

IRAN'S SUPPORT FOR TERRORISM IN THE MIDDLE EAST

HEARING
BEFORE THE
SUBCOMMITTEE ON NEAR EASTERN AND
SOUTH AND CENTRAL ASIAN AFFAIRS
OF THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE
ONE HUNDRED TWELFTH CONGRESS
SECOND SESSION

—————
JULY 25, 2012
—————

Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

U.S. GOVERNMENT PRINTING OFFICE

76-693 PDF

WASHINGTON : 2012

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON FOREIGN RELATIONS

JOHN F. KERRY, Massachusetts, *Chairman*

BARBARA BOXER, California	RICHARD G. LUGAR, Indiana
ROBERT MENENDEZ, New Jersey	BOB CORKER, Tennessee
BENJAMIN L. CARDIN, Maryland	JAMES E. RISCH, Idaho
ROBERT P. CASEY, JR., Pennsylvania	MARCO RUBIO, Florida
JIM WEBB, Virginia	JAMES M. INHOFE, Oklahoma
JEANNE SHAHEEN, New Hampshire	JIM DEMINT, South Carolina
CHRISTOPHER A. COONS, Delaware	JOHNNY ISAKSON, Georgia
RICHARD J. DURBIN, Illinois	JOHN BARRASSO, Wyoming
TOM UDALL, New Mexico	MIKE LEE, Utah

WILLIAM C. DANVERS, *Staff Director*

KENNETH A. MYERS, JR., *Republican Staff Director*

SUBCOMMITTEE ON NEAR EASTERN AND
SOUTH AND CENTRAL ASIAN AFFAIRS

ROBERT P. CASEY, JR., Pennsylvania, *Chairman*

BARBARA BOXER, California	JAMES E. RISCH, Idaho
ROBERT MENENDEZ, New Jersey	BOB CORKER, Tennessee
BENJAMIN L. CARDIN, Maryland	MIKE LEE, Utah
CHRISTOPHER A. COONS, Delaware	MARCO RUBIO, Florida
TOM UDALL, New Mexico	JOHNNY ISAKSON, Georgia

CONTENTS

	Page
Byman, Dr. Daniel, senior fellow and director of research, Saban Center for Middle East Policy, Brookings Institution, and professor in the School of Foreign Service at Georgetown University, Washington, DC	8
Prepared statement	10
Casey, Hon. Robert P., Jr., U.S. Senator from Pennsylvania, opening statement	1
Jeffrey, James F., former U.S. Ambassador to Iraq, Alexandria, VA	5
Prepared statement	6
Levitt, Dr. Matthew, senior fellow and director, Stein Program on Counterterrorism and Intelligence, Washington Institute for Near East Policy, Washington, DC	22
Prepared statement	23
Pletka, Danielle, vice president, Foreign and Defense Policy, American Enterprise Institute, Washington, DC	16
Prepared statement	19
Risch, Hon. James E., U.S. Senator from Idaho, opening statement	4
ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD	
Kerry, Hon. John F., U.S. Senator from Massachusetts, prepared statement ...	2

IRAN'S SUPPORT FOR TERRORISM IN THE MIDDLE EAST

WEDNESDAY, JULY 25, 2012

U.S. SENATE,
SUBCOMMITTEE ON NEAR EASTERN AND
SOUTH AND CENTRAL ASIAN AFFAIRS,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:07 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Robert P. Casey, Jr. (chairman of the subcommittee) presiding.

Present: Senators Casey, Menendez, Cardin, Udall, Risch, Corker, and Lee.

OPENING STATEMENT OF HON. ROBERT P. CASEY, JR., U.S. SENATOR FROM PENNSYLVANIA

Senator CASEY. The hearing will come to order.

Thank you very much, everyone, for being here with us this morning. And I am sorry I am running a little bit late.

Today the Senate Foreign Relations Committee and its Subcommittee on Near Eastern and South and Central Asian Affairs meets to examine the grave implications of Iran's support for terrorism and militant movements in the Middle East. Iran's support for terrorism is well known and documented and has become an established fact over all these years. Iran provides political and military support to militant movements like Hezbollah, Hamas, and Islamic Jihad, and directly conducts terrorist acts throughout the Middle East to advance its interests. Over the past year alone, there appears to have been a sharp spike in Iranian-sponsored terrorism around the world. The international community has been clear in its resolve against Iran acquiring a nuclear weapon. We must also, however, unite in opposition to Iranian use of terrorism, an effort that will require heightened intelligence cooperation with countries around the globe and enhanced efforts to discredit the Iranian Quds Force and its patrons.

The committee today meets to examine at least three fundamental questions. How does Iran's use of terrorism directly impact the national security of the United States of America and our allies in the region, including the state of Israel? No. 2, what have the historic political changes in the region and ongoing violence in the Middle East meant for Iran's position in the region and its use of terrorism to project force? No. 3, if Iran were to develop a nuclear weapons capability, how would this impact its behavior and relationships with terrorist organizations?

Since its founding in 1979, the Islamic Republic of Iran has sought to compensate for its conventional disadvantage by resorting to the use of terrorism and support for terrorist groups.

There are three areas that I would like to highlight where the support has been most significant and done the most damage: the support that Iran has provided to Hezbollah, Iraqi Shiite militant groups, and the Assad regime in Syria.

The primary beneficiary of Iran's support for terror has been Lebanese Hezbollah, and as a member of this committee, I have tried to bring sustained attention to this relationship and what it means for U.S. interests. In June 2010, I chaired a hearing in which former Assistant Secretary Jeff Feltman and Ambassador Daniel Benjamin noted in joint testimony that "in 2008 alone, Iran provided hundreds of millions of dollars to Hezbollah and trained thousands of its fighters at camps in Iran. Iran continues to assist Hezbollah in rearming and violating Security Council Resolution 1701. Iran has also been found to be in violation of U.N. Security Council Resolution 1747 which prohibits it from exporting arms and related material. In 2009, U.N. member states reported to the U.N. Iran Sanctions Committee three instances in which Iran was found to be transferring arms and related material to Syria, a regional hub for Iranian support to terrorist groups such as Hezbollah." That is what the Ambassador and the Assistant Secretary said in 2010.

This threat to Iran came into very sharp focus last week in Bulgaria where five Israeli terrorists and a Bulgarian bus driver were murdered in a vicious act of terrorism. I and other members of the committee, offer our condolences to the victims' families and also to the people of Israel as they mourn this loss. The United States will assist Bulgaria and Israel in any way we can to help bring those responsible to justice.

Without objection, I would like to submit a statement for the record on behalf of Chairman John Kerry which expresses some of these same sentiments.

[The prepared statement of Senator Kerry follows:]

PREPARED STATEMENT OF HON. JOHN F. KERRY,
U.S. SENATOR FROM MASSACHUSETTS

Every American heart feels for the families of those killed in last week's vicious and cowardly murder of five innocent Israelis and a local bus driver in Bulgaria. Our prayers and sympathy are with the people of Israel and Bulgaria in these days of immense grief.

As the smoke clears, one thing is clear: This terrorist attack was an act of hate, and it should stiffen the spines of free people everywhere. History is full of painful reminders that acts of hatred, left unchallenged, can grow to envelop whole societies—exposing the ugliest side of humanity. We must stand strong against the cruel sting of bigotry, anywhere and everywhere it rears its head.

Too many don't realize the global reality of anti-Semitism today. Too many don't realize that a witches' brew of old prejudices, new political grievances, and economic troubles not seen since the 1930s have created dangerous new openings for extremism.

The United States is committed to the security of Israel and to that of our Bulgarian partners. In addition to words of condolence and condemnation, America should offer every assistance to Israel and Bulgaria in dealing with the aftermath of this tragedy. I expect we will see—and we must see—a thorough investigation and close cooperation among our three governments to learn more about this deplorable incident and to bring to justice anyone connected to this horrific act.

The fragility of a just society imposes on all of us a moral obligation to be eternally watchful against the forces that could scratch away at it, or tear it down altogether. While these attacks remind us that the fight is far from over, they also strengthen our resolve to stand together for the right of free people everywhere to live their faith in a peaceful world. We cannot rest until the job is done.

Senator CASEY. The authorities we know are continuing the investigation, but Israeli officials have publicly accused Hezbollah of conducting the attack. This is the latest and most deadly of a string of attempted attacks allegedly perpetrated by Hezbollah and Iran. Although both have not been definitively linked to all of these attacks, many are pointing to the string of plots as an escalation of Iran's terrorist activities abroad and its growing antagonism to the state of Israel.

The United States does not differentiate between Hezbollah's political and militant wings, nor should our allies. More countries should recognize Hezbollah for what it is, a terrorist organization, and stand with the United States against Hezbollah in all its forms.

Over the past year, I and others have grown increasingly concerned about Hezbollah's increased level of terrorism activity abroad while it has consolidated its political position at home in Lebanon. I hope that more of our allies will recognize this reality and work to address this threat posed by Hezbollah.

In Iraq, Iran has provided Iraqi Shiite militants and terrorists with funding, weapons training, and guidance in order to protect Iran's strategic interest and threaten the remaining United States presence in Iraq. We can never forget the scores of United States troops who died in Iraq because of Iranian-supported militant groups. The United States should continue to support the Iraqi Government as it resists undue influence from Iran and fights terrorism within its borders.

Syria remains Iran's key ally in the region. Iran continues to support the Assad regime despite the terrible violence—the massacre of thousands—it is inflicting on the people of Syria. We know that Iran has sent weapons and equipment to bolster the regime. Several shipments were intercepted in 2011. The Quds Force is reportedly advising Syrian security forces on tactics to crush the unrest.

In response, the Treasury Department has sanctioned the Quds Force for human rights abuses in Syria. Tehran, we know, has few friends around the world. I and others have called for Assad to step down as long ago as August 2011.

For the sake of the Syrian people and Iran's position in the region, the international community should maintain pressure on the regime for political transition as soon as possible.

Finally, this committee must examine the relevant influence of Iran amid the political changes that have swept the region since the beginning of 2011. Iran has clearly grown more aggressive as it lashes out against Israel and United States interests. But what is not clear is Iran's ability to influence countries in the region that have increasingly rejected Iran's form of authoritarian government and use of violence. I look forward to hearing from the witnesses about how Iran will seek to exert its influence in this increasingly uncertain regional environment.

In closing, we are all very concerned about a nuclear Iran. If past behavior is any indication, a nuclear Iran would act more aggressively to exert its influence across the Middle East. Even if it did not ever use an atomic weapon, a nuclear Iran would feel empowered to conduct more terrorist attacks against United States and Israeli targets, provide more lethal assistance to Hezbollah and Palestinian militant groups, and give the Quds Force greater freedom to support terrorist groups across the Middle East.

I look forward to hearing the views of our witnesses on these issues.

We are, indeed, honored to be joined by four distinguished experts to help us assess these issues and evaluate policy options.

First, we welcome Ambassador Jim Jeffrey who recently retired from the Department of State after a long career of public service. Thank you, sir, for being here. Ambassador Jeffrey served as U.S. Ambassador to Turkey and most recently as Ambassador to Iraq until June of this year.

Second, Dr. Matthew Levitt is a senior fellow and director of the Program on Counterterrorism and Intelligence at the Washington Institute for Near East Policy, as well as a lecturer at Johns Hopkins University Nitze School of Advanced International Studies. From 2005 to early 2007, he served as Deputy Assistant Secretary for Intelligence and Analysis at the U.S. Department of Treasury. Dr. Levitt is the author of a forthcoming book, "Hezbollah: The Global Footprint of Lebanon's Party of God." Thank you so much, Doctor.

Third, we welcome Dr. Daniel Byman, senior fellow and director of research at the Saban Center for Middle East Policy at the Brookings Institution, as well as professor in the Security Studies Program at Walsh School of Foreign Service at Georgetown. Thank you very much.

And finally, we welcome Ms. Danielle Pletka, vice president for Foreign and Defense Policy Studies at the American Enterprise Institute and expert on the region's complex politics. Ms. Pletka is a former staff member of the Foreign Relations Committee and testified at our 2010 hearing on Hezbollah. Welcome back to our committee.

We thank our witnesses and look forward to their insights today on this very important topic.

And I would like to turn now to our distinguished ranking member, Senator Risch, for his opening statement.

**OPENING STATEMENT OF HON. JAMES E. RISCH,
U.S. SENATOR FROM IDAHO**

Senator RISCH. Well, Mr. Chairman, thank you so much. This is an important hearing. I am happy to participate in this.

What is happening today, I think, around the world—there is a tremendous amount of focus on Iran and its nuclear program, and that seems to be really dominating the conversation. Even before that happened, Iran has been a sponsor of terrorism. They continue to be so, and they are getting bolder at it from time to time. So it is important that we underscore this. It is important that we bring a focus on this.

We have a distinguished panel. I am anxious to hear from them, and I am particularly interested in hearing their views about how the collapse of Syria, which I think everyone is in agreement will happen at some time in the hopefully not too distant future, will affect Iran's conduct of its support for terrorism.

Thank you very much, Mr. Chairman.

Senator CASEY. Thank you, Senator Risch.

We will now turn to opening statements from our witnesses. I would encourage all of our witnesses to keep their remarks brief and succinct. Your entire statement will be made part of the record, but if you could summarize, that would help us. We will try to keep it between 5 and 7 minutes. I have a gavel not a gong, but we will try to exercise restraint.

I think we will start with Ambassador Jeffrey. Thank you for being here.

**STATEMENT OF HON. JAMES F. JEFFREY, FORMER U.S.
AMBASSADOR TO IRAQ, ALEXANDRIA, VA**

Ambassador JEFFREY. Thank you very much, Mr. Chairman, Senator Risch, Senator Corker. It is a privilege to be back here.

I agree with everything that you said already on Iran. What I would like to do is to focus for the moment on Iraq, both our experiences there and whether there are lessons that we can draw more generally.

One of the major fields, as you indicated already, of troublesome Iranian activity within the larger context is its behavior in Iraq. Iran's interests in Iraq range from those with some rationale, avoiding a repeat of the devastating 1980 Iraqi attack on Iran, to those which we must resolutely resist, using the whole gamut of Iran's capabilities for its strategic advantage, arming the Shia militias that are under its tutelage and using them for terrorist activities, putting the Iraqi Government under constant pressure, and looking at the Shia population of Iraq as not an independent element of a sovereign state, but rather as potential Iranian vassals.

Thus, a major element of our policy toward Iraq and Iran should be, and has been, to counter this Iranian campaign, including but going beyond its use of terror.

Here we can usually count on the Iraqi people and government as our allies. In various polls, we have seen that the Iraqi people reject close relations with Iran. They want to have a neighborly relationship, but Iran is very unpopular in all the polls we have seen. It has not been successful in penetrating the Shia religious center in Najaf, and its commercial and investment activities in Iraq, although significant, have not led to any dominance of the Iraqi economy.

Meanwhile the Government of Iraq, despite Iranian pressure, has struck out at Iranian-backed militias repeatedly, increased crude oil exports significantly over the past 18 months, thus helping to balance the reduction of Iranian exports on world oil markets due to the sanctions. The government has cooperated with us in the past year on a solution to the Mujahideen-e-Khalq, the MEK situation of Iranians that are located within Iraq. It has supported the Arab League position on Syria, and it has stopped likely arms flights from Iran to Syria.

I would thus characterize Iran's current posture toward Iraq as one of an economy of force. Iran is comfortable with the overall political situation in Iraq. It has good relations with all the Shia and Kurdish parties. It does not see Iraq as threatening Iran at the moment. But in return, it has not sought seriously to challenge the various things that Iraq has done, which I just enumerated, nor the United States close relations, particularly military and FMS relations, with Iraq, including over \$10 billion in FMS sales and eventually 36 F-16 fighters.

Furthermore, several times Iran has pulled back its support for terror and for these armed militias which it has set out to utilize when we and the Iraqi Government have resisted strongly through military, diplomatic, and other actions.

I do not want to overstate the resistance of Iraq to Iranian influence. Many Iraqis have personal ties with Iranian leaders. There is the religious connection between Najaf and Qom within the larger context of Shia Islam. As then Senator Biden said in 2008, "The idea that we can wipe out every vestige of Iran's influence in Iraq is a fantasy. Like it or not, Iran is a major regional power and it shares a long border and a long history with Iraq."

To sum up, first in Iraq, our overall strategy there, including stemming strategic Iranian dominance of the country, has been successful, despite the massive cut in resources, a cut that I supported, over the past 2 years, withdrawal of troops, drop in our assistance. This is a policy that we should continue bearing always in mind that this success is fragile and should not be placed at risk for wider policies. If Iranian pressure increases, we have tools to counter it, but absent such an increase, we have far more promising ways and places to challenge Iran strategically: Syria, as you indicated, the oil portfolio, and U.N. sanctions on the nuclear portfolio.

More generally, the lessons you can draw from this, first of all, are that Iran sees terror not the way we see it, but simply as one of the many tools it uses in asymmetrical campaigns to achieve its own influences.

Second, based upon my experiences in Iraq, when we push back hard, including hard militarily, Iran usually pulls in its claws and assumes a defensive posture, but that is usually when it is doing something of an adventuresome nature. Whether it would do the same when it sees its core interests challenged is another question.

So I will stop there, Senator. Thank you very much.

[The prepared statement of Ambassador Jeffrey follows:]

PREPARED STATEMENT OF AMBASSADOR (RET.) JAMES F. JEFFREY

Senator Casey, members of the subcommittee, it is an honor to appear before you, and to be back before the Senate, although this marks the first time I have been here as a private citizen.

Iran is obviously a serious threat to security throughout the region. Its pursuit of nuclear weapons, support for terrorism, and hostility to Israel, make it rightly the single greatest cause of concern in the region at present.

One field of worrisome Iranian activity in this larger context is Iraq. Iran's interests in Iraq range from those with some rationale—ensuring no second devastating attack like that of 1980 ever is launched against Iran from Iraq, to those we must resolutely resist—using the whole gamut of its capabilities for its own strategic advantage, from the arming of militias and encouraging their terrorist attacks, to pressuring the Iraqi Government politically, and refusing to accept the Iraqi Shia

as truly one element of an independent state, but rather as potential Iranian vassals.

Thus a major element of our policy toward Iraq should be, and has been, to counter this Iranian campaign, including but going beyond terror.

Here we can count on the Iraqi people as our allies. To quote recent remarks by Vice President Biden's National Security Advisor, Tony Blinken: "Baghdad repeatedly has acted contrary to Iran's interests, including with its support for the Arab League and U.N. General Assembly Resolution on Syria; its pressure on Iranian backed militias to dramatically reduce attacks; and the patience it has thus far shown, despite repeated urging from Teheran, during efforts to relocate the MEK residents of Camp Ashraf." The Government of Iraq has also increased markedly oil exports, and imposed Security Council strictures on Iranian overflights possibly carrying weapons, both of which run counter to Iranian interests. We thus should not consider Iran to be "10 feet tall" in Iraq. The popularity of Iran among the Iraqi people, including the Shia, has remained low. Iranian interference with the Najaf Shia Islamic center is deeply resented. Iranian commercial dominance of Iraq has not been successful. Even supposed allies of Iran, such as Muqtadah al-Sadr, have shown considerable willingness to take on Iran directly, as we have seen in the recent no confidence vote debate against PM Maliki.

I would thus characterize Iran's current posture toward Iraq as one of an "economy of force." Iran is comfortable with the current political order in Iraq dominated by Shia and Kurdish parties, with whose leaders Iran has had generally good relations for decades. It does not fear attack by Iraqis, and since the United States withdrew combat forces, it does not fear a U.S. attack out of Iraq. But in return it has not sought seriously to check the extraordinary U.S. military training and equipping effort in Iraq, including over \$10 billion in FMS programs and eventually 36 F-16 aircraft.

Several times Iran has pulled back its support for terror and instability when faced with strong resistance by the United States, the Iraqi Government, or both.

During the Najaf fighting in 2004, Iran withdrew its support from Muqtadah al-Sadr. Likewise, in 2008, when PM Maliki supported by the United States seriously challenged the Sadrists and other militias in Basrah, the Iranians backed down rather than upping the ante. In mid-2011, we faced increasingly lethal attacks against our forces in Iraq by Iranian-backed militias. The U.S. responded militarily, complemented by diplomatic and military action by PM Maliki, which eventually ended the attacks. Clearly, Iran received the message. Some argue that the Iraqi decision not to keep a small U.S. military presence in Iraq post-2011 was due to Iranian pressure. The Iranians of course didn't want such a presence. But in October all the Iraqi parties but the Sadrists agreed formally on the need for one. What blocked it was their decision not to grant that presence legal immunities. However regrettable, the reasons for that decision go far beyond Iran.

I do not want to overstate the resistance of Iraq to Iranian influence. Many Iraqis have personal ties with Iranian leaders, and despite friction, close religious ties exist between Iranian and Iraqi Shia. Iran also has considerable economic and investment presence. As then Senator Biden said in 2008: "The idea that we can wipe out every vestige of Iran's influence in Iraq is a fantasy. Even with 160,000 American troops in Iraq. Like it or not, Iran is a major regional power and it shares a long border—and a long history—with Iraq."

