

United States Senate

May 21, 2026

The Honorable Scott Bessent
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave NW
Washington, D.C. 20220

Dear Secretary Bessent,

I applaud your warning that participants in the “Tehran Toll Booth” may face punitive sanctions. Iran’s efforts to illegally control the Strait of Hormuz are yet another example of the ongoing threats posed by the terrorist Iranian regime that Operation Economic Fury rightly targets. And reports that Iran is coordinating with other governments to jointly regulate traffic through the Strait are particularly alarming. Congress stands ready to support any actions that further this mission and hold these entities to account.

Just this week, Iran officially launched the Persian Gulf Strait Authority (PGSA), claiming sovereign authority to regulate transit and collect fees for passage through the Strait of Hormuz. Under this illegal framework, ships must apply to the PGSA, disclose ownership, insurance, crew manifests, and cargo, and pay tolls reportedly reaching \$2 million per vessel before being granted permission to transit. The PGSA operates directly under the Islamic Revolutionary Guard Corps (IRGC), a designated Foreign Terrorist Organization, meaning every dollar collected directly finances a sanctioned terrorist entity.

Beyond the immediate revenue it generates for the IRGC, formal recognition of their scheme by any government, shipowner, or financial institution would violate the principle of freedom of navigation and set a dangerous precedent for other coastal states near the world’s critical maritime routes. Any individual, entity, or nation that lends legitimacy to Iran’s illegal toll booth is enabling the IRGC and undermining the global trading system.

The PGSA cannot operate without the consent of other nations, and the United States must ensure every actor enabling the terrorist Iranian regime is held accountable. I stand ready to work with you and am preparing legislation to further codify your efforts. In the meantime, I support the use of existing authorities to impose sanctions on the PGSA, its officers, and any foreign entity that pays, processes, or facilitates tolls to Iran for passage through the Strait of Hormuz.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in blue ink that reads "Tom Cotton". The signature is written in a cursive style with a horizontal line at the end.

Tom Cotton
United States Senator