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UNITED STATES POLICY TOWARD IRAN—NEXT STEPS

HEARING

BEFORE THE

COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

MARCH 8, 2006

Serial No. 109–183

Printed for the use of the Committee on International Relations

Available via the World Wide Web: http://www.house.gov/international_relations

U.S. GOVERNMENT PRINTING OFFICE

26–438PDF WASHINGTON : 2006

For sale by the Superintendent of Documents, U.S. Government Printing Office
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UNITED STATES POLICY TOWARD IRAN—NEXT STEPS

WEDNESDAY, MARCH 8, 2006

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Committee met, pursuant to notice, at 10:23 a.m. in room 2172, Rayburn House Office Building, Hon. Henry J. Hyde (Chairman of the Committee) presiding.

Chairman HYDE. Iran presents perhaps the most difficult national security problem confronting the United States. Should Iran's clerical regime acquire nuclear weapons, as is its evident aim, it would be able to foment mischief in its region or beyond without fear of regime threatening retaliation other than from another nuclear power.

In a suicidal mode, it could well lash out at Israel, Europe or at American forces in the region. Inevitably, regional powers such as Saudi Arabia will seek nuclear powers of their own so that they will not have to rely on others to secure their survival. Were Iran not in such an important location, its behavior might be of marginal concern, even though we would reprove it for its abysmal human rights record and especially its record of religious intolerance. But Iran produces a significant portion of the world's petroleum resources. Moreover, it can threaten from its proximity to the energy fields of the Arab countries, of the Gulf and its ability to close the Straits of Hormuz, much of the world's energy supply. While we are less dependent on Gulf energy than are some of our major allies and trading partners, any disruption in oil supply from the Gulf would, as we have known for decades, present a major economic and national security problem. Given the current lack of non-Gulf excess production capacity, instability in the Gulf would cause world oil prices to spike significantly. Because of Iran's economic importance, it has thus far proven to be hard to isolate or pressure successfully. Japan, for example, derives 15 percent of its energy from Iran and fully 90 percent of its energy from the Middle East. What should a Japanese political leader do if that country is asked to cut itself off from Iranian oil?

Because of Iran's size and military capacity, it is hard to coerce militarily, and it may prove to be exceedingly difficult to disable its nuclear assets. Any attempt to do so is likely to strengthen the most retrograde political forces there.

Iran's leaders know all this, which is evidently why they have continued to defy the world, breaking agreements and ignoring international standards of behavior with abandon. Iran's internal

politics are dominated by a clerical clique that holds power by force, but which also enjoys the active support of a strong minority of the Iranian population and the passive support of a larger share.

Iranian nationalist sentiment can be stirred up easily. At the same time, the United States is popular in Iran, not least because we clearly oppose that regime and support the Iranian people's true aspirations for peace and economic progress.

The Administration has begun reaching out even more strongly and proposed a $75 million public diplomacy program in Fiscal Year 2006 supplemental budget now under consideration. The Administration's approach to Iran in earlier years lacked focus, but for the past year it has found its footing and concentrated on a diplomatic strategy that has borne fruit not in the sense that Iran has been convinced to change its behavior, but in the sense that the world community is more united than ever on the proposition that Iran must change.

This is a remarkable accomplishment for which the Administration deserves great credit. We got Iran to the Security Council not by bullying or sanctioning the IAEA's members, but by persistent and skillful diplomacy. We will move forward the same way.

We need to keep that in mind as we craft legislation to deal with Iran, although I think the Administration has sufficient tools and ample motivation right now. The next step will require cooperation by states which have a lot to lose in the short term by alienating Iran's regime, so we must be able to show them that it is in their long-term interest to join us in the next difficult phase of this effort.

I now yield to my colleague, Mr. Lantos, for any opening comments he may have.

Mr. LANTOS. Thank you very much, Mr. Chairman.

As we consider the question of United States policy toward Iran today, there is no room for naiveté. We must be as clear-eyed as the French Foreign Minister, Mr. Philippe Douste-Blazy, was 3 weeks ago when he said, and I quote:

> "No civilian nuclear program can explain the Iranian nuclear program. It is a clandestine military nuclear program. Now it is up to the Security Council to say what it will do, what means it will use to stop, to manage, to halt this terrible crisis of nuclear proliferation caused by Iran."

Mr. Chairman, I have not often had occasion recently to applaud statements from the French Foreign Ministry, but in this case I do so emphatically and without reservation.