But the United States must remain on its guard, to ensure that Iran does not try to exploit its inevitable strengths in Iraq. Secretary Clinton in remarks on Meet the Press in October laid out the U.S. policy well: "Iran's strongman should not miscalculate America's resolve to stoke democracy in Iraq even after our troops leave. We have paid too high a price to give the Iraqis this chance, and I hope that Iran and no one else miscalculates that."

That is the policy that we followed during my tenure in Iraq, and I believe it is a good one. Given Iran's considerable clout and proximity, we cannot eliminate Iran's influence on Iraq. The Iraqis will from time to time make common cause with Teheran, as we recently saw at the OPEC meeting. Within limits, that is inevitable, and we live with it. If we give the Iraqis a "with us or against us" choice, I can assure you that they will not move further toward us. Our quiet success in constraining various Iranian initiatives has been based on our flexibility. Where it's important, we cajole and act. Where it's not important, we watch closely.

Most Iraqis understand this. Some, often seeking U.S. support in their domestic political battles, argue that the United States is too lenient regarding both the Iranians and those who on occasion work with them. I disagree. At present, our overall strategy in Iraq, including stemming strategic Iranian dominance of the country, has been successful, despite a massive cut in our resources committed. That is a policy we should continue, bearing always in mind that this success is

fragile, and should not be placed at risk for wider policies. If Iranian pressure increases, we have tools to counter it. But absent such an increase, we have far more promising ways and places to challenge Iran strategically, from Syria to oil to U.N. sanctions.

Thank you again, and I would be happy to answer any questions.

Senator CASEY. Mr. Ambassador, you are off to a really good start here. On time. We usually do not have people that keep time like that. That is great.

Dr. Byman.

STATEMENT OF DR. DANIEL BYMAN, SENIOR FELLOW AND DIRECTOR OF RESEARCH, SABAN CENTER FOR MIDDLE EAST POLICY, BROOKINGS INSTITUTION, AND PROFESSOR IN THE SCHOOL OF FOREIGN SERVICE AT GEORGETOWN UNIVERSITY, WASHINGTON, DC

Dr. BYMAN. Thank you. I will try to follow the Ambassador's model.

Senator Casey, members of this distinguished committee, thank you for the opportunity to be here to testify before you today.

As you know, Iran has not only been a longstanding supporter of terrorism, but its activities seemed to have increased in the last year especially against Israel. Driving this, in part, has been the developments of the Arab Spring. The Arab Spring shook Iran, especially the events in Syria. Tehran has few allies really anywhere in the world, but Syria is one of these, and the loss of Syria would be a huge blow to Iran, reducing its ability to meddle in Lebanon and in the Arab Israeli arenas. From Iran's point of view, the campaign against Syria is also part of a broader campaign against Iran.

Also negative from Iran's point of view has been a shift in Palestinian politics. Hamas has largely left Syria, going to Egypt and other countries, and some Hamas leaders have criticized the Assad regime's crackdown and, in so doing, implicitly criticized Iran's support for Damascus. So Iran has lost influence with its most important Palestinian partner and lost support among Palestinians in general.

Tehran also sees Israel and the United States as on the offensive. The killing of Iranian nuclear scientists, explosions that destroyed Iranian missile facilities, a cyber attack that set back Iran's nuclear program, and other covert measures are considered part of a low-level, but nevertheless real war that the United States and Israel are engaged in. From Iran's point of view, its own violence is a response to this war that is already being waged against the clerical regime.

Yet, even as Iran feels this pressure, it also believes it can fight back. Iranian officials see the United States as on its heels in many ways because of the United States withdrawal from Iraq and coming withdrawal from Afghanistan. In both these instances, the United States initially vowed to transform these countries and isolate pro-Iranian voices. In both cases, the United States is leaving without achieving these very broad goals, especially with regard to Iran, and from Iran's point of view, one of the lessons is simple which is if you keep the pressure on the United States, it will back down.

Let me talk briefly about the nuclear program. From a counter-terrorism point of view, the question of how to respond on the nuclear program is fraught with problems. The shadow war between Iran and Israel has created a retaliatory dynamic with Iran responding to what it feels is Israeli aggression, and as long as these low-level attacks continue, we can expect an Iranian terrorist response. If Israel and/or the United States did a direct military strike on Iran's suspected nuclear facilities, we should expect a considerable Iranian response through terrorism. This would be around the world with both Iranian assets directly and also Hezbollah, and Tehran would also try to call in other favors from groups like the Palestinian Islamic Jihad and also al-Qaeda with whom it maintains ties, though not exactly friendly relations. And we would also expect to see Iran step up support for anti-American forces in neighboring Afghanistan.

But as you mentioned, Senator, in your opening remarks, should Iran acquire a nuclear weapon, the picture could get much worse. The nuclear weapon could provide Iran an umbrella giving it a sense of security from conventional attack that emboldens it to work even more with a range of substate groups and encourages them to be more aggressive.

The silver lining, if we can call it that, is that under current circumstances, Iran would not be likely to pass a nuclear weapon to terrorist groups. Iran would not be likely to trust such a sensitive capability to a terrorist group, and even a very bold Iran would recognize that Israel and the United States would see this as a tremendous risk and danger and that many of the constraints that have so far characterized United States and Israeli behavior would go out the window should this happen. One indication of Iran's caution on this score is that it has not transferred much less lethal weapons such as chemical weapons, even though these have been in Iran's arsenal for over 25 years.

In my written testimony, I have a number of policy recommendations. Let me just make a few points right here.

One is that one of the challenges for the United States is that given the pressure on Iran's nuclear program, which to me should be the priority in the United States-Iran relationship, that this pressure makes it harder to do additional escalation specifically related to terrorism. There are efforts that can be done against particular entities and should be done, but that said, there is already tremendous pressure on Iran itself because of efforts to stop the nuclear program and it is hard to dramatically escalate solely on the terrorism front.

On Syria, the fall of the Assad regime is desirable for a whole variety of reasons and would reduce Iran's influence, but this would not dramatically change Iran's support for terrorist groups. And in fact, even though the Lebanese Hezbollah would lose an important patron should the Assad regime change, Iran would be likely to double down on Hezbollah and that Hezbollah would become even more important. Iran would have fewer assets in the Arab world that have credibility, and this relationship would be even more important. Unfortunately, even though Syria is an important transit point for weapons to Lebanon, Lebanon is not a particularly difficult place to smuggle things in and out of, and I

would not expect to see a dramatic change overall in Hezbollah's arsenal.

In the end, Iran's lack of strategic options and desire to respond with what it sees as a hostile world will lead Tehran to continue to work with a range of terrorist groups. U.S. policy can reduce the scope and the scale of this, but it is not likely to end it altogether.

Thank you.

[The prepared statement of Dr. Byman follows:]

PREPARED STATEMENT OF DANIEL BYMAN

Chairman Kerry, Ranking Member Lugar, members of this distinguished committee, and committee staff, thank you for the opportunity to testify today.

Iran has long been one of the most important and dangerous sponsors of terrorism in the world. Although the Islamic Republic's motivations have varied over the years, its leaders have consistently viewed ties to and support for a range of terrorist groups as an important instrument of national power. Disturbingly, Iran's support for terrorism has become more aggressive in recent years, motivated by a mix of fear and opportunism. Iran could become even more aggressive in the years to come, exploiting the perceived protection it would gain if it developed a nuclear weapon or, if thwarted through military force or other means, using terrorists to vent its anger and take revenge. However, under current circumstances Tehran still remains unlikely to carry out the most extreme forms of terrorism, such as a mass-casualty attack similar to 9/11 or a strike involving a chemical, biological, or nuclear weapon.

The United States should work with its allies to continue and expand an aggressive intelligence campaign to thwart Iran and its terrorist surrogates. After 9/11, the United States engaged in a comprehensive campaign against al-Qaeda: a similar global approach is needed to combat Iranian-backed terrorism. However, as the United States is already exerting tremendous pressure on Tehran via sanctions and diplomatic isolation because of Iran's nuclear program, there are few arrows left in America's quiver and thus the United States will find it hard to place additional pressure on Iran due to terrorism.

In this statement I first lay out Iran's motivations for supporting an array of terrorist groups. I then offer explanations for how, and why, Iran is becoming more aggressive in its use of terrorism in response to a rapidly changing region. I then detail the dilemma regarding terrorism and Iran's nuclear program: allowing Iran to get the bomb is dangerous in and of itself and may make Tehran more aggressive in supporting terrorists, but a military strike to destroy the program is likely to lead Iran to use terrorism to take revenge. I conclude by presenting implications and recommendations for U.S. policy.¹

IRAN'S MOTIVATIONS FOR SUPPORTING TERRORISM

Since the 1979 Islamic revolution that toppled the Shah's government, Iran's clerical leadership has worked with an array of terrorist groups to advance its interests. Over 30 years later, this use of terrorism has continued and remains an important foreign policy instrument for Iran in its confrontation with its neighbors and with the United States. In his 2012 testimony, Director of National Intelligence (DNI) James Clapper warned that Iran continues "plotting against U.S. or allied interests overseas."²

Iran's most important, and most well-known, relationship is with the Lebanese group, Hezbollah. Iran helped midwife Hezbollah and has armed, trained, and funded it to the tune of well over \$100 million a year—perhaps far more, depending on the year and the methodology used for the estimate. Iran's military aid included not only small arms and other typical terrorist weapons, but also antitank guided missiles, antiship cruise missiles, and thousands of rockets and artillery systems, making Hezbollah one of the most formidable substate groups in the world. Iranian personnel and Hezbollah operatives have even done joint operations together.

Although Hezbollah was long subservient to Iran, this relationship has gradually evolved. Increasingly, Hezbollah is a partner to Tehran—its leader, Hassan Nasrallah, has considerable stature in the Arab world, and the group's military resistance to Israel is widely admired. Hezbollah makes its own decisions with its own interests in mind.

Despite the increasing parity in the relationship, Tehran continues to work closely with Hezbollah's leaders, and its intelligence and paramilitary personnel are tightly integrated with Hezbollah's external security apparatus. Hezbollah officials see their

organization as Iran's ally, and Tehran's considerable financial and military support give it considerable clout with its friends in Hezbollah.

Iran, however, has also backed a wide range of other groups. In Iraq it has worked with an array of Shia factions. Tehran also has ties to Sunni groups including Iraqi Kurdish organizations, Palestine Islamic Jihad, and Hamas. Perhaps most striking, Iran has even allied at times with al-Qaeda and the Taliban even though these groups are often violently anti-Shia and see Iran's leaders as apostates.

One motivation for backing many of these groups is and remains ideological. At the creation of the Islamic Republic, Iran's leaders made no secret of their desire to extend Iran's revolution throughout the Muslim world. Iran's first Supreme Leader and founding ideologue, Ayatollah Ruhollah Khomeini, declared that Iran "should try hard to export our revolution to the world."³ Khomeini's goal is embedded in Iran's Constitution and the charter documents of key organizations such as the Islamic Revolutionary Guard Corps (IRGC).

To this end, Iran worked with a variety of Shia groups, most successfully the Lebanese Hezbollah but also Shia militants in Iraq, Bahrain, Pakistan, Afghanistan, and elsewhere, organizing them against rival groups and often against their host governments. Iran did this in part because it wanted to spread its revolutionary ideology, and it found some receptive adherents among embattled and oppressed Shia groups throughout the Muslim world, particularly in the years immediately after the revolution when the charismatic Ayatollah Khomeini was able to inspire many Shia communities to support his leadership, or at least admire his new regime.

As its revolutionary fervor has worn off, Tehran increasingly employed terrorists for an array of strategic purposes. These include non-Shia terrorist groups with whom it gains little ideological sympathy. In addition, Iran has used even its closest terrorist allies, such as the Lebanese Hezbollah, for strategic purposes. These purposes include:

- *Undermining and bleeding rivals.* Iran has regularly used terrorist groups to weaken governments it opposes. This has included bitter enemies like Saddam Hussein's Iraq and also lesser foes like the rulers of Kuwait and Saudi Arabia. Tehran also backs a wide array of insurgent groups that also use terrorism in places like Iraq and Afghanistan. These groups may advance Iran's interests in key countries or, at the very least, undermine the position of rivals.
- *Power projection and playing spoiler.* Tehran has a weak military and only limited economic clout. Its ideological appeal at the height of its revolutionary power was limited, and today it is paltry. Nevertheless, Iran's regime sees itself as a regional and even a world power, and working with terrorists is a way for Iran to influence events far from its borders. Iran's support for the Lebanese Hezbollah, Palestine Islamic Jihad, and Hamas make Iran a player in the Israeli-Palestinian and Israeli-Arab disputes. This in turn gives Iran stature and sway in the broader Middle East. Iran has supported groups whose attacks disrupted Israeli-Palestinian and Israeli-Syrian peace negotiations—a victory for Iran, which sees the negotiations as a betrayal of the Muslim cause and as a means of isolating the clerical regime. Tehran has also repeatedly assassinated opponents of the regime who lived in exile in Europe or in other supposedly safe areas, using its own operatives and those of terrorist allies like Hezbollah to do so.
- *Gaining a voice in opposition councils.* For Iran, it was often important not just that an enemy regime lose power or be weakened, but that particular strands within an opposition get stronger. So in Lebanon, Iran undermined Amal, a Shia militia, because it did not share Iran's ideology and interests. Tehran helped found Hezbollah to replace it—a risky gamble that paid off but could have easily backfired on Iran. In general, Iran has used weapons, training, money, and other support to try to unify potential militant allies and otherwise improve its position among the opposition.
- *Deterrence.* By having the ability to work with terrorists and to subvert its enemies, Iran is able to press them to distance themselves from the United States or to refrain from joining economic or military efforts to press Iran. Such efforts, however, often backfire: because these states see Iran as meddling in their domestic affairs and supporting violence there, they often become more, not less, willing to support economic or even military pressure directed at Tehran.
- *Preserving options.* As a weak state—one with little ability to coerce via military or economic pressure—in a hostile region, Tehran also seeks to keep its options open. Iranian leaders recognize that in Iraq, Afghanistan, and other turbulent countries, those in power today may be on the sidelines tomorrow and vice versa. In addition, they may want cordial relations with a neighbor at present but understand that circumstances may change in the future. So Iran courts and supports a range of violent groups even when it does not seek to exploit

their capabilities under current circumstances. These groups can then be employed should Iran want to ratchet up pressure or punish an enemy.

Because Tehran's logic is often more strategic than ideological, Iran is willing to work with avowed enemies, though mutual mistrust limits the closeness of any relationship. So although many al-Qaeda supporters loath Iran, and some of them have killed Shia in Iraq, Pakistan, Afghanistan, and elsewhere with abandon, Iran has worked with al-Qaeda, at times allowing its operatives to transit Iran with little interference. Tehran has also given some al-Qaeda operatives a limited safe haven, though at the same time it often curtails their movements and has even turned some over to the custody of their home governments. Using a similar logic, Tehran at times work with the Taliban, with which Iran almost went to war in 1998, because they have mutual enemies and to preserve Iran's options.

By working through terrorist groups like Hezbollah or using its own operatives in a clandestine way, Tehran has been able to distance itself from attacks and thus often evade responsibility. Even in cases like the 1996 Khobar Towers bombing, where Iran was ultimately found to be responsible, the time involved in proving Iranian culpability made it far harder to gain political and diplomatic support for a robust response. So deniability also makes terrorism an attractive option, allowing Iran to strike back but avoid the consequences of open aggression. So Iran is less likely to use mines and antiship cruise missiles to try to close the Strait of Hormuz, but could instead use terrorist attacks can be hard to trace directly to Tehran.

Although it is always tempting to attribute a strategic motive to all of Iran's behavior, Iran's leaders have at times used terrorism simply to take revenge on their opponents. Tehran struck at France and the Gulf States in the 1980s, for example, because they supported Baghdad during the Iran-Iraq war. Similarly, some Iranian attacks on Israeli targets may in part be spurred by Iran's belief that Israel is behind the killing of Iranian nuclear scientists—Iran's actions may be as much about revenge as they are about any putative deterrence. Hezbollah, Iran's close ally, has also vowed revenge for the killing in Damascus in 2008 of the leader of its operations wing, Imad Mughniyah, believed to be at Israeli hands.

HOW AND WHY IRAN IS CHANGING

Iran aggressively supported an array of terrorist groups in the 1980s, especially the Lebanese Hezbollah. Since the 1990s, Iran also championed Palestinian groups like Palestine Islamic Jihad and Hamas, supporting their efforts to carry out attacks in Israel and in the Palestinian territories. Tehran also worked with anti-U.S. insurgent groups in Afghanistan and Iraq. In terms of support for terrorism outside these theaters, however, the last Iranian-organized anti-U.S. attack was the 1996 strike on Khobar Towers, which killed 19 Americans. Yet Tehran has shown a renewed emphasis on terrorism outside the Israel/Lebanon/Palestine theater or war zones like Iraq and Afghanistan in the last year. Israel has been a particular focus, but Saudi Arabia and the United States also appear to be in Iran's sights:

- On July 18, 2012, a suicide bomber blew himself up on a bus carrying Israeli tourists in Bulgaria, killing five Israelis, the driver, and himself and wounding over 30. Israeli officials blamed Iran, though investigations to determine culpability are still underway;
- Several days before the Bulgaria attack, a Lebanese Hezbollah operative was arrested in Cyprus, where he was believed to be planning attacks on Israeli targets;
- In 2012, Iranian-linked plots against Israel linked were thwarted in Thailand, Georgia, and Azerbaijan;
- In 2012, Iran carried out bombings in India and Georgia. In New Delhi, an explosion wounded the wife of the Israeli defense envoy and other passengers in her car;
- Kenya authorities arrested two Iranian men believed to be IRGC members in June 2012. The men admitted they were planning attacks. Possible targets included American, Israeli, Saudi, or British personnel and facilities;
- In October 2011 the United States disrupted a plot to kill the Saudi Ambassador in Washington by bombing the restaurant where he often ate lunch. According to U.S. officials, the planned bombing was orchestrated by Iran. Had the bomb gone off as planned, it would also have killed many U.S. citizens dining at the restaurant;
- Israeli security officials claim that in the last 2 years Iran and Hezbollah have plotted attacks in more than 20 countries.

The aggressive pace of attacks against Israel, taken together with the plot against the Saudi Ambassador in Washington, indicates that Iran's use of terrorism is becoming more aggressive. In the past, Iranian-backed groups like Hezbollah did not

strike in the United States, seeing it instead as a place to raise money and gain valuable specialized equipment, such as night-vision goggles. Now, however, Iran appears willing to risk this access as well as the wrath of the United States. As DNI Clapper contended, “The 2011 plot to assassinate the Saudi Ambassador to the United States shows that some Iranian officials—probably including Supreme Leader Ali Khamenei—have changed their calculus and are now more willing to conduct an attack in the United States in response to real or perceived U.S. actions that threaten the regime.”⁴

A mix of fear and opportunism are driving Iran. As with other countries in the Middle East, the Arab Spring shook Iran. At first, Tehran tried to portray the revolution as a victory for Islamist and anti-U.S. forces, given that key allies of the United States like Mubarak fell during the turbulence. The new movements, however, evince little sympathy toward Tehran though some new leaders want to normalize relations to a greater degree. Indeed, some of the Islamist movements that are rising to power are exceptionally critical of Iran’s form of Islamic governance.

Most important to Iran, however, has been the crisis in Syria where, slowly, Bashar al-Assad’s regime has been pushed to the wall. Tehran has few allies in the Arab world, and indeed in the world in general, but Syria is a true friend. The loss of Syria would be a huge blow to Iran, reducing its ability to meddle in Lebanon and in the Israeli-Palestinian and Israeli-Arab arenas. From Iran’s point of view, the campaign against Syria is also part of the broader campaign to weaken Iran. Iranian and Hezbollah officials have made repeated statements blaming the United States and Israel for the unrest in Syria, though it is not clear how much they believe their own rhetoric.

Palestinian politics have also shifted markedly and for the worse from Tehran’s point of view. After Hamas’ founding in 1987, the relationship between Iran and Hamas was polite but limited. Hamas received money, arms, and training from Iran and Hezbollah, but Hamas kept Tehran at arms’ length, as its leaders were determined to avoid dependence on foreign sponsors, which had often doomed other Palestinian organizations. Ties became far stronger when Hamas seized power in Gaza in 2007 and, facing international isolation, sought more aid from Iran as well as weapons systems. Now this relationship has frayed. Open ties to Iran, always unpopular among many Sunni Islamists, are further tarnished because of Tehran’s support for the regime oppression in Syria. Hamas’ leadership has largely left Syria, going to Egypt and other countries. Some Hamas leaders have also criticized the Assad regime’s crackdown and, in so doing, implicitly criticized Iran’s support for Damascus. So Iran has lost influence with its most important Palestinian partner and lost support among Palestinians in general.

