com.my akmal@icargo.com.my	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices ; https://www.mybusiness.com/company/Icargos-Sdn-Bhd
Amsterdam, Netherlands	Ticketing	Aviareps BV	Beechavenue 104 11 19 PP Schiphol the Netherlands	www.aviareps.com	Tel: +31 (0) 20 654 79 24 Tel: +31 (0) 20 520 02 81 Fax: +31 (0) 20 623 01 51 E-mail: mahanair.ams@aviarep s.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Moscow, Russia	Ticketing	Aviareps AG	Business Center "Diamond Hall", 7th Floor Olimpiysky Prospekt,14 -	www.aviareps.com	Tel: +7-(495)-775-39- 73 Fax: +7 (495) 937-5951 E-mail: MahanAir.Russia@avia reps.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices

			Moscow, Russia, 129090			
Jeddah, Saudi Arabia	Ticketing	Mahan Air Town Office	N/A	N/A	Tel: +96626685054 Fax: +96626684963	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Seoul, South Korea	Ticketing	Pacific Air Agency Group	12th Floor, Dong Hwa Bldg.58-7, Seosomun Dong, Choong- Ku, 100-110 Seoul, Korea	N/A	Tel: +96623178833-4 Fax: +96627559758	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Seoul, South Korea	Cargo	Pacific Air Agency Group	12 Th Floor. Dong Hwa Bldg. 58-7, Seosomun – Dong Choong – Ku, Seoul, Korea / Post 100 – 110	N/A	Tel: +822 317 8899 +822 317 8711 +822 317 8888 +822 317 8830 Fax: 0082 2 755 9758 E-mail: jpilpark@unitel.co.kr bmchung@paagr.co.kr lim@icargo.com.my	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Colombo, Srilanka	Cargo	Taprobane Aviation	43/3 ,Kottawa lane 1, Embuldeniya,N ugegoda Mr.Kapila Chaminda Bandara	N/A	Tel: +71 209090 944 E-mail: wkchamindabandara@gmail.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Colombo, Srilanka	Cargo	Delmege Air Services Pvt. Ltd	N/A	http://delmege.com/	N/A	http://www.ft.lk/article/136259/Middle-East-cargo-leader-links-up-with-Delmege-Air-Services-
Taipei, Taiwan	Cargo	Euro Travel Service	(Taipei Head Office) 5th Floor, No 62, Nan King East Road, Sec. 2, Taipei, Taiwan.	N/A	Tel: +886-225612310 Fax: +886-225361842 E-mail: service@euroexpress.com.tw	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Bangkok, Thailand	Ticketing	My Aviation Co. Ltd.	140/65 ITF Tower, 27th Floor, Silom Road, Suriyawong, Bangrak,	http://www.hkong.net/537315-my-aviation-co-limited	Tel: +66 23 16 961 Fax: + 66 23 16 967 E-mail: tktbkkw5@myaviation.biz Cargo E-mail:	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices

			Bangkok 10500 Thailand		natthapong@myaviation.biz	
Bangkok, Thailand	Cargo	My Aviation Co. Ltd.	140/65 ITF Tower, 27th Floor, Silom Road, Suriyawong, Bangrak, Bangkok 10500 Thailand	http://www.hkong.net/537315-my-aviation-co-limited	Tel: +66 22 316961 Fax: + 66 23 16 967 E-mail: natthapong@myaviation.biz	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices ; http://bigstory.ap.org/article/c7399b55fa264fd8968838026769d703/look-european-asian-nations-servicing-iranian-airline
Istanbul, Turkey	Ticketing	Andira Tour	Merkez Mah. Abide-i Hürriyet Cad. ka o Apt. No: 80 Kat:5 Daire:9 i li/ stanbul	www.andiratour.com	Tel: +90 212 444 8540 Fax: +90 212 343 1086	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices ; https://www.facebook.com/pg/andiratouro/about/
Istanbul, Turkey	Ticketing	Mahan Air Airport Office	Ataturk International Airport, Main Hall, Mahan Air Office, Istanbul, Turkey	N/A	Tel: +90 212 663 9043 (direct) Tel: +90 212 463 3000-6655	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Istanbul, Turkey	Cargo	Air Mark	N/A	http://www.air-mark.com/CargoGssa_Partners.htm	Tel: +90 212 244 2101 GSM: +90 212 249 1682	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Istanbul, Turkey	Cargo	IST - City Office	SAW - International Departure Terminal	N/A	DL: +901 - Istanbul Tel: +90 216 588 8992	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Ankara, Turkey	Ticketing	Andira Tour	Address: Büklüm Sok. No:10/5 06660, Kavaklıdere, Çankaya/Ankara	https://www.andiratour.com/	Tel: +90 312 425 7095 Fax: +90 312 425 7046	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Ankara, Turkey	Ticketing	ESB - International Departure Terminal	Counter Office DL 28 - Ankara	N/A	Tel: +90 312 398 2045	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices

Izmir, Turkey	Cargo	ADB - International Departure Terminal	Airport Office DL: 1911 - Izmir	N/A	Tel: +90 232 274 3353	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Istanbul, Turkey	Cargo	Air Mark	Yenibosna Merkez Mah. Cinar Cad. No:9 Kat:2 34197, Bahcelievler, Istanbul, TURKIYE	http://www.air-mark.com/Cargo/Gssa_Par_tners.htm	Tel: +90 212 444 1 472 Fax: +90 212 245 4486 alper.aksem@air-mark.com mahanair@air-mark.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Dubai, United Arab Emirates	Cargo	Gatewick LLC, a/k/a Gatewick Freight & Cargo Services a/k/a Gatewick Aviation Services	Office no.M22 1st Floor Dnata Building Freight Gate No.4 Dubai Airport Free zone United Arab Emirates .	N/A	Tel: +97 14 2991884 Fax: +97 14 2991885 marketing@gatewick-freight.com planning@gatewick-freight.com	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices ; http://www.uaeresults.com/1192571/Airline_And_Aircraft_Support_Services/Dubai/Mahan_Air_GSA_Jahan_Destinations/ ; https://www.bis.doc.gov/index.php/forms-documents/about-bis/newsroom/395-bis-renews-temporary-denial-order-against-mahan-airways-of-iran-zarand-aviation-and-related-parties/file
Dubai, United Arab Emirates	Ticketing	Jahan Destinations	Address: Deira City of Dubai	https://www.facebook.com/JahanDXB/	Tel: +97142500202 Tel: +97142200105 Fax: +97142502122-3 E-mail: dxb@station.mahan.aero	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Ho Chi Minh, Vietnam	Cargo	Globe Air cargo Vietnam	39B Truong Son Street, Tan Binh District, Ho Chi Minh City, Vietnam	http://ecsgroup.aero/ecs_filiate/vietnam-gac/	Tel: (84-8) 66522266 Fax: (84-8) 35471668 E-mail: sgn.vn@ecsgroup.aero	Information from Mahan Air website http://www.mahan.aero/en/contact/sales-offices
Ha Noi, Vietnam	Cargo	Globe Air Cargo Vietnam	4th Fl., NTS Building, Noi Bai Int'l Airport, Ha Noi, Vietnam.	http://ecsgroup.aero/ecs_filiate/vietnam-gac/	Tel: (84-4) 3584 3148 Fax: (84-4) 3584 3149 E-mail: han.vn@ecsgroup.aero	