The Iranians are hell-bent on acquiring nuclear weapons. If any leader any place on this planet still doubts this, he is in urgent need of medical attention. There is no other reasonable explanation for the nearly 20 years of lies and deceptions about their covert nuclear activities.

We need to come to terms with this fact, and we need to respond with resolve. There are no good options in this situation, Mr. Chairman, and it comes at a time when we confront numerous serious other crises globally.

This week, as we await the conclusion of the IAEA meetings in Vienna and the shifting of the Iran file to the UN Security Council,

one thing is clear. The long Kabuki dance between Iran and the EU–3 has run its course. There may be more meetings, but the oil-rich Iranians have decisively and contemptuously scorned Europe's offer of economic benefits as an incentive to end their nuclear program.

As the statement by the French Foreign Minister makes clear, the Iranians gave the European Union a cold dose of reality. Now there is a new Kabuki dance, Mr. Chairman, and many people are pinning their hopes on a proposal to enrich uranium for Iran on Russian soil, but giving Putin's operatiks control of this process would be putting the fox in charge of the hen house.

Moscow has been the number one enabler, supporter and investor in Iran's nuclear program. It built the nuclear reactor at Bushehr. For over a decade, Moscow resisted United States entreaties to halt its work and to crack down on Russian scientists providing Iran with covert support.

As you recall, Mr. Chairman, sometime back I took a special trip to Moscow to meet with Russian's Minister of Energy on this issue. He gave me a handsome necktie with the logo of the Energy Ministry, but I was as unsuccessful in changing Russian views as was former Secretary of State Colin Powell, Secretary of State Condoleeza Rice and indeed the President.

Extending discussion of the plan to have Russian enriched uranium for Iran would just bolster Tehran's effort to stall the international community while it secretly pursues its nuclear capability.

Let me just say, Mr. Chairman, that every single Iranian move for a long time now has just been taken to gain time to develop their nuclear weapons, and, willingly or otherwise, Western Powers played along with this phoney charade, which is palpably clear for a child to see.

A recent newspaper headline summed it up well in "Nuclear Confrontation, Iran Bets that the World will Blink First." That is exactly what the Islamic Republic of Iran is betting on, and that is exactly what the Iran Freedom Support Act, H.R. 282, is intended to prevent.

Iran's quest for nuclear arms requires us to do two things: Squeeze Iran's economy as much as possible, and do so without delay. Our legislation, which this Committee will consider next week, will require the United States Government to sanction any company or nation that invests more than $20 million in Iran's energy sector. Current legislation to this end is set to expire this summer. Our new legislation will make it permanent.

The Executive Branch has largely ignored the current legislation. Our legislation will contain provisions that will require the Administration to enforce the law. Moreover, it will require United States-based pension funds to divest themselves of foreign corporations that invest in Iran.

Mr. Chairman, there is no time to lose. We all know that Iranian nuclear arms would seriously destabilize the region. It would intimidate its neighbors and provoke them to seek nuclear arms as well. We all know that senior Iranian leaders are driven by a blood-thirsty fanaticism that characterize suicide bombers in Iraq and in the Palestinian territories.

We all know that hatred in the heart of the Iranian President who denies the Holocaust, calls for Israel to be wiped off the map and speaks rapturously of a day when America will no longer exist. This state, run by widely irrational terrorists, simply cannot be allowed to possess the ultimate weapon of terror.

I call on all governments and all companies in Europe and Asia not to wait for our legislation. I call on them immediately to suspend and terminate their existing Iranian investments, just as the United States did over a decade ago.

Soon, I hope, the UN Security Council will require UN members to reject all investment and non-humanitarian trade with Iran until Tehran verifiably gives up its nuclear weapons production program. It should declare unambiguously that Iran's 20 years of nuclear deceit disqualified from any right to possess nuclear material production facilities.

We cannot let Iran mock the international communities' nonproliferation regime. If we do, that regime itself will become a joke. We must keep the pressure on our friends and allies who mistakenly believe that continued trade and investment will persuade the Ayatollahs to end their single-minded quest for nuclear weapons.

We need to avail ourselves of all diplomatic, economic and strategic opportunities to avert a global danger, the nightmare of Iranian nuclear weapons that would irrevocably and permanently change our already crisis-filled world for something dramatically worse. In a word, Mr. Chairman, Iran must not and will not be allowed to have nuclear weapons.

Thank you.