Tehran also sees Israel and the United States as on the offensive. The killing of Iranian nuclear scientists, explosions that destroyed Iranian missile facilities, the cyber attack that set back Iran’s nuclear program, and other aggressive, but covert, measures are considered part of a low-level but nevertheless real war that the United States and Israel are engaged in—one that has escalated in recent years. From Iran’s point of view, its own violence is a response to the war that is already being waged against the clerical regime.

The impressive sanctions the United States and its allies have orchestrated against Iran have hit the regime hard. Regime officials have admitted that the sanctions are causing Tehran serious economic problems, a rare public confession that U.S. policy is having an impact, as opposed to the usual rhetoric of defiance. In addition, the cutback in oil purchases from Iran’s important customers has led to a plunge in the price and volume of Iran’s most important export and lifeblood of the Iranian economy. Beyond the economic impact, the success of these measures also reinforces Tehran’s sense of diplomatic isolation.

Yet even as Iran feels the pressure, it also believes that it can fight back. Iranian officials see the United States as on its heels given its withdrawal from Iraq and the coming drawdown in Afghanistan. In both instances, the United States initially vowed to transform the country and isolate pro-Iranian voices. In Iraq, Iran today is the most influential outside power, particularly in Shia areas though Iran also has sway in the Kurdish north. Iran is less powerful in Afghanistan, where Pakistan is the dominant force backing anti-U.S. and antiregime elements. However, there, too, the United States is leaving without achieving its proclaimed objectives, and anti-U.S. forces may fill the void. In both cases, the violence in these countries—supported in part by Iran—was a major factor influencing U.S. decisions to reduce its commitment. So from Iran’s point of view, the lesson is simple: hit the United States hard and persistently, and it will back down.

A shift in domestic politics may also explain Tehran’s more aggressive policies. Since the early 1990s, it has been common to divide the complex Iranian political scene and describe it as a battle between “hardliners” and “pragmatists.” And dur-

ing the tenure of President Mohammad Khatami (1997–2005) and the so-called “Green Revolution” (2009) there was hope that Tehran would reform and embrace a more moderate foreign policy or even that the clerical regime as we know it would collapse. In crushing the reformist movement and the Green Revolution, Iran’s hardline camp has narrowed the Iranian political scene. Within elite ranks, there are fewer voices that question the value of ties to terrorists. In recent years hardliners from the IRGC have entered politics in greater numbers and assumed more important positions in the national security bureaucracy. For the most part these individuals are not fanatical, but they have a worldview that sees revolutionary violence as valuable for its own sake and an important tool of state.

THE NUCLEAR DILEMMA

From a counterterrorism point of view, the question of how to respond to Iran’s nuclear program is fraught with problems. The so-called “shadow war” between Israel and Iran, as the Bulgaria attack may indicate, has created a retaliatory dynamic, with Iran feeling compelled to respond to what it sees as Israeli aggression. This sentiment comes from a desire to prove to the Iranian population at large that its government is responding, anger within key elite audiences (particularly the IRGC) and a sense of humiliation, and a strong belief in revenge. So as long as Israel and other states use low-level attacks on Iran and maintain a high degree of economic and political pressure, Iran is likely to attempt terrorist attacks as a response.

If Israel and/or the United States did a direct military strike on Iran’s suspected nuclear facilities, the Iranian terrorist response would be considerable. Because Iran supports terrorists in part to keep its options open, now would be the time for Tehran to call in favors. We could expect attempted terrorist attacks around the world—Iran and Hezbollah have shown a presence in every inhabited continent. Tehran would also try to call in favors from groups like al-Qaeda, Palestine Islamic Jihad, and others with whom it has relationships, though these groups would be far less dependable and their personnel are less skilled than those of Hezbollah. In addition, Iran would be particularly likely to step up support for anti-U.S. forces in Afghanistan and elsewhere in its neighborhood. The scope and scale of the response would depend on the level of casualties from any attack and the political circumstances of the regime in Tehran at the time the attack occurred. However, Iran would be likely to attempt multiple attacks, and it would also consider strikes on the American homeland as well as American diplomatic, military, and civilian institutions worldwide.

Should Iran acquire a nuclear weapon, however, the picture is likely to change considerably. To be clear, Iran acquiring a nuclear weapon is bad for the United States and its allies in a host of ways, and preventing this should be a top goal of any U.S. administration. If U.S. policy fails and Iran does acquire a nuclear weapon, it is difficult to predict how Tehran would behave. Some scholars have argued the theoretical point that, in general, nuclear weapons make states more cautious as they fear the potentially catastrophic escalation that a nuclear crisis could bring about. Thus Iran, more secure due to the nuclear weapons and more cautious because of the associated risks, would be more restrained in its foreign policy.⁵ More likely, though hardly inevitable, is that Tehran might become emboldened by a nuclear weapon. Currently the threat of U.S. conventional retaliation is an important check on Iranian behavior, as Tehran recognizes that its forces are no match for the United States. A nuclear weapon, however, would give Tehran the ability to threaten a devastating response should it be attacked with conventional forces. This “umbrella” would then enable Iran to be more aggressive supporting substate groups like Hezbollah or opposition forces against various Arab enemies. The model here would be Pakistan: after acquiring a nuclear capability, and thus it believed a degree of immunity from India’s superior conventional forces, Islamabad became more aggressive supporting various insurgent and terrorist groups in Kashmir and fighting New Delhi in general.

The silver lining is that Iran is not likely to pass a nuclear weapon to terrorist groups except under the most extreme circumstances. Tehran would not be likely to trust such a sensitive capability to a terrorist group—too much could go too wrong in too many ways. In addition, even a more emboldened Tehran would recognize that the United States and Israel would see such a transfer as a grave threat and would dramatically escalate their pressure on Iran, perhaps including significant military operations. In addition, the United States might be able to gain international support as almost all states, including China and Russia, fear such transfers. Moscow and Beijing have their own terrorism problems. While deniability might stay the U.S. hand from retaliation for a limited conventional attack, this

would not be so for a more dramatic chemical attack, to say nothing of a catastrophic nuclear one. After an attack using unconventional weapons, all bets would be off. One indication of Iran's caution on this score is that it has not transferred much less lethal and controversial chemical weapons to Hezbollah, despite having these in its arsenal for over 25 years. Groups like Hezbollah, for their part, would fear the consequences of going nuclear, recognizing that this could lead to U.S., Israeli, and other countries' military actions that could threaten its position in Lebanon. In addition, these groups have proven quite capable in using rockets, explosives, and small arms to achieve their objectives.

However, should the clerical regime believe itself to be facing an imminent threat of regime change from the United States and its allies—a situation comparable to what Saddam Hussein faced in 2003 say—then the calculus would change dramatically. From Tehran's point of view, the United States and others would have already escalated beyond the point of no return. Tehran would have nothing to lose, and at least a chance of intimidating or deterring the United States, by such transfers. They might also fear that preemptive U.S. strikes would stop them from being able to launch their deterrent so transferring some items to a terrorist group would enable them to keep open the threat of a response even if much of their country were occupied. In addition, Iranian leaders may seek revenge or simply want to vent their rage and use terrorists to do so.

POLICY RECOMMENDATIONS

Because Iran's use of terrorism often follows a strategic and rational logic, U.S. policy can affect Tehran's calculus on whether to support groups, and on how much to do so.

A first U.S. step is to expand efforts with allies to fight Iranian-backed terrorism, including by Hezbollah. Too often Hezbollah has gotten a free pass with U.S. allies because it also engages in political and social welfare activity, leading some states to try to distinguish between its "legitimate" and "illegitimate" sides. By making it clear that any use of or support for terrorism by Hezbollah is illegitimate, allies would push the Lebanese organization toward ending or at least reducing its use of violence.

In addition, the intelligence and police campaign against Hezbollah and Iran could be ramped up, leading to more investigations, arrests, and disruptions that make it far harder for the group and for Iranian officials to conduct successful attacks. Allies should also be encouraged to reduce the size of the Iranian diplomatic mission, as in some countries many of its true activities are related to intelligence gathering and support for militant organizations.

The United States has long made Iran's subversive networks and ties to Hezbollah an intelligence priority. However, given the global reach of this adversary, a global response is necessary. This requires working with allies around the world, just as the United States has done against al-Qaeda. Indeed, these friends are often, though not always, the same allies who are partners against al-Qaeda, but it is vital to ensure—with financial and other support as appropriate—that they are also targeting Hezbollah and other Iranian-backed groups. Hezbollah, however, is seen as legitimate by many governments, or at the very least is not loathed by all as is al-Qaeda. So it will be hard to conduct as comprehensive a campaign without considerable and sustained efforts.

Making the challenge harder, the United States has relatively few additional means of pressure to deploy directly against Iran because it is already using most of them to stop Iran's nuclear programs. Sanctions—targeted and broad—are already implemented against an array of Iranian targets. They have been expanded dramatically under the Obama administration and this effort should continue, but it will be hard to do much more under current political circumstances. Any terrorist actions or aggressive ones on the nuclear front, however, should be leveraged for the other issue. So when a terrorist attack does occur, Washington should press for more to be done on the nuclear front, as such actions create an opportunity for political engagement.

The United States must also set clear "redlines" regarding terrorism. For example U.S. officials should emphasize that attacks on the American homeland will meet with a severe response. Vital to the success of this, however, is deciding in advance what a response would be if a redline were crossed and then having the will and ability to carry out the response should this happen. On Iran's nuclear program and on its actions in Iraq and Afghanistan, Tehran repeatedly crossed U.S. redlines in the last decade with relatively few consequences, reducing the credibility of future U.S. threats. If the United States is not serious about a response, it is better not to threaten at all.

Another priority is trying to sever the links between Iran and al-Qaeda. In contrast to Hezbollah, al-Qaeda is not ideologically close to Tehran and does not appear to have done joint operations. On the other hand, al-Qaeda is far more willing to conduct large-scale indiscriminate attacks, including the use of chemical, biological, or nuclear weapons should they ever fall into the hands of Zawahiri's organization. At the same time, Iran has become more important to al-Qaeda in recent years as regime pressure on the organization there has eased and the drone program in Pakistan has made that country a more difficult haven. Tehran, however, has largely gotten a free pass on the significant al-Qaeda presence in its borders.

Limited military strikes, which often fail against terrorist groups or quasi-states like the Taliban's Afghanistan, have more of a chance of succeeding against countries like Iran, that have a real military and economic infrastructure. Demonstrative uses of forces, such as the 1987 and 1988 U.S. operations (Nimble Archer and Praying Mantis, respectively) that sank part of the Iranian navy, can reinforce U.S. deterrence if Iran crosses redlines. Because of Iran's severe economic difficulties, even the threat of such strikes would be taken seriously by Iranian leaders.

The fall of the Assad regime in Syria is desirable and would reduce Iran's influence, but it would not dramatically change Tehran's support for terrorism and may even increase Iran's reliance on substate groups. Although Hezbollah would lose an important patron should the regime in Damascus change, and it would be harder to ship weapons to Lebanon via Syria, the importance of Hezbollah would grow for Iran. It remains relatively easy to send weapons to Lebanon without transiting Syria, and Hezbollah's role in the Lebanese Government (and control of Beirut's airport) makes it almost impossible to stop the flow of weapons there. So Iran may end up doubling down on substate groups if it loses its main regional ally.

In the end, Iran's lack of strategic options and desire to respond to what it sees as a hostile world will lead Tehran to continue to work with a range of terrorist groups and selectively use violence. Successful U.S. policy can reduce the scope and scale of Iranian violence, but it is not likely to end it altogether.

End Notes

¹This testimony draws extensively on two of my books: *Deadly Connections: States that Sponsor Terrorism* (Cambridge, 2005) and *A High Price: The Triumphs and Failures of Israeli Counterterrorism* (Oxford, 2011). Also relevant to my testimony and to this hearing are my articles, "Iran, Terrorism, and Weapons of Mass Destruction," *Studies in Conflict and Terrorism* Vol. 31 (2008), pp. 169–181 and "The Lebanese Hezbollah and Israeli Counterterrorism," *Studies in Conflict and Terrorism*, Vol. 34 (2011), pp. 917–941.

²James Clapper, "U.S. Intelligence Community Worldwide Threat Assessment," January 31, 2012. <http://www.cfr.org/intelligence/clappers-testimony-worldwide-threat-assessment-january-2012/p27253>.

³As quoted in Anoushiravan Ehteshami, *"After Khomeini"* (Routledge, 1995), p. 131.

⁴Clapper, "U.S. Intelligence Community Worldwide Threat Assessment."

⁵See most prominently Kenneth N. Waltz, "Why Iran Should Get the Bomb," *Foreign Affairs* (July/August 2012), <http://www.foreignaffairs.com/articles/137731/kenneth-n-waltz/why-iran-should-get-the-bomb>.

Senator CASEY. Thank you, Doctor.
Ms. Pletka.

STATEMENT OF DANIELLE PLETKA, VICE PRESIDENT, FOREIGN AND DEFENSE POLICY, AMERICAN ENTERPRISE INSTITUTE, WASHINGTON, D.C.

Ms. PLETKA. Thank you, Mr. Chairman, Senator Risch, Senator Corker. I say it every time and I mean it every time. It really is an honor for me, a special honor, to come back to the committee. I consider it really a pleasure.

I think we all agree on a lot of the basics here. Iran is probably the most important state sponsor of terrorism in the world today. There have been, in addition to the attack in Bulgaria last week, an attempted attack in Cyprus the week before, seven additional recent attempted attacks by Iran against a variety of targets around the world, not just in the Middle East, in recent months. So it is clear that Iran is stepping up its terrorist activity and not too worried, by the way, about the consequences.

It is important to underscore that Iran's relationship with terrorist groups, which it manages through the IRGC, the Iranian Revolutionary Guard Corps, and through the Quds Force is not just one of support. It is operational. It is financial. It is political, and it is military. The Iranian Government really does actually manage some of the attacks that it conducts through its proxies. The best example and the one that we have the most detailed public information about was the attack by Saudi Hezbollah on our troops at Khobar Towers. There is an indictment in the Eastern District Court in Virginia that details the Iranian operational command for that attack. Nothing has ever happened as a result.

Iran also foments conflict like the one between Hezbollah and Israel in 2006. But there is another thing that it does that has been very important during the Arab Spring, and that is that they are free riders on Shia grievances throughout the region. The Shia are largely oppressed in Sunni-dominated Arab governments, and the Iranians have very cleverly managed to free ride on their legitimate grievances in places like Bahrain and in Saudi Arabia, among the Houthi rebels in Yemen and in many ways discredit the legitimate claims of those Shia minorities, which has been opportunistic and really a serious problem for those of us who see the importance of supporting those minorities.

In terms of the depth and the financing and the interconnectedness, I think we have all made clear, as did you, Mr. Chairman, in your opening statement, that Hezbollah is the most important terrorist proxy for Iran. It is unclear at this moment, I think, to many of us how far Hezbollah would be willing to go to support Iran. So, for example, in the event of an Israeli strike on Iran, none of us are exactly sure what Hezbollah would do. On the one hand, Sheikh Hassan Nasrallah, who is the spiritual leader of Hezbollah, has said in a speech last year that Iran would never ask Hezbollah to do anything on its behalf in the event of an Israeli strike. On the other hand, just a couple of nights ago, Nasrallah gave a huge speech in which he extolled the virtues of their Syrian sponsors and of Iran. So I think it is pretty unclear what any groups would do in the event of an Israeli strike on Iran.

That does bring us to the question of Iran and the Arab Spring, and I agree with my colleagues. In large part, the Arab Spring has been bad news for Iran rather than good. You know, they have tried to lay their mantle over it and call the Arab Spring an Islamic Awakening, and absolutely nobody has either taken up that name, nor have they frankly latched onto the Iranians as a model.

Their biggest hopes, I think, centered on Egypt, and in the immediate wake of Mubarak's fall, there was really quite a lot of talk about renewing Egyptian-Iranian ties. So you heard it from the Egyptians, from both the military and from the Muslim Brotherhood. Yes, why not? Very positive, a lot of nice statements, promises for mutual visits. But the bottom line is none of that has happened. Now, we can suggest that that was because of gulf pressure or because of U.S. pressure, but at the end of the day, none of that rapprochement that I think the Iranians were pretty desperately hoping for—and they made a number of very public, very clingy, desperate statements that made it clear they had their

hopes vested in the new Egyptian Government. None of that has happened.

Syria. Again, I agree. I think we have a real consensus around the fact that the fall of the Assad regime would be bad news for the Iranians. That is really their only important Arab ally remaining. I think there is some disagreement about what the impact would be after the fall of Assad, and I am happy to talk about that afterward. But it does seem clear that Syria has been the conduit for weapons supplies to a whole variety of terrorist groups, Hezbollah, but also Hamas, Palestinian Islamic Jihad, and others. Without that conduit, it is exactly right. They would have to use Lebanon, and that has very complex implications for Lebanon. Lebanon enjoys a different relationship with the United States right now than Syria did. I am not sure they wish to become the new Syria in the region.

But whether it is the IRGC presence in Syria—they also have done joint training on chemical weapons, weaponization. They may have cooperated on nuclear weapons work. Just trade and economic ties, clearly that was a very, very important relationship.

The problem for us is that just as the tide has turned against Iran's fortunes in the region and we have begun to ramp up sanctions against Iran because of their nuclear program, the United States is perceived to be pulling back in the region. And so that has real implications for us and our ability to leverage the Iranians on any number of questions, whether it is interference in Iraq, whether it is interference in Syria, or anything else.

If we look at the Iranian nuclear program, it seems pretty clear that it will certainly embolden the Iranians on their support for terrorism rather than the reverse. I do not think that they are going to let go of these groups because of the nuclear sanctions, and even if we manage to come to some agreement, there seems no reason for them to abandon their support for terrorist groups because they have never done so before and because they have never really paid a high price for supporting those groups. Even in the case of the loss of up to 1,000 servicemen's lives in Iraq, the Iranians have paid very little price.

I am just going to take an additional couple of seconds and talk about specific steps we might be able to take to help counter Iranian support for terrorism in the Middle East.

It seems, first of all, that Syria is in fact much more important than many will allow. We should be doing more to hasten the fall of Assad, not just talking about a transition but in fact doing more to support those who are fighting against him.

Second, on Lebanon, our Assistant Administrator for the Middle East was just in Lebanon. Our aid programs to Lebanon have continued unabated despite the fact that Hezbollah dominates the government. That may be the right choice, but it is still something worth discussing particularly if the Lebanese-Iranian relationship ends up ramping up. We have not fought Iran on any of the ground that it works on in the Middle East, its support for the Palestinians. I mean, seriously, who has done more for the Palestinians? Iran or the United States? Yet, you do not hear us engaging in those kinds of arguments. We are not fighting Iran on the territory that it has sought to take for itself. So I think it is time for us to

try and fight Iran at its own game and do it more effectively, more vocally, let people be aware that we are not willing to tolerate this continuing throughout the region, throughout the world.

Thank you very much.

[The prepared statement of Ms. Pletka follows:]

PREPARED STATEMENT OF DANIELLE PLETKA

Mr. Chairman and members of the committee, I say it every time, and mean it every time: It is always a special honor for me to testify before the Senate Foreign Relations Committee, on which I served as a staffer for so many years.

Iran is the most significant state sponsor of terrorism in the world today. The Islamic Republic has held that title for many years, and as the attacks last week in Bulgaria against an Israeli tourist group, an attempted attack the week before in Cyprus, several failed attacks earlier this year against Israeli targets in Asia and a litany too long to read of incidents both directed by and perpetrated by Iran over the last three-plus decades make clear, nothing is slowing them down.

As a technical matter, Iran's relationship with terrorist groups is generally managed through the Iranian Revolutionary Guards Corps, and more specifically by its Quds Force headed by Qassem Soleimani. But that tasking should in no way be construed as separate from the Supreme Leader and Iran's Government. The IRGC acts for the regime.

Iran's relationship with terrorist groups—about which I will be more specific below—is operational, financial, political and military. Iranian Government officials have been known to direct, manage, and support attacks throughout the world. Nor have Israelis been Iran's only victims; at the hands of Iranian-supported special groups in Iraq, more than a thousand American soldiers lost their lives. At the hands of Hezbollah, we have lost diplomats, CIA officials, servicemen, and civilians. Iran was directly behind the attacks on Khobar Towers in Saudi Arabia in 1996 that killed 19 U.S. servicemen. Even now, Iran is arming the Taliban in Afghanistan even as it opposes the group for political reasons.¹

The Iranian Government foments conflict, such as the one between Israel and Hezbollah in 2006, but also free rides on legitimate Shia grievances in a region overwhelmingly dominated by Sunni Arabs. As a result, we see Iran's hand in the recent Bahraini uprising—something that has discredited a legitimate quest for equal rights for the Bahraini Shia; we have seen Tehran supporting Houthi tribes on the Saudi-Yemeni border; and most prominently at the national level, we have seen IRGC forces working hand in hand with the Syrian regime to take down the Syrian rebellion and protect their most important ally in the region, Bashar al-Assad.

The groups with which Iran is most prominently associated right now are Hezbollah, both a political party that now dominates the Lebanese Government and a terrorist group with years of vicious attacks to its credit; Hamas, which governs the Gaza Strip and has also been responsible for the death of hundreds of civilians; and Palestinian Islamic Jihad, a smaller group operating in the Palestinian territories. Over the years, Iran has also supported numerous other terrorist groups such as Saudi Hezbollah, the Popular Front for the Liberation of Palestine, the Popular Front for the Liberation of Palestine-General Command, and others.

In terms of depth, financing, and interconnectedness, Iran's relationship with Hezbollah is clearly the most important. Hezbollah was created with Iranian sponsors in 1982, and continues to be—for the most part—loyal to its patron. Directly because of Iran, Hezbollah is now the most lethal terror group in the world, armed with long-range missiles capable of carrying chemical munitions and using guidance systems to hit a target.² This despite U.N. Security Council Resolution 1701 which, in the wake of the 2006 war with Israel, forbade the transfer of arms to the group.

It is unclear just how far Hezbollah would go for its friends in Tehran; Hassan Nasrallah, the group's spiritual leader, has claimed that Iran would never ask Hezbollah to step in in the event of an Israeli strike on Iranian nuclear facilities. On the other hand, he has been increasingly frank about the depth of Hezbollah ties to Iran in recent years, and the group has certainly proven itself willing to fight for its friends: witness Hezbollah's role in Syria, and Nasrallah's speech last week extolling the virtues of the Assad regime.³

This brings us neatly to the question of Iran and the Arab Spring. On balance, whatever you may choose to call this moment in history—the Arab Spring, the Arab Awakening, the Arab Revolts—one thing is clear: It has been bad for Iran. Ironically, in the case of Libya, Tunisia, Bahrain, Yemen, and especially Egypt, the Tehran government has tried almost desperately to claim that the popular revolutions that have swept the Arab world are inspired by Iran. The regime has tried

without success to popularize the term “Islamic Awakening” for the events of the last 2 years.

Iranian hopes for the Arab Spring have centered on Egypt. Some in the West and many in Tehran believed that the overthrow of the Mubarak guard in Cairo and the rise of the Muslim Brotherhood would mean an end to the animosity that has existed between the two countries since the Islamic revolution. And at the outset, there was indeed a lot of talk of renewing ties, mutual visits, new beginnings and beautiful rapprochement. Iranian military vessels were permitted to pass through Suez for the first time, and have passed through since.

But none of the anticipated flowering of Egyptian-Iranian relations—none—has come to pass. No visas, no mutual visits, no nothing. Indeed, it’s safe to argue that the Muslim Brotherhood dislikes Iran about as much as its predecessors in Egypt’s Presidential Palace.

And then there is Syria, Iran’s most important relationship in the region. There has clearly been little applause in Tehran for any “awakening” in Damascus. Remember, the Assads have toed Tehran’s line for many years; even when Hamas decided to abandon its longtime perch in Damascus, Tehran was unswayed. Damascus has been the conduit for most weapons flows from Iran to Hezbollah, its most important diplomatic friend; even when, in 2009 and 2010, there were suspicions that Damascus would defect to the West and make a separate peace with Israel, it was only a small blip in an otherwise congenial relationship between Tehran and Damascus.

Whether it was the IRGC presence in Syria, joint training on chemical weapons and weaponization, possible cooperation on nuclear weapons work, or simply mundane trade and economic cooperation, the two countries have maintained the appearance and many of the trappings of a strong partnership. Tehran will work hard to preserve the Assad regime. It will fail, in my opinion, but it will work hard. Even as it has become clear that Assad is on his way out, the Iranian leadership has stuck by him.

Ironically, just as the tide has turned against Iran’s fortunes in the region, and just as we have begun to seriously ramp up sanctions because of its nuclear weapons program, the United States appears to have drawn back from the Middle East. Yes, we have several carriers in the gulf, and yes, various Cabinet Secretaries have wended their way through both the gulf and the Levant in recent months; nonetheless, the perception in the region (among Arabs and Israelis), in Europe and among many here in Washington is that the United States has disengaged from the Middle East.

Strategic guidance from the White House has insisted upon the so-called “pivot” to Asia, which is taken by most—including inside the administration—to mean a turn away from the last decade, and with it the conflicts in Iraq and Afghanistan. As a result, at a moment when Iran is arguably as isolated as it has been in its history, the United States is talking up the Pacific.

We don’t know what will happen in the coming months; there could be a military strike against Iran’s nuclear program. If there is not, most credible analysts agree that Iran will soon have sufficient low enriched uranium to fashion more than one nuclear weapon in fairly short order.

There has been a sterile debate in Washington about whether Iran will “break-out” with its nuclear weapons program or content itself with the knowledge that it can ultimately break-out with an enhanced second strike capability. We have no idea which option Iran will choose, though intelligence agencies reportedly lean toward the latter.

No matter the trajectory of its nuclear program, it seems clear that Iran will not abandon its terrorist proxies. Tehran has shown no sign that it is rethinking support for any group, though among Palestinians it is clear that Hamas is in bad odor for having abandoned the Assad regime. Nonetheless, Palestinian Islamic Jihad, which has received substantial amounts of what passes for love from the Islamic Republic in recent months, has insufficient capacity to be Iran’s sole proxy in the battle against Israel.

So how will Iran behave once it possesses either a nuclear weapon or the capacity to fashion one or two in short order? None of us can predict, but we have ample indication from past history to guess how Iran will behave. The use of proxies has been immensely rewarding for Tehran. The regime has paid a very low price for sponsorship of terrorist attacks from the Marine Barracks bombing in 1983 to the attacks of this last week. Iran has the capacity to attack from Argentina to Venezuela, in Asia, in Europe, and throughout the Middle East. It seems naive to believe it does not have the capacity to launch attacks in the United States.⁴

Iran has rarely seen justice for its support for terrorism: an indictment for the 1996 Khobar Towers bombing sits uselessly in U.S. District Court.⁵ It has hardly

paid a price for flouting Security Council strictures on exporting weapons to Hezbollah.

It has never paid a price for the 1,000 U.S. servicemen's lives taken by Iranian groups in Iraq.⁶ Would Tehran really feel less empowered once it has a nuclear weapon or the materiel to create one?

Does that mean that nukes would be on the way to Hezbollah or Hamas or others? Certainly, the sophistication and range of weaponry Iran has been willing to supply to Hezbollah has been remarkable, and has escalated dramatically in recent years. But no one can answer that question with any reliability. There are some who are persuaded that the Syrian nuclear weapons program that was attacked by Israel in 2007 was, at least in part, pursued in cooperation with Iran,⁷ though we have not seen any public evidence to confirm that's the case.

Ultimately, we have no reason whatsoever to believe that Iran understands there are consequences to its behavior. And it is only such a belief that would comprise a credible deterrent to a nuclear Iran.

In terms of options for the United States, it is clear that disengagement at this time is exactly the wrong choice. More than ever, there are democrats in the Middle East who are clamoring for our support—whether moral, political, or economic. The right choice is to double down on democratic revolutions—even those that do not result in governments we would ourselves choose. We are interested in rule of law, not specific rulers.

Regarding specific steps we could take to counter Iranian support for terrorism in the Middle East, first and foremost let's look at Syria. Many disagree about what to do about the fighting there. One thing few disagree about is that the fall of the house of Assad would be devastating to Iran. So we clearly have an interest in Syria's future.

Second, it seems only natural that Iran will turn to Lebanon as its only remaining option for a proxy in the Arab world. There are constraints on Hezbollah that could prevent it from making Lebanon the new Syria, including powerful opposition groups; but you would never know it to listen to U.S. policy. Our aid programs of more than \$100 million per annum have continued unabated. Our silence regarding illegal weapons transfers to Hezbollah has rightly been taken as indifference to the fate of the Lebanese state.

Nor have we fought Iran on its own ground on the issues it hold so dear. Who is the tribune of the Palestinian people? Iran? Really? We have done more for Palestinians over the last decades than Iran ever did. We could begin to further undercut groups like Hamas and Palestinian Islamic Jihad by insisting that Palestinians begin moving out of refugee camps and by emphasizing rule of law and institution building, rather than the peace process.

We could rethink our decision to cede Iraq to Iranian influence and begin to embrace the notion of Iraq as the Shia leader of the region rather than Iran.

The time has come to undercut Iran at its own political game, all the while holding Tehran responsible for the terrorism it sponsors. If Hezbollah wants to continue as Iran's proxy, then aid to Lebanon needs to be reconsidered. If some among the Palestinians wish to continue to play footsie with Iran, then we, and the Arabs, and the Europeans need to ensure that Iran is their only donor.

Our policy is one, in effect, of tolerance for Iran's sponsorship of terrorism. Tehran will only be more emboldened by advanced weapons. Neither Supreme Leader Khamenei nor President Ahmadinejad are persuaded we will truly fight back. Perhaps it's time to consider doing just that on every possible front.

End Notes

¹“Hague fury as ‘Iranian arms’ bound for Taliban seized,” BBC News, March 9, 2011, <http://www.bbc.co.uk/news/uk-12694266>.

²Thomas Donnelly, Danielle Pletka, and Maseh Zarif. “Containing and Deterring a Nuclear Iran” (Report by American Enterprise Institute, December 2011), 22.

³“Nasrallah Hails Slain Syrian Officials as ‘Martyrs,’ says Relation with Aoun Strategic,” Naharnet Newsdesk, July 19, 2012, <http://www.naharnet.com/stories/en/47064>.

⁴Suzanne Kelley, “Experts: Hezbollah positioned for attack in US,” CNN.com, March 21, 2012. <http://security.blogs.cnn.com/2012/03/21/house-panel-hears-testimony-on-hezbollah-in-u-s/>.

⁵United States District Court Eastern District of Virginia, Alexandria Division. Khobar Indictment. June 2001. http://www.au.af.mil/au/awc/awcgate/khobar/khobar_indictment.pdf.

⁶Michael Christie, “Quarter of US Iraq Deaths due to Iran-groups envoy,” Reuters, August 26, 2012, <http://www.reuters.com/article/2010/08/26/idUSLDE67P22D>.

⁷Avi Issacharoff, Barak Ravid, and Amos Harel, “Syria: There are no N. Korea-Syria nuclear facilities whatsoever,” Haaretz, September 12, 2007, <http://www.haaretz.com/news/syria-there-are-no-n-korea-syria-nuclear-facilities-whatsoever-1.229277>.

Senator CASEY. Thanks very much.
Dr. Levitt.

**STATEMENT OF DR. MATTHEW LEVITT, SENIOR FELLOW AND
DIRECTOR, STEIN PROGRAM ON COUNTERTERRORISM AND
INTELLIGENCE, WASHINGTON INSTITUTE FOR NEAR EAST
POLICY, WASHINGTON, DC**

Dr. LEVITT. Thank you, Chairman Casey, Ranking Member Risch, Senator Corker. It is a pleasure to be here.

The advantage to going last is that so much has been said already that I agree with that I should be able to keep under the 5 minutes. Let us see if I can hold to that.

Iranian state sponsorship of terrorism can be broken down into two basic baskets. First, its support to other groups, especially in the Middle East, such as Hamas, the Palestinian Islamic Jihad, the Gulf militants, but potentially groups beyond the Middle East such as Somali Shabaab, as the U.N. has noted. The second consists of its direct attacks, carried out either by its own agents in the IRGC and the Quds Force or by its primary proxy, Hezbollah. In fact, as my colleagues have stated, Hezbollah is central to both of these activities.

My colleagues have also correctly stated the fact that this is not a new phenomenon. Iran's use of terrorism is embedded in its foreign policy; it is an extension of its foreign policy, going back to the very beginning of the revolution. The CIA noted in the 1980s that while Iran's support for terrorism was meant to further its national interests, it also stemmed from the clerical regime's perception that it has a religious duty to export the Islamic revolution and to wage, by whatever means, a constant struggle against the perceived oppressor states.

Just a few years later in 1989, the CIA noted several factors that made Iran more likely to take increased risks in support of terrorism, factors that might have faded somewhat in the mid-1990s but are now coming back with a vengeance pertaining to internal politics. The first was the dominance of radical elements within the clerical leadership, which translated into significant Iranian hostility toward the West. Back then, as is true today, there was little chance more pragmatic leaders would come to the fore.

Furthermore, igniting tensions abroad shifted popular attention away from domestic problems, while asymmetrical warfare provided Tehran with a potent weapon at a time when its military and economy were weak. Even its support for Hezbollah, which reportedly runs up to approximately \$200 million a year at times, has faded by as much as 40 percent in periods over the past few years in large part because of our sanctions programs.

Hezbollah is not only a key conduit of arms, training, and know-how to Iran's other proxies, especially the Palestinian groups. It is also the sharp end of the spear complementing the Quds Force, sometimes working closely together with the Quds Force, sometimes in somewhat of a competition with them to see who can strike first in terms of carrying out the types of attacks we have seen, amounting to at least nine in the past year or so.

Consider Iran's Unit 1800, which is its dedicated unit to support the Palestinian groups; its Unit 3800, the dedicated unit with Ali

Mussa Daqduq and others in Iraq to support the Iraqi Shia militants there. Consider Hezbollah and Iranian activities in Africa, Southeast Asia, North and South America, et cetera.

I would like to give you just one example before I give you some ideas of some of the things we need to focus on, and that is the example of Fauzi Ayub. It is a great example of how someone can serve in both these two baskets.

Fauzi Ayub was involved in an attempted hijacking in Romania years ago. Later Hezbollah sent him to Canada where he obtained Canadian citizenship. He got married and lived in Dearborn, MI, for a time. There is an American indictment out for him. Hezbollah then took advantage of his Canadian documentation to infiltrate him into Israel on the West Bank for the purpose of supporting Palestinian groups there and attempting to carry out a bombing attack there as well. In his trial in an Israeli court, the judge asked if he had ever informed the Canadians about his past history as a Hezbollah hijacker in Romania, to which he responded that he hadn't, and that the Canadians had neglected to ask. The fact is that these baskets are not distinct, and Hezbollah does not make them so. This is not the manner in which Iran uses its proxy.

I do believe that in the event of a nuclear strike on Iran, we should expect to see a significant increase in the types of asymmetric international terrorist attacks that we have seen. I think what we are seeing now is child's play compared to what we would see then, both by Iranian agents and by Hezbollah. I do not believe for a moment that if there were an attack on Iran, that Hezbollah would not respond.

I believe that the Arab Spring, as my colleagues said, has been a tremendous setback for Iran. It is very difficult for Iran to claim that the Arab Spring is a wonderful thing and support protestors when talking about Bahrain, only to then oppose similar protests in Syria, where Iran has helped the Assad regime crack down on its own people. The only entities that continue to support Syria today are Hezbollah and Iran.

I think the connection between Iran's nuclear program and terrorism goes beyond their use of terrorism were there to be a strike on the nuclear program. I equate a nuclear Iran to an Iran on steroids. Iran is already extremely aggressive. We in the West, in contrast, tend to be very risk-averse, especially when it comes to Iran. If this is how Iran behaves now, imagine how it would behave if it had a nuclear weapon.

Thank you.

[The prepared statement of Dr. Levitt follows:]

PREPARED STATEMENT OF MATTHEW LEVITT

Chairman Casey, Ranking Member Risch, and distinguished members of the committee, I thank you for the opportunity to appear before you today to discuss Iran's support for terrorism in the Middle East. In fact, Tehran's support of terrorism includes both the sponsorship of Middle Eastern (and other) terrorist groups and acts of terrorism carried out by its own IRGC Quds Force.

IRAN ON OFFENSE

World attention on Iran centers on the threats to international security posed by the country's nuclear program. As Iran presses on in its efforts to become a nuclear power, the regime in Tehran also employs an aggressive foreign policy that relies heavily on the deployment of clandestine assets abroad to collect intelligence and

support foreign operations. The world's most active state sponsor of terrorism, Tehran relies on terrorism to further Iranian foreign policy interests.

Today, Iran feels itself under increasing pressure from the international community by both diplomatic and economic sanctions. From the Stuxnet virus to the assassination of Iranian scientists and the defection of Iranian agents, Iran feels increasingly targeted by Western intelligence services in general and Israel and the United States in particular. Hezbollah and Iran each have their own reasons for executing terrorist attacks targeting Israeli or other Western targets—Iran seeks to avenge attacks on its scientists and sanctions targeting its nuclear program, and Hezbollah seeks to avenge Mughniyeh's death. This convergence of interests strengthens their longstanding and intimate relationship, making their combined operational capabilities that much more dangerous.

Over the past 7 months, a spate of terrorist plots targeting U.S. and Israeli foreign interests has illustrated Iran's propensity for sponsoring attacks abroad. Some were thwarted, including plots in Thailand, Bulgaria, Singapore, Kenya, Cyprus, and Azerbaijan. Others were not, including bombings in India and Georgia. Some of these operations were carried out by Iranian agents, others by Iran's primary proxy, Hezbollah. A few were joint operations executed by Hezbollah operatives working with Iranian intelligence or members of the Quds Force, an elite branch of Iran's Islamic Revolutionary Guard Corps (IRGC). Consider that a plot in Turkey involving four members of the Quds Force targeting diplomatic missions in Istanbul was reportedly foiled by Turkish security authorities this March. Some, like one of the plots in Azerbaijan, leveraged relationships with local criminal networks to execute an attack. The most brazen, and bizarre, was the October 2011 plot to assassinate the Saudi Ambassador to Washington. This Quds Force plot against the Saudi diplomat, Director General of MI5 Jonathan Evans told a crowd in June 2012, "leads straight back to the Iranian leadership. . . . [A] return to State-sponsored terrorism by Iran or its associates, such as Hezbollah, cannot be ruled out as pressure on the Iranian leadership increases." Of the more recent attacks in India, Azerbaijan, and elsewhere, he noted, "we also face uncertainty over developments in Iran. In parallel with rising concern about Iran's nuclear intentions, we have seen in recent months a series of attempted terrorist plots against Israeli interests."¹

Most recently, Israeli officials have linked Hezbollah and Tehran to the suicide bombing that left six Israelis and one Bulgarian dead in Burgas, Bulgaria, last week. Israeli Prime Minister, Benjamin Netanyahu, told reporters, "We have unquestionable, fully substantiated intelligence that this was done by Hezbollah backed by Iran." He highlighted the similarities between the Bulgarian bombing and a plot foiled in Cyprus earlier this month in which Cypriot authorities arrested a Hezbollah operative conducting preoperational surveillance on Israeli flights and tour buses.²

This should not surprise as Iranian agents have traditionally supported the efforts of trusted proxy groups in attacks spanning the globe, especially when Tehran was under serious international or domestic pressure. Consider that Iran's record of supporting terrorist attacks includes the 1983 and 1984 bombings targeting U.S. and French forces in Beirut, the 1992 and 1994 attacks against Israeli interests in Argentina, the 1996 bombing against U.S. forces in Saudi Arabia, and a host of other attacks targeting American, French, German, British, Kuwaiti, Bahraini, and other interests in plots from Europe to Southeast Asia to the Middle East.