Chairman HYDE. Thank you, Mr. Lantos.

I will now recognize Members if they feel a compulsion to speak for 1 minute. We tried 2 minutes last time, and we consumed an hour and 14 minutes. I would prefer getting to the witnesses as quickly as possible, so we will revert to 1 minute for any remarks a Member chooses to make.

Ms. Ros-Lehtinen?

Ms. ROS-LEHTINEN. Thank you, Mr. Chairman.

Today is International Women's Day, and I am very pleased to recognize some women who will be following me around in my activities today from Iraq and Ireland, so hats off to them. Thank you for supporting women's rights worldwide.

Mr. Chairman, the potential threat to our security and interest is magnified by the fact that Iran is the world's most active state sponsor of terrorism. The threat posed by Iranian terrorism became very clear in November 1979 when radicals stormed the United States Embassy in Tehran, took Americans hostage and held them for 444 days.

Some of these brave Americans who endured 444 days in captivity are in the audience today. I would like to call them by name and have them be recognized. Ambassador Bruce Laingen, Richard Morefield, Kathryn Koob, David Roeder. Please stand up. Charles Jones, Bill Daugherty, Barry Rosen, Rocky Sickmann, Moorhead Kennedy and family members also.

Let us give them a round of applause. Thank you.

[Applause.]

Ms. ROS-LEHTINEN. Thank you. To this day, Iran has not paid for this crime, and these witnesses to Iranian terrorism will tell you that failure to hold Iran accountable for its actions throughout the last 25 years has only served to embolden the enemy and continue its destructive path.

Today at 5:30 in Rayburn Room 2200 we are going to have a reception and a video presentation of the "First War on Terror," which is a short documentary film that examines United States and Iranian relations over the last 25 years. Welcome and welcome.

Thank you, Mr. Chairman.

Chairman HYDE. Thank you.

Mr. Berman of California?

Mr. BERMAN. Thank you, Mr. Chairman.

Just briefly, the Administration seems to have invested a great deal in this Russian effort to try and establish an agreement with Iran. I have no idea whether Iran is likely to accept what the Russians are proposing, but what I am curious about and hope the testimony elaborates on is if in fact Iran was to accept the Russian proposal just what is the specific nature of it related to the suspension of conversion and enrichment of the parallel military programs, of grabbing the materials that have already been converted in Iran, of continued inspections both of the programs we know about and the programs we suspect that exist.

Chairman HYDE. The gentleman's time has expired.

Mr. BERMAN. And whether or not were they to accept that agreement we in fact would have stopped the development of a nuclear weapon in Iran.

Chairman HYDE. Mr. Smith of New Jersey?

Mr. SMITH FROM NEW JERSEY. Mr. Chairman, alluding to your admonition——

Mr. ACKERMAN. Mr. Chairman?

Mr. SMITH FROM NEW JERSEY. Let me just finish.

Chairman HYDE. Just a moment, Mr. Smith.

Who is seeking recognition?

Mr. ACKERMAN. Mr. Chairman?

Chairman HYDE. Is that Mr. Ackerman?

Mr. ACKERMAN. Indeed.

Chairman HYDE. What is it, Mr. Ackerman?

Mr. ACKERMAN. Mr. Chairman, I would like very much for you to please reconsider your position of allowing Members only 1 minute to speak and prefacing it by saying if you feel compelled to say anything.

The people here on this Committee, with all due respect, are very interested in policy issues, and to give them first an admonition if they wanted a meager 60 seconds and then limit them to that is rather insulting to the intelligence of people who come here to discuss policy and have no other opportunity but to do that when the Chair decides to call a long overdue hearing on an issue.

I think that Mr. Smith and Mr. Berman and everybody else deserve to at least be able to finish a coherent sentence and maybe to get out a thought or two before the gavel is rapped upon them.

I respectfully ask, especially if a hearing is held where a Subcommittee has not held a hearing, to at least allow 2 minutes.

Ms. ROS-LEHTINEN. Wait. If the gentleman would yield?

Mr. ACKERMAN. I would be happy to yield to the Chairwoman, who had 2 minutes.

Ms. ROS-LEHTINEN. Ranking Member of our Middle East Subcommittee, we have held numerous hearings on the issue of Iran, which you have attended and made opening statements as long as you wanted to, and I would be glad to give you a list of those hearings. Perhaps you have just not remembered them.