TEHRAN'S FINGERPRINTS

In the past, major acts of Iranian state sponsorship of terrorism have ultimately been linked back to the most senior elements of the Iranian leadership. When such cases have led to major law enforcement investigations and prosecutions, the links have been made public. Consider, for example, the June 1996 bombing of the Khobar Towers housing complex that was home to American, Saudi, French, and British servicemembers in Saudi Arabia's Eastern Province—the last time Iranian agents carried out an attack targeting both U.S. and Saudi interests. In that case, Iranian agents teamed up with Saudi and Lebanese Hezbollah operatives to carry out the attack. According to the testimony of a former CIA official, arrangements for the Khobar Towers attack began around 1994, including planning meetings likely held in Tehran and operational meetings held at the Iranian Embassy in Damascus, Syria. It was in 1994, according to this account, that the Supreme Leader of Iran, Ayatollah Ali Khamenei, gave the order for the attack on the Khobar Towers complex.³

While planning the attack on Khobar Towers, Shia extremists continued to carry out other plots, including the hijacking of a Saudi Airbus flight, also in 1994.⁴ According to former FBI deputy director for counterterrorism, Dale Watson, evi-

dence the FBI collected to determine Saudi Hezbollah carried out the attack at Iran's behest included not only forensics and the statements of detained conspirators but also "a lot of other types of information that I'm not at liberty to discuss."⁵ According to Watson, whose tenure at the FBI spanned 24 years and included a stint as chief of the Iran-Hezbollah unit at FBI headquarters, Hezbollah does not carry out terrorist attacks internationally on its own. "It must be sanctioned, it must be ordered, and it must be approved and somebody has to fund it," Watson noted in explaining Iran's role in the Khobar attack.⁶ According to former CIA officer, Bruce Tefft, the Khobar Towers attack was planned and overseen by the IRGC and the Ministry of Intelligence and Security (MOIS), "acting on the orders of the Supreme Leader of Iran."⁷

Authorities came to similar conclusions in the case of the investigation into the 1994 bombing of the AMIA Jewish community center in Buenos Aires. Based on the testimony of Iranian intelligence defector, Abolghasem Mesbahi, among others, prosecutors would ultimately conclude that Iran's Supreme National Security Council held a meeting in Mashhad on Saturday, August 14, 1993, where senior Iranian leaders approved the bombing plot and selected the AMIA building as the target. The meeting, chaired by then-president, Akbar Hashemi Rafsanjani, began promptly at 4:30 p.m. and ran for 2 hours.⁸ According to the FBI, around the time of this August meeting, intelligence reports indicated Hezbollah was "planning some sort of spectacular act against Western interests, probably Israeli but perhaps against the United States."⁹

TERROR AS A TOOL OF FOREIGN POLICY

In April 2008, Gen. David Petraeus testified before the Senate Armed Services Committee about the flow of sophisticated Iranian arms to Shia militants in Iraq. The military's understanding of Iran's support for such groups crystallized, Petraeus explained, with the capture of a number of prominent Shia militants and several members of the Quds Force operating in Iraq as well.¹⁰

In case it was not already clear to General Petraeus that Quds Force chief, Gen. Qasem Soleimani, was calling the shots for Iran in Iraq, the head of the Quds Force reportedly sent the commander of coalition forces a message in early 2008 to make the point. Conveyed by a senior Iraqi leader, the message came just as Iraqi and coalition forces initiated Operation Charge of the Knights, a concerted effort to target Iraqi Shia militias in Baghdad and Basra. The text message read: "General Petraeus, you should know that I, Qassem Suleimani, control the policy for Iran with respect to Iraq, Lebanon, Gaza, and Afghanistan. And indeed, the ambassador in Baghdad is a Quds Force member. The individual who's going to replace him is a Quds Force member."¹¹

Perhaps the message should not have come as such a surprise, coming from a man known for being aggressive in the belief that "offense is the best defense."¹² The crux of the message, however, was no surprise at all. Several months earlier, in October 2007, Petraeus confirmed to the press that he had "absolute assurance" that several Iranians detained by coalition forces were Revolutionary Guardsmen. "The Quds Force controls the policy for Iraq; there should be no confusion about that either," he noted, adding that "The ambassador is a Quds Force member."¹³

One might assume Iran would behave more cautiously today, at a time when it has come under increasing international pressure over its rumored pursuit of nuclear weapons, its suppression of human rights at home, and its support of terrorism abroad. Indeed, the U.S. Government designated the Quds Force as a terrorist group in 2007 for providing material support to the Taliban, Iraqi Shia militants, and other terrorist organizations. Most counterterrorism experts, myself included, expected that future acts of Iranian terrorism would occur in places like Europe, where Iranian agents have long targeted dissidents, and not in the United States, where carrying out an attack would risk severe countermeasures, including the possibility of a U.S. military reprisal had the attack been successfully executed and linked back to Iran.

Iran's use of terrorism as a tool of foreign policy, however, goes back as far as the 1979 Islamic Revolution. Writing in 1986, the CIA assessed in a now-declassified report titled "Iranian Support for International Terrorism" that while Iran's support for terrorism was meant to further its national interest, it also stemmed from the clerical regime's perception "that it has a religious duty to export its Islamic revolution and to wage, by whatever means, a constant struggle against the perceived oppressor states."¹⁴

A 1989 CIA report highlights several factors that made Iran more likely to take increased risks in support of terrorism—factors that faded somewhat after the mid-1990s but that are now coming back with a vengeance. The first was the dominance

of radical elements within the clerical leadership, which translated into significant Iranian hostility toward the West. Then as now, there was little chance more pragmatic leaders would come to the fore. Furthermore, igniting tensions abroad could shift popular attention away from domestic problems, while asymmetrical warfare provided Tehran with a potent weapon at a time when its military and economy were weak.

Underlying Iranian grievances with the West exacerbated these tensions in the late 1980s in much the same way that they have today. In the late 1980s, Iranian anger was fed by the accidental 1988 downing of an Iranian airliner by the USS *Vincennes*, as well as anger over the publication of Salman Rushdie's "The Satanic Verses," deemed by Iran to be offensive to Islam. Now, the Iranian authorities' anger is fed by increasing U.S. and European sanctions plus Tehran's conviction that the West is pursuing a "soft overthrow" of the Islamic Republic by use of modern communications to whip up protests. Tehran thinks that the West caused the 2009 protests in Iran and is behind the protests shaking Syria now.

According to CIA reporting in the late 1980s, "Iranian leaders view terrorism as an important instrument of foreign policy that they use both to advance national goals and to export the regime's Islamic revolutionary ideals." The CIA noted that Iran had already "supported and sometimes directed terrorist operations by Hezbollah," described as "a thriving Shia fundamentalist movement in Lebanon." Iran had also "smuggled explosives into Saudi Arabia and conducted terrorist operations against Kuwait targets." Iran, the CIA concluded, would "keep the United States as a primary terrorist target" for itself and its surrogates for a variety of reasons, including the U.S. military presence in the Gulf, the recent reflagging of Kuwaiti oil tankers, the seizure of an Iranian ship laying mines in the Gulf, and an attack on an Iranian oil platform used to support Iranian military operations.

SPONSORSHIP OF MIDDLE EAST TERRORIST GROUPS

Tehran's capability to carry out global terror attacks rests on its ability to call upon a group of Middle East-based terror groups willing to act at Iran's behest, a network that would almost certainly be called upon to execute the kind of asymmetric terror attacks that can be carried out with reasonable deniability and therefore make a targeted response more difficult. Muhammad Hejazi, the deputy head of Iran's Armed Forces, hinted that Tehran could order proxy militant groups in Gaza and Lebanon to fire rockets into Israel. He even implied such a strike could be used preemptively, before an attack on Iran. "We are no longer willing to wait for enemy action to be launched against us," he told Iran's Fars News Agency. "Our strategy now is that we will make use of all means to protect our national interests."¹⁵ Hezbollah leaders have also stated they would stand by Iran and any other entity that has stood up to the "Zionist regime."¹⁶

Iran has backed not only militant groups in its Persian Gulf neighborhood but also radicals and armed groups in Lebanon, the Palestinian territories, Iraq, Afghanistan, and elsewhere, by providing funds, weapons, training, and safe haven. Among the many groups that Tehran sponsors are the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), Palestinian Islamic Jihad (PIJ), Hamas, and Iraqi Shia militias. Other relationships are less well known. Consider, for example, Iran's ties to Somalia's al-Shabab.

Last month, two Iranian nationals, Ahmad Mohammed and Sayed Mousavi, were arrested in Nairobi after one of the suspects led officials to 15 kilograms of chemicals hidden at a golf course in the port city of Mombasa.¹⁷ Kenyan authorities believe the men, suspected IRGC-Quds Force members, shipped more than 100 kilograms of powerful explosives into the country, most of which remains unrecovered.¹⁸ Last year, Kenya launched military operations into neighboring Somalia, targeting al-Shabab after a wave of kidnappings damaged Kenya's tourism industry. According to one senior antiterrorism officer, the two men "were planning to help al-Shabab carry out revenge attacks in Kenya because of the Kenya Defence Forces' incursion inside Somalia."¹⁹

Al-Shabab's connection to Iran goes back at least as far as 2006, when a report from the U.N. Monitoring Group on Somalia indicated that the Islamic Courts Union (ICU), the precursor to al-Shabab, sent fighters to Lebanon to aid Hezbollah against the Israelis in return for Iranian and Hezbollah funding, arms, and training. According to the report:

During mid-July 2006 ICU sent an approximately 720-person-strong military force to Lebanon to fight alongside Hezbollah against the Israeli military. . . . A number of the fighters also remained in Lebanon for advanced military training by Hezbollah. Furthermore, between 8 and 10 September 2006, about 25 Somalis returned to Somalia accompanied by five members

of Hezbollah. . . . In exchange for the contribution of the Somali military force, Hezbollah arranged for additional support to be given to ICU by the Governments of the Islamic Republic of Iran and the Syrian Arab Republic, which was subsequently provided.²⁰

HEZBOLLAH: FIRST AMONG EQUALS

Of all the terrorist groups that Tehran has sponsored over the past 28 years, none is more important to Iran than Hezbollah.²¹ Iran helped create Hezbollah in the early 1980s, funding, training, and indoctrinating new members of the fledgling movement. This support created a completely loyal proxy group ready to engage in terrorist activities at Iran's behest. As one senior Hezbollah official noted in the early 1980s, "Our relation with the Islamic revolution is one of a junior to a senior . . . of a soldier to his commander."²²

Today, Hezbollah operatives maintain close ties to Iranian intelligence officials and IRGC members. The IRGC—deeply involved in the country's ballistic missile and nuclear and weapons proliferation activities—has been a major focus of both U.S. and U.N. sanctions. The group also maintains a special branch, the Quds Force, which provides funds, weapons, and training to terrorist groups. Iranian forces operate training camps in Lebanon for Hezbollah fighters and provide financial support to the group, according to the Congressional Research Service. Since the early 1990s, Hezbollah has operated with a guaranteed annual contribution of at least \$100 million from Tehran. Early last decade, Iran doubled that investment to more than \$200 million a year, and its financial support for Hezbollah reached its pinnacle in 2008–2009, when Iran was flush with revenues from oil prices that had risen as high as \$145 per barrel in late July 2008. By 2009, Israeli intelligence estimated that, since the summer of 2006, Iran had provided Hezbollah more than \$1 billion in direct aid. In exchange, Iran has been able to leverage Hezbollah cells and operatives stationed around the world to conduct terrorist attacks well beyond its borders.

Consider a few telling examples.

UNIT 1800: HEZBOLLAH SUPPORT FOR PALESTINIAN TERRORIST GROUPS

In the early to mid-1990s, with the Oslo peace accords signed and Palestinian autonomy slowly growing in the West Bank and Gaza Strip, opponents of peace funded, supported, and executed terrorist attacks to undermine the prospects for peace. Iran was especially active in promoting terrorism targeting Israel at this time. According to the Canadian Secret Intelligence Service, "in February 1999, it was reported that Palestinian police had discovered documents that attest to the transfer of \$35 million to Hamas from Iran's Ministry of Intelligence and Security (MOIS), money reportedly meant to finance terrorist activities against Israeli targets."²³ Iran's primary proxy group, however, has always been Hezbollah. It should therefore not be surprising that Hezbollah increased its support for Palestinian groups in the 1990s, invested in its own terrorist infrastructure in the West Bank, and went to great lengths to infiltrate operatives into Israel to collect intelligence and execute terror attacks.

For its part, Iran sought to intensify and coordinate the terrorist operations of the various Palestinian groups it supported and its primary proxy, Hezbollah. A Palestinian intelligence report describes a May 19, 2000, meeting at the Iranian Embassy in Damascus between the Iranian Ambassador to Syria and representatives from Hamas, Palestinian Islamic Jihad, and Hezbollah. According to the report, "during the meeting the Iranian Ambassador demanded that the above-mentioned persons carry out military operations in Palestine without taking responsibility for these operations."²⁴ According to another Palestinian intelligence document, dated October 31, 2001, officials from Hamas, PIJ, and Hezbollah met in Damascus "in an attempt to increase the joint activity inside [i.e., in Israel, the West Bank, and Gaza] with financial aid from Iran." The meeting was held "after an Iranian message had been transferred to the Hamas and Islamic Jihad leaderships, according to which they must not allow a calming down [of the situation on the ground] at this period." The Iranian funds, the report added, were to be transferred to these groups through Hezbollah.²⁵

Indeed, from Iran's perspective, only Hezbollah's direct involvement would guarantee a truly successful terror campaign targeting Israel. According to U.S. officials, shortly after Palestinian violence erupted in September 2000, Iran assigned Imad Mughniyeh, Hezbollah's international operations commander, to bolster the operational capacity of Palestinian militant groups, specifically Hamas and PIJ. In fact, to carry out the March 27, 2002, "Passover massacre" suicide bombing, Hamas reportedly relied on the guidance of a Hezbollah expert to build an extra-potent

bomb.²⁶ Following the death of Palestinian leader, Yasser Arafat, in November 2004, Hezbollah was said to have received an additional \$22 million from Iranian intelligence to support Palestinian terrorist groups and foment instability.²⁷

Carrying out attacks along the border with Lebanon in Israel's far north was one thing, but to effectively undermine the peace process Hezbollah leaders decided they needed to target key Israeli decisionmakers, symbolic sites, or ordinary Israeli civilians in downtown shopping districts. With the onset of the second Palestinian intifada in September 2000, Mughniyeh complemented infiltration operations into Israel with others aimed at kidnapping Israelis abroad and recruiting Palestinians and Israeli Arabs to carry out attacks at Hezbollah's behest. In particular, Mughniyeh used the increased funding he received from Iran to form Unit 1800, which was dedicated solely to supporting Palestinian groups and terror attacks targeting the Israeli heartland.

The case of one Unit 1800 recruit, Fawzi Mohammed Mustafa Ayub, who was trained in Hezbollah camps and primed to infiltrate Israel stands out for two reasons. First, he is one of the few Hezbollah infiltrators to successfully evade Israeli security and make his way into Israel undetected. Second, he was able to operate on the ground in Israel and the West Bank for about a year and a half before being detained.

In the mid-1980s, Ayub was convicted by a Romanian court for his role in a Hezbollah plot to hijack an Iraqi airliner set to depart from Bucharest. Following his release from a Romanian prison in 1988, Ayub immigrated to Canada, sponsored by an uncle under a program reserved for refugees displaced by the Lebanese civil war. He became a Canadian citizen in 1992. Asked by an Israeli judge if he had told Canadian authorities about his conviction in Romania on charges of attempting to carry out an act of terrorism, Ayub replied, "They never asked."²⁸

Ayub seemed to be leading a normal life in the Toronto area. He married a woman from the United States and at some point the couple lived near Dearborn, MI, according to U.S. prosecutors.²⁹ He studied in the evenings and worked at a grocery store during the day. But all the while, Ayub remained an active Hezbollah agent, according to Israeli officials. While in Canada, Israeli officials noted, Ayub "maintained contact with senior Hezbollah officials and carried out operations."³⁰

In 2000, Ayub returned to Lebanon armed with his Canadian passport and he trained to carry out sensitive missions abroad. He was an ideal candidate for Hezbollah's Unit 1800. Under Mughniyeh's personal supervision, Ayub trained in the handling and preparation of explosives at secret Hezbollah facilities in Beirut apartments. He was also taught how to hide any trace of his Lebanese identity and given strict guidelines on how to behave once in Israel, including suppressing his Arab identity and speaking only English at all times. The purpose of his mission, according to the FBI, was to conduct a bombing on behalf of Hezbollah.³¹

After several months of training, Ayub traveled to an unknown European country on his Canadian passport. There he ditched his Canadian passport, acquired a high-quality American passport, traveled to Greece, and boarded a boat to Israel. After a few days in Jerusalem, Ayub traveled to Hebron in the southern West Bank, where he contacted a local terrorist operative. Together, the two scouted possible sites for the prepositioning and concealment of weapons for future operations.³² According to Israeli intelligence, Ayub did, in fact, prepare and hide explosives in caches in Israel for later use.³³

Ayub's mission was interrupted, however, by his arrest in Israel. In custody, Ayub reportedly admitted that part of his mission was to free three key Hezbollah operatives—Mustafa Dirani, Abdel Karim Obeid, and Jihad Shuman—perhaps by kidnapping Israelis and bargaining for their release in exchange for the detained Hezbollah operatives.³⁴ He was eventually released as part of a prisoner exchange. He flew to Beirut, where Hezbollah secretary-general Hassan Nasrallah waited on the tarmac to greet and embrace him.³⁵

More recently, members of Hezbollah's Unit 1800 were caught in Egypt, where they were funneling weapons to Hamas in the Gaza Strip. At the time, Egyptian authorities maintained the group was also targeting Egyptian targets. Hezbollah denied those accusations, but proudly took credit for efforts to arm Hamas. Hezbollah leader, Hassan Nasrallah, confirmed the charges himself days after they were aired. In a televised address, Nasrallah insisted Hezbollah was not plotting attacks on Egyptian soil but acknowledged Mansour Shihab, one of the men arrested, was a Hezbollah member who was in Egypt for "a logistical job to help the Palestinians get (military) equipment."³⁶

AFRICA: RECRUITING GROUNDS FOR IRAN AND HEZBOLLAH

In Africa, where Hezbollah's support networks are well entrenched, the group need not rely on Iranian operational support as much as it does elsewhere. That said, the sponsor and its proxy do cooperate closely on two key agenda items in Africa: proselytizing and recruitment, and arms smuggling. Committed to its constitutional directive to export the Islamic Revolution, the Revolutionary Guard proactively recruits Shia in Africa by working off of the efforts of Iranian and Lebanese missionaries proselytizing across the continent. As early as 1985, the CIA was aware that Iran had long been known to "promote subversive activity" in far-flung countries with Shia populations, including Nigeria.³⁷ Three years later, a CIA report acknowledged the phenomenon was far more widespread than just in Nigeria. Moreover, the agency highlighted Hezbollah's participation in efforts to spread Iran's Islamic revolutionary vision in Africa.

Often, Iran recruits directly from the pool of Lebanese Shia communities across Africa. The Africa Division of the Revolutionary Guard's Quds Force has "built many cells in Africa," according to a 2011 research report, "most of which rely on Shiite emigrants from Lebanon who live in Africa." Once spotted and recruited, they are sent to Iran for training. According to a retired Israeli military officer, "Lebanese recruited for the Iranian intelligence efforts were invited to visit Iran, where they underwent training in the field of intelligence. Upon their return, they serve as a nucleus for recruiting others and provide a base for Iranian intelligence activity in their countries."³⁸

Such efforts are not limited to Lebanese Shia. Indeed, according to a study commissioned by the U.S. military, Iran uses scholarships for African students as "a major recruitment tool." Iranian scholarships are offered to students across Africa as part of Tehran's "greater diplomatic effort to simultaneously promote the broader Hezbollah agenda in Africa and undermine Western influence and credibility across the continent." Wherever Iran has embassies in Africa, the report added, "it also sets up cultural centers that 'award' scholarships and 'study tours' to Iran."³⁹ One such effort, focused on the recruitment of Ugandan Shia for religious study—and military and intelligence training—in Iran was exposed in 2002.

According to an Israeli intelligence report, "In recent years, many foreign students, including [students] from Uganda and other African countries, are sent to study theology in Iranian universities" as a means of recruiting and training them as Hezbollah operatives or Iranian intelligence agents. In late 2002, Ugandan officials arrested several young Shia men, including Shafi Ibrahim, who were recruited by Iran and trained alongside young Hezbollah members at facilities in Tehran. Ibrahim's partner, Sharif Wadoulo, another Ugandan Shia, escaped arrest and fled to an unnamed Gulf country. Under questioning, Ibrahim acknowledged that he and Wadoulo "were chosen because they were ideologically and physically competent to be trained in intelligence and sabotage."⁴⁰

The first group of Ugandan recruits, whose leaders included Ibrahim and Wadoulo, traveled to Iran in 1996, but many more from Uganda and elsewhere in Africa followed. The young men, a small group selected for that first running of this particular Iranian recruitment program, were ostensibly sent to Iran to study theology, but once in Iran, they were told explicitly that the primary purpose of their stay was "to set up a terrorist infrastructure in the countries they were sent to." Their studies, accommodation and living expenses, and a stipend were financed entirely by Iran. Meanwhile, the report added, their families also benefited from unspecified "Iranian hospitality."⁴¹

Ibrahim, Wadoulo, and the rest of the group studied at the Razavi University of Islamic Sciences in Mashhad, in northwest Iran near the Afghan border. As many as 20 million pilgrims reportedly visit the city annually, making Mashhad a logical destination for foreign Shia students recruited abroad by Iran's Revolutionary Guard to study Shia theology and the promise of Iran's Islamic Revolution.⁴²

In early 2001, the group was secretly relocated to Tehran for studies of a different nature. The Ugandan recruits, along with young Lebanese Hezbollah members, underwent a 1-month basic training course "specially tailored by Iranian intelligence." Different from the basic training course for a military recruit, this training combined ideological and operational components. The course was designed "to intensify the recruit's sympathy for Iran and the Islamic Revolution, while motivating them to hit at what the Iranians consider the enemies of Islam." Together, the mixed group of Ugandan Shia and Lebanese Hezbollah recruits were taught to use a variety of small arms, produce improvised explosive devices, collect preoperational intelligence "on installations and people for terrorist attacks," plan escape routes, and withstand interrogation techniques. The students were given fictitious covers, money, and means of communication and then "instructed to collect intelligence on

Americans and Westerners present in Uganda and other countries.” The group’s Iranian handlers saw these new recruits as force multipliers, telling both Ibrahim and Wadoulo to be attuned to the need to expand Iran’s network in the region and “to recruit other Ugandan civilians for similar assignments.”⁴³

According to the Israeli report, once the recruits returned home in September 2001, they were assigned a local IRGC handler on the ground in Uganda, who reportedly was there to “sustain their motivation, to convey operational instructions and to obtain reports on their activities.” The cell was busted before it could carry out any operations, and the exposure of this Iranian network led to increased scrutiny of Iranian institutions in Uganda—including the Iranian Embassy—that had for years provided local Shia education to young children and sent older students to study in Iran. There, the report added, “they are recruited by Iranian intelligence for intelligence activity and terrorism.”⁴⁴

IRGC RAMAZAN CORP AND HEZBOLLAH’S UNIT 3800—SUPPORT TO IRAQI SHIA MILITIAS

Iraqi Shia extremists feature prominently in Iran’s arsenal of regional proxies. On their own, and in cooperation with the Quds Force, local Hezbollah affiliates and groups like the Iraqi Dawa Party have engaged in terrorism and political violence in support of their own and Iranian interests. In time, evidence of Hezbollah’s presence in Iraq would be plentiful. Indeed, Hezbollah would create an outfit, Unit 3800, dedicated to aiding the Shia insurgency in Iraq. Iraq became a core issue for Hezbollah, however, not because it had anything to do with Lebanon but because gaining influence over Iraq and hegemony in the region is of primary concern to its Iranian sponsors.