Mr. ACKERMAN. Reclaiming my time, I remember very well, and I just said in those instances——

Ms. ROS-LEHTINEN. But you said that we have not had the hearings.

Mr. ACKERMAN. No. I said in those instances where there are no hearings to allow the Chairperson such as yourself, who was allowed 2 minutes, and the Ranking Member, who obviously will not be allowed 2 minutes, to have 2 minutes if their Subcommittee does not have a hearing on the subject that is called.

There have been quite a few hearings that have fit that definition, Mr. Chairman. I just respectfully on behalf of all of the Members on this Committee, Democrats and Republicans, make that request in the interest of policy that we are here to seriously discuss to further the interest of the United States, something we all care jointly about.

Thank you.

Chairman HYDE. The Chair notes with interest what Mr. Ackerman says, always notes with interest what Mr. Ackerman says, and when you are Chairman, Mr. Ackerman, you may give each Member as long as they want prior to hearing the witnesses.

For myself, I choose to hear the witnesses, not a debate among ourselves, which we can have any time, any place we want. We have brought witnesses here to instruct us on the subject under discussion, and the purpose of the hearing is to get to the witnesses, not to hear each other.

Mr. ACKERMAN. Mr. Chairman?

Chairman HYDE. At least that is my narrow interpretation of the function of the Committee.

Mr. ACKERMAN. Mr. Chairman, I respect that deeply, and I have a tremendous amount of respect for you, your intellect and the contribution you have made to this Congress and to our country.

Chairman HYDE. Then you would understand.

Mr. ACKERMAN. With all due respect, you being here to hear the witnesses and you and the Ranking Member take up as much time as the entire Committee making opening statements, and some of us would like to just get our toe in the water.

Chairman HYDE. I understand that, and I appreciate your position. When you are Chairman I am sure that will happen, but until then I prefer getting to the witnesses with great——

Mr. ACKERMAN. Does that mean that the Chair will limit himself to 1 minute as well?

Chairman HYDE. The Chairwoman?

Mr. ACKERMAN. The Chair. Would the Chair limit himself to the same rules as the Members are limited to if that is what you are here to do?

Chairman HYDE. No. The Chair is the Chairman——

Mr. ACKERMAN. Thank you, Mr. Chairman.

Chairman HYDE [continuing]. And expects to use that prerogative in the most efficacious way to get to the witnesses, which I am not doing a good job right now.

Mr. SMITH FROM NEW JERSEY. Mr. Chairman, in light of your superb statement, Mr. Lantos, Ms. Ros-Lehtinen and Mr. Berman, I ask unanimous consent to revise and extend my remarks.

Chairman HYDE. I did not hear you, Mr. Ackerman, but Mr. Lantos as the Ranking Member gets special treatment. The Chairman gets special treatment. The power of recognition rests with the Chairman, and I intend to use it.

Mr. Ackerman?

Mr. ACKERMAN. Is this to respond to what the Chairman said or for my 60 seconds of contribution?

Chairman HYDE. I prefer your 60 seconds of contribution.

Mr. ACKERMAN. Thank you, Mr. Chairman.

Last month Secretary Rice announced a significant shift in our policy toward Iran. She is proposing to spend $85 million to reach out to the Iranian people. While most of this money will be spent on broadcasting, I am concerned about the $10 million identified for empowering Iranian civil society.

My concern is not in principle since I think whatever we can do to foster effective opposition to the mullahs inside Iran is to the good. It is the effective part I am worried about, and our track record in this regard is not good.

First we tried the sort of approach with Iraq only to find out that the Administration's favorite exile, Ahmed Chalabi, took our money, gave us bad information and ultimately had no political support inside of Iraq, so I will be very curious to hear from the Administration whom we have identified to receive this new money and what sort of work they will carry on inside of Iran.

Second, I think we have great difficulty identifying successful recipients of this money because, frankly, our intelligence in Iran is not particularly good. Iran is opaque to us. We do not see their decision making process well.

We do not understand Iranian society well and so we are handicapped in our ability to discern how decisions get made and who makes them. It means our ability to develop a policy or set policies that will produce the desired outcome is extremely limited.

Lastly, the Secretary's proposal is about the long term, while we should be thinking and acting in accordance with our long-term interests. We do not have a more urgent short-term crisis on our hands. We seem to lurch from deadline to deadline with Iran while they drag out its negotiations with the EU–3 and the Russians.