Operation Iraqi Freedom removed Iran’s greatest enemy and longtime nemesis. The 2003 invasion therefore provided Iran with an opportunity to reshape its influence within Iraq and, in the process, increase its influence in the region. Working through its proxies, Iran set out to achieve several goals in Iraq, the most important and overarching of which was to see the creation, in the words of then-Defense Intelligence Agency (DIA) director Lowell Jacoby, of a “weakened, decentralized and Shia-dominated Iraq that is incapable of posing a threat to Iran.”⁴⁵

Of course, Iran has long sought to push the United States out of the Gulf region. “Iranian-sponsored terrorism is the greatest threat to U.S. personnel and facilities in the Middle East.” So read the opening statement of a CIA memo written in mid-February 1985 on terrorism in the Middle East. It continued: “Islamic radicals in Iran view Washington’s presence and influence in the Middle East as major impediments to successful export of their revolution and regard terrorism as a legitimate and effective method of attacking the U.S. Iranian-sponsored terrorism will continue and possibly increase so long as the clerics in Tehran do not perceive any significant costs in launching such operations.”⁴⁶

That desire now extended not only to the U.S. presence in the Gulf in general terms but also to the large U.S. and international military presence in Afghanistan to Iran’s east and in Iraq to its west. In the period after the 2003 invasion, Tehran sought to bloody coalition forces in Iraq. Careful not to provoke a direct confrontation with U.S. and coalition forces, Iran proactively armed, trained, and funded a variety of Shia militias and insurgent groups in an effort to bog down coalition forces in an asymmetric war of attrition. If the United States were humiliated in Iraq and forced out of the region in disgrace, it would be deterred from pursuing similar military interventions in the region in the future, or so the thinking went.

In 2009, then-director of National Intelligence Dennis Blair noted that “Iranian efforts to secure influence in Iraq encompass a wide range of activities,” from propaganda and humanitarian assistance to providing “lethal support” to Shia militants.⁴⁷ The breadth and lethality of Iranian arms smuggled to Iraqi Shia militias were exposed in a press briefing in February 2007 in Baghdad’s Green Zone. Laid out on the table were mortar shells, rocket-propelled grenades, EFP launchers and their shaped metal charges, and the false identification cards found on two of the Quds Force officials captured in a raid a month earlier. According to U.S. officials, serial numbers on some of the grenades indicated they were manufactured in Iran in 2006.⁴⁸ “We have been able to determine that this material, especially on the EFP level, is coming from the IRGC-Qods Force,” the intelligence briefer stated.⁴⁹ A month earlier, U.S. troops had raided an Iranian diplomatic office and arrested six more Iranians in northern Iraq. One individual was quickly released, but the other five were determined to be IRGC members, not diplomats.

The capture of senior Quds Force officials, and the public airing of evidence demonstrating Iranian agents were arming and training Iraqi Shia extremists, embarrassed Tehran and appears to have accelerated Iran’s efforts—already under way—to put an Arab face on this mission. To that end, Hezbollah sent a master trainer—

Ali Musa Daqduq—to Iran to coordinate the training program and make periodic visits to Iraq. In 2005, Daqduq was told he would be going to Iran to work with the Quds Force to train Iraqi extremists. Though it would only become clear over time, the answer to the question U.S. intelligence analysts kept asking themselves—Why would Iran need to deploy Hezbollah operatives in Iraq?—was fairly simple: Iraqi Shia resented and distrusted their Iranian sponsors and trainers.

So it was that Hezbollah, at Iran's behest, helped develop a sophisticated training program for Shia militants from Iraq. Some training occurred in Iraq, reportedly at the Deir and Kutaiban camps east of Basra near the Iranian border. In Iran, Hezbollah and Quds Force instructors ran a well-organized training program in which Daqduq was directly involved, "help[ing] Quds Force in training Iraqis inside Iran."⁵⁰ Over time, Hezbollah operatives trained enough Iraqi Shia militants—in Iraq, Iran, and Lebanon—to significantly improve the Special Groups' paramilitary capabilities. Hezbollah provided the Iraqi insurgents "with the training, tactics and technology to conduct kidnappings, small unit tactical operations, and employ sophisticated improvised explosive devices, incorporating lessons learned from operations in Southern Lebanon," according to an April 2010 Pentagon report.⁵¹ Indeed, it would not take long before Hezbollah operatives would begin directing Iraqi militants in the execution of exactly such operations, including the January 20, 2007, attack on the Provisional Joint Coordination Center in Karbala in which four U.S. soldiers were killed.⁵²

WHAT CAN BE DONE?

Pointing to the 1983 and 1984 Beirut bombings, the CIA reported in 1987 that "many Iranian leaders use this precedent as proof that terrorism can break U.S. resolve" and view "sabotage and terrorism as an important option in its confrontation with the United States in the Persian Gulf."⁵³ Five years later, the CIA assessed that "for now, Iran will sponsor easily deniable attacks on U.S. targets and allow Hezbollah to retaliate for [Hezbollah leader Abbas] Musawi's assassination."⁵⁴ These assessments from the 1980s and 1990s still hold true today. Hezbollah has sought to exact revenge for the February 2008 assassination of the group's master terrorist, Imad Mughniyeh. But this year's string of terrorist plots, some executed by Iranian agents, some by Hezbollah operatives, is primarily driven by Iran's desire to avenge attacks on its scientists and efforts to thwart its nuclear program.

1. Deny Iran and Hezbollah Any Reasonable Deniability

Operating in the shadows, through proxies and trusted operatives, is Iran's trademark *modus operandi*. Iran cannot win a conventional war against the West, but it can exact a high price through asymmetric warfare. Key to that doctrine, however, is the need to maintain "reasonable deniability" for its acts of state sponsorship of terrorism. Exposing Iran's involvement in international terrorism is now more important than ever, both to deny the group its coveted "reasonable deniability" and to build an international consensus for action against Iran's support for terrorism.

2. Raise the Cost for Iranian State Sponsorship

One reason Iran is using terrorism as an extension of its foreign policy is that it remains a cost effective and relatively risk-free endeavor for Tehran. Iran must be led to believe that the cost of sponsoring or carrying out an act of terrorism will now be high. That will be a difficult message to convey in light of Iran's history of carrying out massive attacks without any significant reaction from America, even in the case of attacks against U.S. interests (Beirut, Khobar Towers, Iraq).

3. Apply Diplomatic Pressure

In light of Iran's longstanding use of diplomatic equities to support international terrorism, Washington should press its allies to restrict the size of Iranian missions to the minimum needed to conduct official business, to restrict visits by Iranian officials to official business only (no meetings with sympathizers, no speeches, etc.), and to exercise diligence about the possibility that nondiplomatic Iranian travelers connected to the Iranian Government may be engaged in illegal activities. Iranian diplomats should only be allowed to travel outside the city to which they are assigned on official business.

Consider that Iran's intelligence penetration of South America has expanded significantly since the AMIA bombing. Testifying before Congress in the weeks following that 1994 attack, the State Department's coordinator for counterterrorism expressed concern that Iranian embassies in the region were stacked with larger than necessary numbers of diplomats, some of whom were believed to be intelligence agents and terrorist operatives: "We are sharing information in our possession with

other States about Iranian diplomats, Iranian terrorist leaders who are posing as diplomats, so that nations will refuse to give them accreditation, or if they are already accredited, to expel them. We have had some success in that respect, but we have not always succeeded.”⁵⁵

Another witness recounted meeting with senior government officials in Chile, Uruguay, and Argentina regarding overrepresentation at Iranian embassies in the region in March 1995—8 months after the AMIA bombing. Officials in Chile and Uruguay, the countries of most concern regarding Iranian overrepresentation at the time, indicated that “the activities of those at the [Iranian] Embassy were being monitored and that this was very clearly a concern.”⁵⁶ Five years later, the commander of U.S. Southern Command, which has responsibility for the U.S. military over the southern half of the Western Hemisphere, indicated the Iranian presence in the region had grown still larger by expanding the number of embassies from just a handful a few years earlier to 12 missions by 2010. That, plus Iran’s traditional support for terrorism, had Gen. Douglas Fraser concerned. “Transnational terrorists—Hezbollah, Hamas—have organizations resident in the region,” Fraser noted.⁵⁷ According to press reports, the Quds Force plot may have also included plans to target Saudi or possibly Israeli diplomats in Argentina.⁵⁸

End Notes

¹Jonathan Evans, Director General of the Security Service, U.K. (speech, Lord Mayor’s Annual Defence and Security Lecture, London, June 25, 2012).

²“Netanyahu: Intelligence Points to Hezbollah in Bulgarian Bombing,” Los Angeles Times, July 22, 2012.

³Testimony of Bruce D. Tefft, *Paul A. Blais v. Islamic Republic of Iran et al.*, Civil Action No. 02-285, United States District Court for the District of Columbia, May 26, 2006.

⁴Memorandum for the Secretary of Defense, Report of the Assessment of the Khobar Towers Bombing, Downing Assessment Task Force, August 30, 1996, www.fas.org/irp/threat/downing/report.pdf.

⁵Testimony of Dale Watson, *Heiser et al. v. Islamic Republic of Iran*, Civil Action Nos. 00-2329, 01-2104, United States District Court for the District of Columbia, December 18, 2003.

⁶Testimony of Dale Watson, *Heiser et al. v. Islamic Republic of Iran*, Civil Action Nos. 00-2329, 01-2104, United States District Court for the District of Columbia, December 18, 2003.

⁷Testimony of Bruce Tefft, *Blais et al. v. Islamic Republic of Iran*, Civil Case No. 2003-285, United States District Court for the District of Columbia, May 26, 2003.

⁸Report by the Investigations Unit of the Office of the Attorney General, “AMIA Case,” signed by District Attorney Marcelo Martinez Burgos, Attorney General Alberto Nisman, and Secretary of the Office of the Attorney General Hernan Longo, October 25, 2006, p. 92; Larry Rohter, “Defector Ties Iran to 1994 Bombing of Argentine Jewish Center,” New York Times, November 7, 2003.

⁹“International Radical Fundamentalism: An Analytical Overview of Groups and Trends,” Terrorist Research and Analytical Center, Federal Bureau of Investigation, Department of Justice, November 1994, declassified on November 20, 2008, <http://www.investigativeproject.org/documents/misc/469.pdf>.

¹⁰Gen. David H. Petraeus, U.S. Army, Commanding General, Multinational Force Iraq, “The Situation in Iraq and Progress by the Government of Iraq in Meeting Benchmarks and Achieving Reconciliation,” testimony before the Senate Armed Services Committee, April 8, 2008.

¹¹“Interview and Moderated Q&A with General David Petraeus,” Institute for the Study of War, Washington, DC, January 22, 2010, p. 40-41, <http://www.understandingwar.org/sites/default/files/P4%20TRANSCRIPT.pdf>.

¹²Ali Alfoneh, “Iran’s Most Dangerous General,” Middle Eastern Outlook no. 4, American Enterprise Institute, July 13, 2011, <http://www.aei.org/article/foreign-and-defense-policy/regional/middle-east-and-north-africa/irans-most-dangerous-general/>.

¹³Paul von Zielbauer, “U.S. Calls Iranian Official Part of Elite Force,” New York Times, October 8, 2007, <http://www.nytimes.com/2007/10/08/world/middleeast/08iraq.html>.

¹⁴“Iranian Support for International Terrorism,” Directorate of Intelligence, Central Intelligence Agency, November 22, 1986, approved for release June 1999, <http://www.foia.cia.gov/>.

¹⁵Adrian Blomfield, “Iran Threatens to Use ‘All Means’ in Pre-emptive Strike on Israel,” Independent, February 22, 2012.

¹⁶“U.S. Bloc behind Syria Unrest: Deputy Hizballah Chief,” Tehran Times, November 29, 2011.

¹⁷Reuters, “Trial Date for Iranian Suspects in Kenya Set for July 23,” Euronews, July 16, 2012, <http://www.euronews.com/newswires/1587094-trial-date-for-iranian-suspects-in-kenya-set-for-july-23/>.

¹⁸Associated Press, “Kenya Police: Iranians Shipped 100kg of Explosive,” FoxNews.com, July 10, 2012, <http://www.foxnews.com/world/2012/07/10/kenya-police-iranians-shipped-100kg-explosives/>.

¹⁹Zoe Flood, “Kenyan Police Arrest Iranians Suspected of Terror Plot,” Telegraph, June 22, 2012, <http://www.telegraph.co.uk/news/worldnews/africaandindianocean/kenya/9350172/Kenyan-police-arrest-Iranians-suspected-of-terror-plot.html>.

²⁰“Letter dated 21 November 2006 from the Chairman of the Security Council Committee established pursuant to Resolution 751 (1992) concerning Somalia addressed to the President of

the Security Council," S/2006/913, United Nations Security Council, November 22, 2006, <http://www.fas.org/asmp/resources/govern/109th/S2006913.pdf>.

²¹The United States first listed Iran as a terrorist sponsor in 1984.

²²As quoted by Martin Kramer, "The Moral Logic of Hizballah," in Walter Reich, ed., *Origins of Terrorism: Psychologies, Ideologies, Theologies, States of Mind* (Cambridge: Cambridge University Press), p. 138.

²³"Terrorist Group Profiler," Canadian Secret Intelligence Service (CSIS), June 2002, author's personal files; see also Stewart Bell, " Hamas May Have Chemical Weapons: CSIS Report Says Terror Group May Be Experimenting," *National Post* (Canada), December 10, 2003.

²⁴"Iran as a State Sponsoring and Operating Terror," Special Information Bulletin, Intelligence and Terrorism Information Center at the Center for Special Studies, Israel, April 2003, <http://www.intelligence.org.il/eng/iran.htm>.

²⁵"Iran and Syria as Strategic Support for Palestinian Terrorism" (report based on the interrogations of arrested Palestinian terrorists and captured Palestinian Authority documents), Israel Defense Forces, Military Intelligence, September 2002, <http://www.intelligence.org.il/eng>.

²⁶Molly Moore and John Ward Anderson, "Suicide Bombers Change Mideast's Military Balance," *Washington Post*, August 17, 2002.

²⁷"Iran Expands Its Palestinian Control; Offers al-Khadoumi Five Million Dollars," *al-Watan* (Kuwait), December 13, 2004.

²⁸Stewart Bell, *Cold Terror: How Canada Nurtures and Exports Terrorism to the World* (Wiley, 2004), p. 81.

²⁹*USA v. Faouzi Ayoub*, Indictment, Case 2:09-cr-20367, filed under seal August 5, 2009, unsealed July 2011; see also Robert Snell, "Dearborn Man Accused of Bomb Mission on FBI's Most Wanted List," *Detroit News*, July 6, 2011.

³⁰"Intensive Intelligence Operation by the ISA Arrested in June 2002 Senior Hizballah Militant," press release communicated by the prime minister's advisor, October 30, 2002, <http://www.pmo.gov.il/PMOEng/Archive/Press+Releases/2002/10/Spokesman6728.htm>.

³¹*USA v. Faouzi Ayoub*, Indictment, Case 2:09-cr-20367, filed under seal August 5, 2009, unsealed July 2011; see also FBI Most Wanted Terrorists: Faouzi Mohamad Ayoub, http://www.fbi.gov/wanted/wanted_terrorists/faouzi-mohamad-ayoub.

³²"ISA Arrests Senior Hizballah Terrorist," communicated by prime minister's advisor, October 30, 2002, accessed at www.imra.org.il; see also "Iranian Activities in Support of the Palestinian Intifada," communicated by Israeli security sources, Israel Ministry of Foreign Affairs, January 30, 2003, <http://www.mfa.gov.il/mfa/go.asp?MFAH0n6j0>.

³³"Hizballah's International Terrorism and the Penetration of Hizballah Activists into Israel," undated Israeli intelligence report received by the author, August 5, 2003.

³⁴Adrain Humphryes, "Canadian Seen as Planner of Hebron Attack," *National Post* (Canada), November 18, 2002.

³⁵Stewart Bell, *Cold Terror: How Canada Nurtures and Exports Terrorism to the World* (Wiley, 2004), p. 116.

³⁶"Hezbollah Confirms Egypt Arrest," *BBC News*, April 10, 2009, <http://news.bbc.co.uk/2/hi/7994304.stm>.

³⁷"Overview of State-Supported Terrorism in 1985," Terrorism Review, Directorate of Intelligence, Central Intelligence Agency, January 13, 1986, approved for release June 1999, http://www.foia.cia.gov/docs/DOC_0000258586/DOC_0000258586.pdf.

³⁸Jacque Neriah, "Iran Steps Up Arming Hizballah against Israel," *Jerusalem Issue Briefs* 10, no. 21, Jerusalem Center for Public Affairs, January 10, 2011, <http://www.jcpa.org/JCPA/Templates/ShowPage.asp?DRIT=1&DBID=1&LNGID=1&TMID=111&FID=442&PID=0&IID=5660&TTL=Iran Steps Up Arming Hizballah Against Israel>.

³⁹"Directed Study of Lebanese Hezbollah" (Nashville: Universal Strategy Group: Research and Analysis Division, 2011), p. 41.

⁴⁰"Iranian Intelligence Activity in Uganda," undated Israeli intelligence report, corroborated in separate author interview with Israeli intelligence official, Tel Aviv, July 2003.

⁴¹*Ibid.*

⁴²See entry for "Mashhad" at the Places of Peace and Power Website, http://sacredsites.com/middle_east/iran/mashhad.html.

⁴³"Iranian Intelligence Activity in Uganda," undated Israeli intelligence report, corroborated in separate author interview with Israeli intelligence official, Tel Aviv, July 2003.

⁴⁴*Ibid.*

⁴⁵Vice Adm. Lowell E. Jacoby, USN, Director, Defense Intelligence Agency, "Current and Projected National Security Threats to the United States," testimony before the Senate Select Committee on Intelligence, February 16, 2005, <http://intelligence.senate.gov/threats.pdf>.

⁴⁶"Middle East Terrorism: The Threat and Possible U.S. Responses," Directorate of Intelligence, Central Intelligence Agency, February 15, 1985, approved for release June 1999, http://www.foia.cia.gov/docs/DOC_0000256571/DOC_0000256571.pdf.

⁴⁷Dennis C. Blair, Director of National Intelligence, "Annual Threat Assessment of the Intelligence Community for the Senate Select Committee on Intelligence," February 12, 2009, http://www.dni.gov/testimonies/20090212_testimony.pdf.

⁴⁸James Glanz, "U.S. Says Arms Link Iranians to Iraqi Shiites," *New York Times*, February 12, 2007, <http://www.nytimes.com/2007/02/12/world/middleeast/12weapons.html?pagewanted=all>.

⁴⁹Tim Susman and Borzou Daragahi, "The Conflict in Iraq: Accusations of Interference; U.S. Makes Case that Iran Arms Flow into Iraq," *Los Angeles Times*, February 12, 2007, <http://articles.latimes.com/2007/feb/12/world/fg-iraqiran12>.

⁵⁰Press briefing with Brig. Gen. Kevin Bergner, spokesman, Multi-National Force-Iraq, Baghdad, July 2, 2007, http://www.usf-iraq.com/?option=com_content&task=view&id=12641&Itemid=131.

⁵¹“Unclassified Report on Military Power of Iran,” Congressionally Directed Action (CDA) re: Military Power of Iran, April 2010, p. 3, <http://www.offnews.info/downloads/militaryPowerIran.pdf>.

⁵²“Update to Initial Findings from Karbala; Militant Attack Used Deception, U.S. Army Type Uniforms,” Multi-National Corps—Iraq Public Affairs Office, Release No. 20070126–21a, January 26, 2007, http://www.usf-iraq.com/?option=com_content&task=view&id=9542&Itemid=21; Steven R. Hurst, “Four U.S. Soldiers Abducted and Fatally Shot during Attack in Southern Iraq,” Associated Press, January 27, 2007.

⁵³“Terrorism Review,” Directorate of Intelligence, Central Intelligence Agency, October 22, 1987, approved for release June 1999, <http://www.foia.cia.gov/>.

⁵⁴“Lebanon’s Hizballah: Testing Political Waters, Keeping Militant Agenda [redacted],” Central Intelligence Agency, July 1992, http://www.foia.cia.gov/docs/DOC_0000676447/DOC_0000676447.pdf.

⁵⁵Testimony of Ambassador Philip Wilcox, hearing on “Terrorism in Latin America/AMIA Bombing in Argentina” before the Committee on International Relations, House of Representatives, September 28, 1995.

⁵⁶Testimony of Mr. Tommy Baer, president of B’nai Brith, hearing on “Terrorism in Latin America/AMIA Bombing in Argentina” before the Committee on International Relations, House of Representatives, September 28, 1995, p. 34 of oral testimony.

⁵⁷Benjamin Birnbaum, “General in Latin America Trains Eye on Middle East,” Washington Times, July 29, 2010.

⁵⁸Kevin G. Hall, “U.S. Says Iran Plot to Kill Saudi Ambassador Hatched in Mexico,” Miami Herald, October 11, 2001.

Senator CASEY. Doctor, thank you very much.

I want to thank all of our witnesses.

We will go to our first round of questions. And the admonition on time will apply to the members of the panel as well, and I will try to do it by way of example.

I wanted to first ask a broad question, and I know that answering this is difficult in a short timeframe. I wanted to ask you to look at the threat posed by the Iranian regime in the context of our national security interests. I would ask any member of the panel. We can start with the Ambassador and go down the panel. The question is, What activities or relationships that Iran engages in demonstrate the most significant threat to our national security interests? And No. 2, what should we do about that?

Ambassador JEFFREY. Very briefly, Mr. Chairman. Clearly Iran’s pursuit of a nuclear weapons option, as my colleagues have pointed out, is the most dangerous thing that they could possibly do and the thing that gets this right up to the top level of U.S. national security.

The second major threat that emanates from Iran has to do with economics and specifically oil, not so much Iranian oil but its ability to disrupt oil supplies from the Middle East as a reaction to something we might do or something it could do at some point, for example, if it felt that the sanctions were so pressuring its own oil exports that it could basically revenge itself. There was an example of this in the late 1980s when the Iraqi campaign against Iranian exports was so successful that the Iranians then lashed out at shipping all over the gulf. This led to a successful U.S. military operation against Iran, but it kept the whole area in tumult for 2 years.

The third threat is a more general one, and this is where terrorism is so important. Essentially it is a U.S. national interest to keep a Middle East that is stable. Given the collision of religions and cultures there, given its central place just from the standpoint of transport with the Suez Canal, the Dardanelles, the Strait of Hormuz, and on and on, given its oil riches and given the potential danger from nuclear-armed or chemical weapons-armed states, it is very, very important that something that resembles a rule of law and an international order obtain there. It is one of the few areas of the world where we do not really have that. We are constantly

engaged in military operations, big or small. We have done about 20 since 1979, Desert I. And the future looks like we may have to do more.

So, therefore, Iran's leading role in challenging an international order and ignoring the U.N. and supporting terror and carrying it out itself, taken together with its other two threats, the nuclear threat and the economic threat, make this an A league problem along with several others that we really have to focus on, and I think we do.

Thank you.

Senator CASEY. Anybody else on that question?

Dr. BYMAN. Mr. Chairman, let me add briefly. Iran's use of terrorism has potential to destabilize allies that may be, I will say, tottering or at least weak for other reasons, particularly with regard to the Arab Spring. When you take political protests and introduce a small amount of violence, it can lead to a cycle of escalation where the regime legitimates a crackdown. That crackdown in turn produces more violence. And since Iran has the ability to stir up violence in a number of states, especially in the region, that is of grave concern.

But let me also add two things.

One is that Iran has the ability to try to disrupt the peace process between Israel and the Palestinians. Right now effectively there is no peace process. So that does not matter in a sense. But should, as I hope, there be a peace process, Iran has consistently in the past seen the peace process as, from their point of view, morally wrong, but beyond that, as a threat to Iran as a way to isolate Iran and has been successful in helping disrupt it.

Iran also, I would say, got away very lightly with planning a terrorist attack on United States soil. It seemed it was a bungling attempt that came nowhere near completion, but had the attack succeeded, it would have killed a number of Americans, as well as an ambassador of a very important ally. And because it did not succeed, there was no response, and to me that is not the appropriate way to do this. You have to think about the intention because with terrorism sometimes things will succeed and sometimes things will go wrong, and you do not wait until success to respond.

And on this broader point, Iran right now is serving as a de facto haven for al-Qaeda, and I do not want to exaggerate this. It is not like the Taliban's Afghanistan. But you have a number of senior al-Qaeda figures that enjoy a certain degree of immunity within Iran, and ironically as the drone campaign has made Pakistan a very dangerous place for al-Qaeda figures, having even a place simply to not be killed is quite beneficial to the organization. And Iran has played an important role.

Senator CASEY. Thanks.

Ms. PLETKA. Let me just add very quickly. I think the point that Dan just made about al-Qaeda is really important. It is important not to overstate it. You are right.

But the Iranians in April released Abu Hafs Al-Mauritani who was believed to be at the table with bin Laden when he planned the 9/11 attacks. He was released to Mauritania. Mauritania just released him because he has "reformed." What was he doing in

Iran under what is called a loose form of house arrest? There is plenty of evidence.

The other thing—and I agree with my colleagues, but the other thing that has not gotten mentioned enough is Iran's willingness to arm not just the special groups in Iraq in the past, but also arming the Taliban against NATO forces in Afghanistan. Both the United States and the British have spoken out very aggressively against that. But the Iranians are trying to kill our soldiers everywhere they find them.

Senator CASEY. Doctor.

Dr. LEVITT. I would just add that both Iran and Hezbollah are desperate to engage in these types of activities in ways that enable them to have reasonable deniability. What we have to do is to expose these activities at every turn. I disagree with those who think it is a problem that the administration has not come out and said that the Bulgaria attack was Hezbollah. However, once the evidence comes out, the administration acknowledges—directly, not anonymously, as they continue in the media—Iran and Hezbollah's ability to engage in these types of attacks. This includes not only a failed attack here in Washington, DC, but, as Danny said, Khobar Towers and other instances in which they succeeded and that there is no cost makes them believe, ever since the days of the Beirut bombings, that they can engage in these types of activities. They are inexpensive and are free or larger political cost. And if you can engage in reasonable deniability, it makes it harder for your adversary to respond even if you wanted to. We need to remove that veneer and replace it with an indisputable cost.

If there is one thing I would recommend, I suggest targeting Iranians' diplomatic missions, and because we are here, I would focus on the Western Hemisphere because we know that Iran supports terrorism out of its diplomatic institutions. We know that the number and the size of Iran's diplomatic institutions in South America are completely out of whack with its presence, and this is something in which we could have some tangible impact.

Senator CASEY. Thank you.

Senator Risch.

Senator RISCH. Thank you, Senator Casey.

I wonder. I would like to get each of you briefly to give me your personal opinion on what a post-Assad, post-Alawite Syria looks like because there is, obviously, lots of opinions out there, but I would like your personal opinions on it, and how that will affect the relationship between Iran and Syria. We will start with Mr. Ambassador.

Ambassador JEFFREY. Thank you, Mr. Risch.

First of all, it is very difficult to divine what will come, but I think that our experience elsewhere in the region indicates that we should not be as worried as we may be about al-Qaeda or an al-Qaeda-like Salafis force taking charge. I think we have very good contacts with some of the people who are in the resistance, and all in all, it will be a better place after Assad than it was with Assad. Once again, I will use the example of Iraq. We have certainly had our bad moments with Iraq since 2003, but all of us know that the Iraq since 2003 and certainly the Iraq of today is all in all a far better place and a far bigger contributor to a stable

Middle East than Iraq was under Saddam Hussein. So all in all, I would say it is worth the risk, but once again, we do not know exactly what will come out of it.

Where it will particularly be worrisome, even if you do not get this extreme Sunni Islamic takeover that some people see, is, as Danny Pletka mentioned earlier, the impact particularly on Iraq but in the region generally between Shia and Sunni Islam. This is a fault line that goes deeper than Iran, that goes deeper than al-Qaeda, that goes deeper than most of the other things that we look at in the Middle East. It is a little bit like, a decade-plus ago, the Christian-Muslim split in the Balkans that was the driving force for many of the specific campaigns, Bosnia, Kosovo, and several others we managed to nip in the bud.

This is a very dangerous phenomenon. A flip in the government in Syria would put pressure on all three groups in Iraq: the Sunnis to take a more active role in politics because they would feel reinforced; the Shia who would feel pressed against the wall because ironically the Alawite minority, which is very secular and not very Islamic, is still characterized as a part of Shia Islam; and the Kurds who have been sitting on the fence both in Syria and in Iraq as to which way things would go. So you would have a particular impact on Iraq if you did get a change.

But again, my feeling is that this is probably inevitable. It is probably, all in all, to our advantage. And at the detail level of how much to our advantage, that is a question of good policy and good diplomacy.

Senator RISCH. Dr. Byman.

Dr. BYMAN. To emphasize the obvious, we do not know, of course, what is going to happen in Syria, I would say, next week let alone a year from now or 5 years out. But I think it is fairly safe to say that any state that emerges is going to be very weak and very prone to instability. We have seen growing sectarianism in the conflict. War has created a dynamic that exacerbated what was already there.

And of particular concern to me is that a post-Assad Syria might not actually be a post-Assad regime Syria, that we might see this regime lose power in much of the country and essentially hunker down in certain cantonments and parts of it while the opposition fights among itself.

What has really been striking in a disheartening way in Syria has been the lack of unity within the opposition. We are over a year into what has become the bloodiest part of the Arab Spring, and right now we see a lack of unity politically. We see a lack of unity militarily. The United States has been working, I will say, mainly with external voices that appear to have relatively little influence within Syria, and frankly, from what I can tell, our policy of working with the external voices has not even succeeded on that limited basis. So I am very concerned we are going to see a fractured Syria and one that will be a source of instability for not only Syria but for the region in general in the years to come.

One silver lining is I think almost no matter what comes out of Syria, it is going to be bad news for Iran. A year and a half ago, they had a good, dependable ally at the heart of the Arab world, and if this ally is weakened, that is a good thing. If this ally falls,

that is a good thing. And beyond that, Iran has been further discredited because it is seen as supporting the forces of oppression. So this is one of the silver linings that has come out of what is a very tragic situation.

Senator RISCH. Ms. Pletka.

Ms. PLETKA. As I had a piece in the Washington Post on this on Sunday, I am going to spend a lot of time quoting myself, which is an unattractive Washington habit.

I do not agree with Dan at all about the opposition. The Democratic Party is fractured, and it has the White House and the Senate. The Republican Party is fractured and it has the House and a Presidential candidate people think might win.

The reality of opposition groups is opposition groups fight with each other, and when they do not have a great power backing, as the Libyans did, then they fight a lot more because there is no one outside to hold out the sort of fruits of victory and explain to them what that would mean and try and broker the disagreements that occur. So instead, we spend all of our time as a matter of policy saying, oh, they are very fractured. They really disagree. It is really distressing. Obviously, they disagree. That is what countries have is fractured oppositions and people who disagree with each other. It is a democracy that can absorb those disagreements, and that is what we hope Syria will become.

I would argue that if we continue to pay as little attention as we have to the future of Syria, it will, in fact, be a problem and will be unstable and will represent potentially a risk for our interests in the region. If we get more involved and we work more closely with our European allies and we work with all of the Syrian opposition, not just the Turkey-based opposition, I think absolutely we have an opportunity to help Syria move in the right direction, as Libya has, as Tunisia has, and we hope as Egypt has. So I am not as pessimistic and I think that the United States has an important role to play if only we choose to play it.

Senator RISCH. Thank you.

Dr. Levitt.

Dr. LEVITT. In brief, I just want to say it is going to be weak. It is going to be weak, but it is not going to be as friendly or capable an ally to Iran. Most Syrians, I think, are probably pretty angry with Iran right now for continuing to support this regime. For a long time, people had hoped that a major Sunni general would get up and make a deal with the Alawites, the massacres would stop and things would move forward. And that did not happen.

I think it is true that the opposition is fractured and perhaps there is good reason for that, but I think there is a lot more that we can and need to do to work with that opposition or even oppositions to move this along, because in the interim Syrians are dying and it is a very messy situation. I think the longer things go this way, the messier it is afterward.

The final comment comes from a terrorism perspective. There is concern that there are some al-Qaeda elements that have infiltrated in, and there is concern that Muslim Brotherhood elements have played too large a role in the opposition. But I think it was today's New York Times that cited an al-Qaeda Web posting from

Syria. They ran it in today's Times, but the Web posting is from February.

Senator RISCH. Thank you.

Mr. Chairman, my time is up.

Senator CASEY. Thank you, Senator Risch.

Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Thank you all for your testimony.

I would like to get a sense from you what you believe the impact of the U.S., EU, and U.N. sanctions has been on financially constraining the ability of Iran to export terrorism, if at all. If so, could you give us a sense of it. And if not, if your answer is that it has not really ultimately deterred or hindered Iran's ability to export terrorism, then what would? How could we achieve that goal in addition to, obviously, our goal of trying to deter their path toward nuclear weapons? I will open it up to anyone.

Dr. LEVITT. Well, I am the former Treasury guy, so I will jump in.

I think, first of all, it is important to note that almost all of our sanctions are proliferation-focused. They are not terrorism-focused. I can think of only one, the Bank Saderat action, which was explicitly done for a counterterrorism purpose. That said, it is not like Iran keeps its proliferation money and its terrorism money in separate banks.

I do think it has had an impact, though it is limited. I had a piece in Foreign Affairs a little while back called "Party of Fraud" about Hezbollah's movement into criminality to complement its funding. One of the reasons for this, and its increased prominence over the past few years, including its move into the drug trade, is because a few years back, Iran cut Hezbollah's funding we believe by somewhere between 30 and maybe even 40 percent for a period of time. So even if they are limited to 60 percent of their funds, they can still buy the bullets and the missiles they want, but they cannot fund their other programs, and they cannot pay their salaries, which is a significant setback for Hezbollah. It does not minimize their ability to target Israel, the United States, or to do things in Bulgaria or Cyprus or potential targets. That is relatively inexpensive, but it has had an impact. The question is how do you sustain this impact. We do not think that has lasted very long.

So I do think other actions are necessary, including, as I said earlier, exposing and highlighting every time we see them doing something. I am reminded of a story of the current White House counterterrorism advisor, John Brennan, while he was in Saudi Arabia—I think Tenet writes about it in his book—at one point Brennan approached an Iranian officer parked in his car and knocked on his window and say, hey, how are you doing? Good morning. How is it going? That exposed the Iranian officer and likely caused him no small amount of discomfort when asked why it was that an American appeared to know him. Denying Iran the ability to operate with reasonable deniability is critical, so that it is no longer the case that there is no literal or diplomatic cost to their activities. And I think if you start using all elements of national power, we can get a lot farther. We have been doing that now on the nuclear side. We need to do the same on the terrorism

side too, and that means convincing some of our allies that Iran is not only a nuclear threat but also a terrorism threat.

Senator MENENDEZ. Yes.

Ms. PLETKA. I agree with Matt completely. We finished a report at AEI just earlier this year about Iranian support for a variety of groups throughout the region, and one of the things we saw was that Iran's economic troubles and the sanctions have definitely cut the amount of money they are able to spend and they are able to give to Hamas, to Palestinian Islamic Jihad, and even to the kind of softer things that they were doing. Trade agreements and things like that, really were not being fulfilled.

But Matt is exactly right. The problem is that that does not curtail the ability of these terrorist groups that are supported by Iran to continue undertaking acts of terrorism. One of the things we really can do is do a much better job in outing the Iranians. The fact that the President suggested that we see no threat coming from Venezuela, where the Iranians and Hezbollah have been enormously active on a variety of fronts clearly directed toward the United States, is a disappointment.

There are many, many more things that we ought to be doing to be frank about it. We can absolutely do more on the visa front, even on that very simple front, with our allies to ensure that Iranian officials really cannot travel. We can do more about Iran Air, which is still able to fly to many places around the world and is used by the Iranians to transport weapons and personnel for a whole variety of nefarious purposes. So those are two simple things that we might start with.

Senator MENENDEZ. Yes.

Dr. BYMAN. Very briefly I want to emphasize a point that Matt made about publicizing this. But a part of the key to me is to publicize it within Iran. Support for a number of these groups is not at all popular in Iran and in part due to sanctions and in large part due to mismanagement, Iran itself has huge economic problems, and so sending money overseas to support a range of groups is not something that average Iranians strongly support. And simply highlighting again and again to the Iranian people that the choices their regime makes are negative on a daily basis for ordinary Iranians in a bread and butter sense to me is very important. And terrorism is actually a very good one to do. I think there is probably more support among the Iranian people for the nuclear program than there is for support for a range of extremist groups.

Senator MENENDEZ. And if that information flow, which is obviously not going to come from the Iranians since there is not really a free press process in Iran—if that information came from surrogate broadcasting like our Voice of America efforts and whatnot, do you think that that would have credibility?

Dr. BYMAN. I think anything that comes directly or indirectly from U.S. officials will be questioned. That is not an issue. The thing to me is you are forcing a debate. You are forcing the Iranians to discuss the issue, to deny it.

Iran is actually tremendously open from a media environment point of view if you look at the large number of Iranians in exile who are in regular contact with friends and family back home, if you look at the tremendous availability of technology within Iran.

So the key to me is not—this is not North Korea. It is not a problem of getting messages in. What you want to do is force them to respond to it. They will still say it is all lies, but nevertheless, simply having that debate puts them on the defensive.

Ambassador JEFFREY. Senator, I agree with everything that my colleagues have said.

Very briefly, indirectly these sanctions are very, very effective against not only terrorism but the other tools that the Iranians have. We have been involved for at least 30 years in a low intensity competition, conflict, close to war with Iran on a variety of fronts. One of the more common tools that they use as they see asymmetrical warfare against us, against Western interests, against the interests of the bulk of the states in the Middle East is terror. We can counter that directly and we have at times and at times we have not.

But more importantly, we are now effectively carrying out a variety of steps that are squeezing Iran in its campaign, most importantly the oil sanctions, but its general isolation through the U.N., the EU, and other activities, and third what is going on in Syria. And to the extent that we continue to work closely with our gulf allies, with Iraq, with Afghanistan, that we maintain as strong a presence in the region as possible, supporting Israel, and looking for every opportunity, we counter what is going on. It is very hard to list all of the things we are doing and say this one blocks this, this one deters that because it is a very broad campaign. But right now, we are in many respects on the offensive, as are they in reaction to us with their terrorist attacks.

Senator MENEDEZ. Well, thank you all. I will just close with a comment—I think that we can squeeze the noose even more by the negotiations that are currently going on between the House and the Senate to perfect, in essence, the CISADA sanctions and to eliminate the loopholes that the Iranians found on workarounds, including the Iranian shipping lines and tanker companies, among others. I believe this effort will further squeeze the Iranian's economically in this mutual pursuit of having them deterred from their path toward nuclear weapons as our last tool of peaceful diplomacy and allowing them to have increasingly fewer resources for their promotion of terrorism.

So thank you all. Thank you, Mr. Chairman.

Senator CASEY. Thank you, Senator Menendez.

Senator Lee.

Senator LEE. Thank you, Mr. Chairman.

Thanks to each of you for joining us.

My first question I will direct first to Ms. Pletka and then open it up to anyone else who might want to weigh in on it.

On Sunday, Prime Minister Benjamin Netanyahu insisted on national television in America that his government has what he described as unquestionable evidence, unquestionable intelligence showing that Hezbollah, with the backing of Iran, was behind the suicide bombing in Bulgaria last week that killed five Israeli nationals.

So, first, what is your assessment of Hezbollah's possible involvement in that? And second, if Hezbollah was in fact responsible for

the attack, do you believe that this was coordinated by Hezbollah or was it coordinated by the Iranian Government in Tehran?

Ms. PLETKA. Thank you, Senator.

I do not have an American security clearance, let alone an Israeli one, so I have not seen the evidence and I do not know. What I do know is that the Bulgarians say that this was a very sophisticated operation, that as many as five people were to be believed to have been involved in it, that they flew into the country perhaps even a month before.

Given the large number of attempted attacks—I said in my opening testimony that there had been nine in recent months—I think that it is not unreasonable to suppose that the Iranians are helping to coordinate it. In some cases, the attacks that we saw particularly against Israeli diplomats were exact mirrors of the attacks against Iranian scientists that we saw taking place in Tehran. There were bikers going by with sticky bombs trying to attach bombs to cars to blow them up. Now, perhaps that is a coincidence.

You know, Iran is capable of undertaking terrorist attacks on its own with its own Quds Force personnel, but for them, the lesson of the last 30 years is if you do it through a terrorist group, through a proxy like Hezbollah, you are much less likely to pay any price for it because there will be that confusion, that sort of fog in the conflict. And that is what you see right now.