I fear diplomacy may be producing legitimacy for Iran, but doing little in the way of stopping its nuclear programs. As I said at our hearings a year ago, in order for our diplomatic partners to believe the Iran question is urgent, the Administration needs to convince them that they believe it is urgent.

Chairman HYDE. The gentleman's time has expired.

Mr. ACKERMAN. I look forward to hearing from our distinguished witnesses.

Chairman HYDE. Mr. Paul of Texas?

Mr. PAUL. Thank you. I turned my mic off on purpose. Thank you, Mr. Chairman.

Very quickly, I want to make a point or two. Yesterday, our Ambassador to Iraq, Khalilzad, announced that this turned into a Pandora's box of ethnic and sectarian strife. He also said that we have to be there to protect oil supplies. The Chairman today even mentioned how instability in Iran could contribute to a problem with the flow of oil.

Of course, since we have been in Iraq, oil went from $30 to $60. I am just wondering whether our policy now of confrontation with Iran might not take oil from $60 to $120.

ElBaradei just this week said, "We have not seen indication of diversion of material to nuclear weapons or other explosive devices," which we should take note, and also Iran has never been ruled in violation of its international nuclear nonproliferation obligation, which I think we should take note.

More importantly, I think our policy is not exactly in line with international law. The Administration told Iran on Tuesday that any enrichment of nuclear fuel in Iranian territory was unacceptable, and yet the Nonproliferation Treaty says, "Nothing in this treaty shall be interpreted as affecting the inalienable rights of all parties to the treaty to develop, research, production and use of nuclear energy for peaceful purposes without discrimination."

We should pay attention to those comments.

Chairman HYDE. The gentleman's time has expired.

Mr. Delahunt of Massachusetts?

Mr. DELAHUNT. I would just associate myself with the contribution of my friend from New York, Mr. Ackerman . I share the same concerns, and I would yield whatever time I have remaining to him if he so chooses to utilize it.

Chairman HYDE. Mr. Rohrabacher of California?

Mr. ROHRABACHER. Thank you very much.

First and foremost let us remember through all of this kibitzing that we are at war, and Americans are losing their lives as we speak. We are at war with radical Islam. This is a very serious, not a political, issue, a serious national issue.

If we win the allegiance of moderate Muslims who want their country to live at peace with the West, we may win this war and save millions of lives. If we do not, and if the Iranian mullahs end up the dominant force in that region and indeed in the Muslim world, we are in for real trouble. We are in for historic catastrophic incidents, especially if that is coupled with the Iranian mullahs getting their hands on nuclear weapons.

What we are talking about today is deadly serious, but let us remember that we can combat this threat, the threat posed by these murderous mullahs in Iran, through tough policies—that is pressure from without—but also by supporting the internal reformists, the internal people in Iran who want to live at peace with the West, Iranians who want to have a democratic government, live in a decent country.

As we discuss this issue, let us not forget our points of leverage—not only pressure from outside, but supporting those moderates on the inside.

Chairman HYDE. Mr. Payne of New Jersey?

Mr. PAYNE. Thank you.

In order to hear our witnesses, unless Mr. Ackerman would like to use my time. If you have a point? I yield my time to Mr. Ackerman.

Mr. ACKERMAN. Mr. Chairman, I have no desire to use the time of other Members of the Committee. I was just fighting for the right of everybody to be able to say what they want to say.

Chairman HYDE. As you know, Mr. Ackerman, you get to strike the last words at the end of the testimony, and I do not recall you ever being shut off from that process, so you will have a chance to express yourself fully.

Mr. McCotter?

Mr. MCCOTTER. I have nothing to say, but it is okay.

Chairman HYDE. Mr. Blumenauer?

Mr. BLUMENAUER. Thank you, Mr. Chairman.

I too am eager to get into the discussion. I hope at some point the notion that you reference to the role that Iran plays because of its energy resources might reflect back on our urgency to do something about our dependence on those. A sound, solid energy policy reducing our dependency would I hope filter into that discussion at some point.

Chairman HYDE. I thank the gentleman. I suggest it is one of the major issues confronting us.

Mr. Royce of California?

Mr. ROYCE. You are right, Mr. Chairman. We should hear the witnesses. We should listen, and then we should speak. I withdraw.

Chairman HYDE. Thank you.

Ms. Berkley of Nevada?

Ms. BERKLEY. I look forward to the testimony of our witnesses. Thank you, Mr. Chairman.

Chairman HYDE. Thank you.