You see that while Netanyahu is very aggressively going out and naming names and accusing, that the U.S. Government, for whatever reason, is being very reticent about that. I am reluctant to believe that we have less good intelligence or that the Israelis have not shared it with us. Nonetheless, we seem reluctant to say exactly who was behind it. That is part of our problem. We are always reluctant to say who is behind it even when we have them dead to rights.

Senator LEE. Even when we know or have strong reason to know.

Ms. PLETKA. I encourage everybody to go—I linked it in my testimony, so it is online. Go and read the indictment in the Khobar Towers case. I cannot remember what was not classified and what was, so I do not want to say anything inappropriate. But let us just say that we had Iranian Government officials spot-on, dead to rights involved in the coordination of the attack at the time it took place, and nothing has happened. Nothing.

Senator LEE. Anyone else care to add to that?

Dr. LEVITT. One of the chapters in my book, Danny, is on Khobar. So you will know exactly what is classified and what has been declassified.

There are lots of reasons to suspect early on that Hezbollah may have been involved. Hezbollah was thwarted in a similar attempt to carry out an attack on Israeli tourists on buses this past winter in Bulgaria. A Hezbollah individual was caught and apparently confessed just a few weeks ago in Cyprus to a plot that was almost identical, targeting buses at airports, et cetera.

But I do not really blame the administration for publicly stating that they will hold off until all the evidence has been examined, because there are good evidentiary leads, such as DNA and sketch artists' renditions. They have apparently tracked down some of the

rental agencies and things of that nature. Brennan is right there. I am sure that we are helping. My guess is, again not having access to the Israeli information, that other sources and methods of the type that you were alluding, suggest Hezbollah is a suspected perpetrator.

It would not surprise me at all if Iran provided some support. The attack was carried out on the anniversary of the AMIA bombing in Buenos Aires in 1994, and in that case, again, public indictments are available on the Internet. We have the Iranians dead to rights on their support for the Hezbollah cell; several people came in weeks in advance to carry out the attack. The fact that there are parallels is not in itself an indictment, but there are plenty of parallels. I think we need to let the investigation run its course, but I will be shocked if we do not find out that, in fact, it was Hezbollah perhaps with Iranian support.

Of all these attacks we have seen over the past year and a half, some have been Hezbollah on its own, some have been Iran on its own, some of have been the two of them together. Any combination of that is possible.

Senator LEE. Do you ever worry, by the way, that with so many bombings, that is going to give rise to even more anniversary bombings? It is almost always the anniversary of some bombing somewhere. That frightens me.

Dr. LEVITT. Not really, because in my experience terrorists love to use an anniversary when it is convenient, and if it is not convenient, they will bomb you when they can. I am reminded of the February-March 1996 string of bus bombings in Jerusalem by Hamas, and one of them by Islamic Jihad, that impacted the Israeli elections there. They claimed that the attack was in response to the assassination of the Hamas bombmaker, Yahya Ayyash, who had been killed by the Israelis. But once you got into the investigation, it turned out that they were deep into the planning stages of this operation months before Yahya Ayyash was killed. So then the anniversary just became the opportunity of coincidence.

Senator LEE. Do either of the other two of you care to weigh in on that one?

[No response.]

Senator LEE. Ambassador Jeffrey, I have got one question for you.

Iranian navy commander, Rear Admiral Habibollah Sayyari, was quoted recently as saying just like the global hegemony that is present near our Marine borders, we also plan to establish a strong presence near U.S. Marine borders. What is your assessment of the current strength of the Iranian Navy?

Ambassador JEFFREY. I am not a military expert. One of the few parts of Iran's violent outreach that we did not have to worry about in Iraq usually was the navy, although down in the south, we did have some concerns about the terminals.

The main threat, as I understand it—but again there are people who know a lot more about this than I—of the Iranian Navy comes from its, again, asymmetrical warfare capabilities. These include the speed boats which can swarm on a target and, if nothing else, divert crews from other activities; the small, but very lethal fleet of midget submarines that they have; mine-laying capabilities; and

the antishipping missiles that they have located at various points along the coast that are basically focused on the gulf, and all of the traffic in the gulf is within range of it. So it is a multifaceted threat that they pose. It is not a navy that could slug it out with us. They tried that in 1987–1988 and they lost across the board. But these asymmetrical capabilities that their navy has, particularly the Revolutionary Guard Navy which has the lead in the gulf as opposed to the regular navy which is down in the Indian Ocean, I think are quite considerable and quite a lot of concern to us, sir.

Senator LEE. So, in other words, when they talk about establishing a presence somewhere, it is not necessarily a presence in the same sense that we would use that term in terms of a carrier group, but the fact that it is a smaller presence and more subtle one does not mean that it is not dangerous.

Ambassador JEFFREY. Right, exactly. Basically they look at laying mines, speed boats, terrorist activities, espionage—they look at all of these things as counters to the conventional capability that we, Israel, and the Sunni Arab States of the Gulf all have over them.

Senator LEE. Thank you.

Thank you, Chairman. I see my time has expired.

Senator CASEY. Thank you, Senator Lee.

Senator Cardin.

Senator CARDIN. Mr. Chairman, thank you very much and thank you for chairing this hearing. This is an extremely important subject for U.S. national security interests. Iran is a very dangerous country. It is an oppressive regime to its own people, which is of great interest, I would hope, not only to the United States but the international community. It is a supporter of terrorism that is beyond any dispute. The fact that they have increased activities against Israeli interests is of major concern to all of us. The fact that they have shipped arms to terrorist organizations from Hezbollah to Hamas and other terrorist groups and supporting the Assad regime in Syria, all those give us great concern as to what is happening in Iran. And I followed your answers as to whether sanctions are working and how effective they have been.

But one thing we know, there has been increased activity by Iran. We know that they are still seeking to become a nuclear weapons state, which would be a game-changer in the Middle East.

I want to first ask as to whether any of you have an opinion as to whether Iran is targeting the United States directly. We have seen evidence with the Saudi Ambassador in 2011. Do we have any increased concern about Iranian terrorist activities that could actually come to United States soil?

Dr. BYMAN. Senator, that to me is one of the biggest concerns about what we have seen in Iranian behavior in the last several years. From my take, it is not a direct desire to target the United States within the U.S. homeland. It is much more a willingness to kill Americans as part of other operations, so going after Israeli or Jewish targets in India or elsewhere, some of the plots being concerned would have led to deaths of Americans. Most important, the attack on the Saudi Ambassador in the United States, had it succeeded, would have killed many Americans dining in the same restaurant, and that would not have been the target, but the fact that

that did not stay their hand, to me is actually rather dramatic. That is a very big change from what we have seen recently. As the Ambassador can testify much more authoritatively than I can, Iran, of course, is responsible for backing an array of groups in Iraq and also Afghanistan that have gone after Americans. So we have seen them be more aggressive in a variety of ways and a willingness to inflict casualties on Americans. So to me this is of tremendous concern. It is different in some way than the 1996 Khobar Towers bombing where it was a direct “we want to kill Americans in Saudi Arabia.” But it is moving more toward that direction. It shows Iran is more willing to take risks. It shows it is willing to be more confrontational, and this is a shift that to me is quite dangerous.

Senator CARDIN. Should we be looking more toward attacks against Americans, Dr. Levitt?

Dr. LEVITT. I would just add that the Director of National Intelligence who testified before Congress that the Arbabsiar plot—the plot targeting the Saudi Ambassador here in Washington, DC—suggested that at least some within the Iranian decisionmaking elite no longer saw a redline for carrying out attacks directly targeting Americans. I think that is tremendously significant. It goes beyond the support for militants in Afghanistan, even beyond the much more proactive and hands-on support for plots directly targeting Americans in Iraq, and reportedly some of the recent plots going on internationally may have been targeting American interests too, including the last plot in Azerbaijan targeting reportedly United States diplomats there.

So I do think that Iran traditionally is aggressive and we are traditionally risk-averse. I think Iran has become much more aggressive in part because it perceives a need to be more aggressive in response to the shadow war. I think we need to do more to pull this out of the shadows because, as you said, Iran is increasingly dangerous on the CT front, the nuclear front, to the human rights front, et cetera.

Senator CARDIN. I want to talk about what the Iranian game plan is in regards to its activities in Syria. Syria, by far, has had the most international attention of late for good reason. The Assad regime is causing incredible human rights violations. The Iranian regime is one of the supporters of the Assad regime. One thing is certain: Assad will not last much longer. We are going to see a regime change. It will happen. I think most people agree on that. Iran understands the dynamics of what is happening in Syria, and yet they support the Assad regime. We also know the Sunni ethnic population would most likely have more impact in the next government of Syria. You would assume that there would be some accommodations made. And yet Iran seems to be reaching out to have influence in the next regime in Syria. I do not think we can just assume that it will be an anti-Iranian regime.

Do you all have any views as to how you see Iran playing the developments in Syria to further its own objectives of international relevancy and maintaining its current objectives against Israel and United States interests?

Ms. PLETKA. Iran is obviously very active on the ground. I mean, there are IRGC forces on the ground fighting with the regime

against the rebels. I think we have ample videos. They are available on YouTube. You can see them. In fact, Iran is so deeply involved, that the bombing that killed four now senior Cabinet officials in the Syrian Government was rumored to have also killed Qasem Sulemani, the head of the Quds Force. I do not know what the news is today, but he has not surfaced since then and he was in Damascus at the time. So I do not know whether it is reliable or not, but that is how deeply involved the Iranians are in their defense of the Assad regime.

I would, I think, respectfully disagree a little bit about a post-Assad Syria. I think that Iran has had its fingers so clearly involved in the continuation of the Assad regime and the Assad regime is so profoundly hated by the vast mass of the Syrian people that the odds that Iran will have any influence other than through violence or sponsorship of terrorism inside Syria in a post-Assad scenario I think is very limited.

The real question is—

Senator CARDIN. Do all three of you agree with that? You think that it is pretty much a foregone conclusion, based upon what Iran has done on the ground, that we will have the next Syrian regime as an ally as it relates to actions against Iran or not?

Mr. Ambassador.

Ambassador JEFFREY. Right. Having dealt with Iraq, an ally of ours, on some of the bad days, as well as good days, with it as an ally, I am a little bit cautious about predicting that what will emerge from Syria would be an ally.

What I would say is that Iran—and here I agree 150 percent with Danny—is totally committed to the Assad regime and its maintenance of power because if the Assad regime falls and a Sunni government takes over, Iran first of all fears that it will lose its influence that has brought it to the Mediterranean, gives it an ally in what it sees as its struggle against Israel. But also, as I mentioned earlier, there is this fissure bubbling underneath the surface in the Middle East between Sunni Islam and Shia Islam, and Iran sees itself as the champion of Shia Islam, and ironically it sees the Alawite regime as an outpost of Shia Islam. And so this would be a terrible blow to it under any and all circumstances.

I mean, I would characterize Iran's position with Syria with the United States position toward Egypt. At times, we are trying to nudge the Mubarak administration along; at times, we are reaching out to the opposition. At the end of the day, we figured regardless of what happens, we will try to have a relationship, including a military relationship, with the new regime. I do not see Iran playing a similar role in Syria. They are committed to keep this regime in power and they will do anything and everything they can, I believe, to do so.

Senator CARDIN. I would just make an observation, Mr. Chairman, and I will yield the floor. One of the options, of course, is that there is a coup from within and that there is no predictability as to what type of government comes next. And there could be a government that, yes, includes more representation from the Sunnis but does not break its ties to the minority ethnic population and its ties to Iran. I just think it is something we have to watch very carefully. I think all of us are somewhat suspect as to what type

of government comes next and how close they will be to U.S. interests. I was just pointing out would we have a friend as it relates to policies against Iran, not a friend as it relates to maybe other issues in that region.

But I think your responses have been very helpful, and I thank you very much for your answers.

Senator CASEY. Thank you, Senator Cardin.

Senator Udall.

Senator UDALL. Thank you, Chairman Casey and Ranking Member Risch. A very important hearing today and I very much appreciate the witnesses here and the discussion already.

It is well known that Iran has been attempting to increase its influence in Iraq before and after the end of United States involvement in the war. And in addition, it has also been reported that Iran gave support to the Northern Alliance in Afghanistan prior to the allied invasion to overthrow the Taliban.

With regards to Afghanistan, do you believe that Iran will look to continue its influence of groups inside Afghanistan, and is it feasible that we could see an increase of Iranian activity as the United States draws down its forces and turns over security responsibilities to the Afghan Government?

Ambassador.

Ambassador JEFFREY. Judging from my experience in Iraq and my general following of what is going on in Afghanistan, I think you can count on Iran, particularly as it is pressured ever more with what is going on in Syria, with what is happening internationally, with what is happening with its oil trade, to find ways to strike back. One way that it will see a vulnerability will be in Afghanistan. It has long had good relations both with the people of the Northern Alliance that overthrew the Taliban, but more recently, as we have discussed earlier today, it has been providing arms to Taliban and Taliban-associated groups that have been attacking us and NATO forces in the south of the country, and I think it will continue to play that role. It is an economy of force role, as with Iraq. It allows them, with a relatively limited amount of money and weapons and personnel, to maintain a presence on the ground. I think you are going to see that. I think it is a challenge but it is not something that we cannot deal with. We dealt with it in Iraq. We are still dealing with it in Iraq, and we can deal with it in Afghanistan as well.

Senator UDALL. Do any of the others have—yes?

Ms. PLETKA. We are not, obviously, here to talk about Afghanistan that much, but one of the additional tools that the Iranians bring to bear is the fact that they are home to more than a million Afghan refugees. Now, that is a very substantial burden for them. So on the refugee side, let us say good that they are there. They are in refugee camps along the Afghan border. And one of the things that they regularly do to destabilize the Karzai government and to try and complicate the economic situation and the political situation in Afghanistan is threaten to dump all the refugees back in Afghanistan. So it is not just a weapons strategy. They have a very sophisticated political, economic, and military strategy vis-a-vis Afghanistan that is interested in ensuring that the country remains unstable.

Dr. BYMAN. Iran has been involved in various civil wars in Afghanistan really since the beginning of the Islamic republic. It has not been very successful. It has worked with a wide array of groups, but most of them took their money, took their weapons, and then went and did what they had planned to do in the first place. And I think this experience has taught Iran some caution. Their goals in Afghanistan are quite real but they are limited. A colleague of mine said that talking about Iranian support for these groups is a bit like talking about illegal immigration from Canada, you know, that when you compare it to Pakistan which is so involved really up to its neck in supporting a wide array of very anti-American, anti-Karzai groups, that the Iranian role by comparison is minor.

But Iran is focused, I would say, also logically enough along its border, and as a result, Iran does not want a strong central Afghan Government. It is fine with having a certain degree of instability along its border, and with that guaranteed instability elsewhere in the country, if it sees the regime is hostile.

As the U.S. forces draw down, there is likely to be a void. I do not see many credible expectations that the Afghan Government will be particularly robust when this happens. And in this void, in part to counter Pakistan, in part to counter the Taliban, Iran may act, but conversely if other factions are strong that Iran opposes, Iran may end up working with these various groups. So I think Iran will be very flexible. But I also think the good news is it may not be very successful.

Senator UDALL. Dr. Levitt, any thoughts?

Dr. LEVITT. The only contribution I can make to these words of wisdom is just that in the immediate, I think Iran would be perfectly happy, especially since it does not have the American targets in Iraq anymore, to provide military assistance to those who are targeting American and NATO troops there. That limited objective it is able to do easily at very little cost without having to worry about the larger objectives of maintaining instability or a relatively weak central government. And so I am concerned that we will see an increase in this type of lethal assistance to our adversaries in Afghanistan.

Senator UDALL. Thank you and thank you very much, Chairman Casey.

Senator CASEY. Thank you, Senator Udall.

I know we have to wrap up. I want to pose one question and ask for 30- to 45-second answers, if you can do that, and I know it is not enough time.

The predicate for the question—and I am not sure there is much disagreement—is that we have established, even prior to this hearing and certainly on the record in this hearing, that No. 1, the possibility that Iran could develop nuclear capability is a direct threat to the United States and certainly to the Middle East even more directly. No. 2, on a separate track, Iran is the backer and the banker of all the bad guys in the region. And No. 3, they export terrorism beyond the region.

So if you look at this challenge on those three tracks, the question that I have—and I am sure many others do as well—is what should the United States do on the track related to Iran’s support for terror in the region and beyond the region, even in the absence of nuclear capability which, of course, we cannot discount?

Mr. Ambassador, I will start with you. If you had a short list for what the United States should do, what would it be?

Ambassador JEFFREY. It is very short, sir, because again, Iran is not to terror as al-Qaeda is to terror. It is one of the tools in its toolbox that it uses in this long-term campaign. We are engaged, I think, quite effectively at the moment in a countercampaign against it. So it is a question of tweaking that counteroffensive that we are underway with.

More work on the sanctions. We have been very successful and we have had a crushing impact on the Iranian economy. That is a good thing.

Second, Syria is an opportunity unparalleled in the last 30 years for us, and if we can play a more active role there, I think that that would be very, very beneficial not simply through the Turks. For example, the chemical weapons threats that we have been hearing emanating from Syria—that begs the question of what will we do if they threaten chemical weapons again. It is a relatively easy thing for us to take a strong position on.

And again countering by speaking out, by using counterterrorist tools that we have had for many years, as this campaign goes on, because it will go on, against Israeli and American and possibly Saudi and other Sunni Arab interests.

But at the other hand, the one tool that we also have to be aware of is this fissure line between Shia and Sunni Islam. It is very, very important that we not see ourselves or have ourselves positioned on one side of that versus the rest of the region because the rest of the region includes large minorities in Bahrain and in Yemen and elsewhere and, of course, a majority of the population in Iraq. So it is a very, very touchy subject.

Senator CASEY. Thanks so much.

Doctor.

Dr. BYMAN. As the Ambassador noted in his earlier remarks, if you push back hard on Iran, it does respond, and to me, unfortunately, we have not been as aggressive as we should be. So much of what we discussed during this hearing, publicizing what Iran does rather than trying to play it down. If there are failed attacks, treating them seriously, not waiting for successful attacks to respond. Responding promptly. And so there is a certain political window and diplomatic window after violence to do something that dissipates over time.

And with al-Qaeda, we have a campaign. We have a worldwide effort. It involves a wide array of allies in very different and often creative ways. And with Iran, it is more ad hoc. It is quite serious, but I would say on terrorism, it needs to be more comprehensive. And this is going to vary by region and country, but it should be done in a more systematic and sustained way.

Senator CASEY. Ms. Pletka.

Ms. PLETKA. We can each of us be more succinct because we agree with our predecessors. So I agree with both Jim and Dan on this.

I do think we can do more to deny Iran and its proxies operational latitude in Lebanon, in the West Bank, and in Gaza, and in other places where they operate. So that is an additional factor where we actually do have some leverage.

I think we could do much more to push out the Assad regime and to help ensure that a future Syria is stable and will not, in fact, be an ally to Iran and will not be so unstable that it will end up helping Iran anyway.

And last. And I am going to quote Matt's colleague, Dennis Ross, who did an event with us last week, who said that for as long as Iran is persuaded that we want the nuclear talks more than they do, they are never going to give us anything. And I thought he was exactly right when he said it. We are engaged in these low-level or lower level talks between the EU and the Iranian designate in Istanbul. They have been going on. We have not set a next meeting, and yet no one is willing to say or put any pressure on the Iranians that in fact the nuclear talks are failing because no one wants to have to do what it might require when they fail. So we are playing Iran's game and we should stop playing Iran's game.

Senator CASEY. Thank you.

Dr. Levitt.

Dr. LEVITT. I completely concur. The Iranian negotiation strategy is to negotiate over the next negotiation.

We need to publicize what they are doing. We have a tremendous opportunity in Syria. I think we need to get greater international effort, consensus on targeting not just Iran's nuclear issues but its support for terrorism. A European Union designation of Hezbollah would be huge here, and if they were unwilling to designate the entirety of the group, though I would prefer that, a secondary would be to go the British route which would be to designate just the terrorist or military wings of the group. Even that would have some impact.

Iranian travel is also a cause for concern. It is very easy for Iranians to travel to a lot of places, such as Malaysia where visas are not required. This enables them to do all kinds of things as well.

I think it was after the Mykonos bombing in Germany that almost all European countries for a short period of time withdrew their ambassadors. If it turns out that this attack in Bulgaria was a Hezbollah or Iranian attack, I think we should press our European allies to do that, not necessarily closing their embassies, but showing a united front. That gave a huge message at the time.

And the message should not always come from us. I argued in testimony before the House after the Arbabsiar plot targeting Ambassador Al-Jabeir that this was as much of an attack on the Saudis as it was on us, and the Saudis and other Gulf States should be pressing their allies to take similar action, including targeting Iranian diplomatic presences and their size and range of activities throughout the world, starting with the Western Hemisphere.

Senator CASEY. Thanks very much. We have more questions. We will submit them for the record. The record will be open for at least a week.

I want to thank Senator Risch and our witnesses for being with us. Thank you very much for your time.

We are adjourned.

[Whereupon, at 11:40 a.m., the hearing was adjourned.]