Mr. Poe of Texas?

Mr. POE. The United States can make a bold statement by supporting freedom of the Iranian people from their oppression. The State Department in their supplemental request is asking for $5 million for educational outreach. According to the State Department, this funding will build bridges between the people of our nations.

I support democracy through this educational exchange idea, but the United States must use common sense as we identify foreign students for enrollment in our universities. Just last week an Iranian graduate at the University of North Carolina calmly drove his truck through a campus meeting place at Chapel Hill, injuring nine people.

He performed this despicable act to avenge what he called crimes against Islam. This is yet one more act of radical Islam extremists in our country. It is interesting to note he made sure he got his degree before he committed this crime.

We must do our best to ensure that students who receive opportunities to study in America do not use that chance to commit political crimes against us. We already have a Taliban student at Yale, and we must not allow further infiltration of our universities by those who would do destruction to the United States.

Thank you, Mr. Chairman.

Chairman HYDE. Mr. Schiff of California?

Mr. SCHIFF. Thank you, Mr. Chairman. I will be very brief.

In addition to the questions that have already been posed by my colleagues, I would love to hear you comment on China. I think a lot of focus has been on Russia, and understandably so, but I am equally concerned about China and their willingness to confront Iran over its nuclear program.

In particular, I think China will view this as an economic decision, and unless we make it very plain to China that there are economic consequences in terms of United States markets there will not be anything in the other balance for them to consider.

If this is truly the top national security issue facing us as the Chairman alluded, and I think it certainly ranks up there, we should be prepared to use our economic leverage. I would be interested to know if you have considered that and how you intend to employ that technique.

Thank you.

Chairman HYDE. Thank you.

Mr. Issa of California?

Mr. ISSA. Thank you, Mr. Chairman, and thank you for setting the tone with your opening remarks. I come here with questions, not answers, and I want to hear the speakers so I yield back.

Chairman HYDE. Ms. Watson of California?

Ms. WATSON. Thank you, Mr. Chairman, and I thank the witnesses for coming.

I want to expressly thank Ambassador Burns for taking time to come to the Hill. Your presence tells me that you understand that Congress is not an obstacle to the Executive Branch on foreign policy. Rather, when fully informed we can be the most valuable ally even on delicate issues such as this.

To confront Iran, the United States has assembled a global diplomatic coalition, and we have employed diplomacy to great effect, but the successes we have had have depended on our defense of the treaty on the nonproliferation of nuclear weapons. We must not forget this.

If our actions elsewhere around the globe weaken the NPT at the very moment that we are relying on it to confront Iran over nuclear weapons, we risk undoing all of our efforts, and on the issues of Iran's nuclear program the stakes are too high for us to accept an American failure.

We are looking forward to hearing your testimony. Thank you very much.

Chairman HYDE. Mr. Chandler of Kentucky?

Mr. CHANDLER. I yield, Mr. Chairman.

Chairman HYDE. Ms. Lee of California?

Ms. LEE. Thank you, Mr. Chairman. I too want to welcome and thank the witnesses for being here.

I also am extremely concerned with regard to the proliferation of nuclear weapons around the world. Especially, I have grave concerns regarding the threat that a nuclear Iran poses, but I believe that we must increase and enhance our diplomatic means to disarm Iran. We must take an active role in diplomatic engagement.

I think that we must decide whether there is an opportunity to engage the United States in bilateral talks with Iran rather than seeking only to support negotiations of the EU or the efforts of

Russia to control the reprocessing of nuclear materials to the satisfaction of the international community.

Yes, Iran must be held to international standards and must disarm. I believe, however, Mr. Chairman, that we will not be well served by another military venture into the Middle East and neither will the cause of nonproliferation, so I think it is about time we enhance and elevate our diplomatic efforts.

Thank you.

Chairman HYDE. I want to thank the Committee for your cooperation. We now can proceed to the witnesses.

We are privileged to have before us today two high ranking and expert witnesses on the situation in Iran. Our first witness will be Under Secretary of State for Political Affairs, Ambassador Nicholas Burns. Ambassador Burns has had a long and illustrious career in the Foreign Service in postings throughout the world.

As Under Secretary of State for Political Affairs, Ambassador Burns currently coordinates all U.S. diplomacy and State Department foreign policy efforts and has taken a special interest in dealing with the situation in Iran.

Dr. Robert Joseph is the current Under Secretary for Arms Control and International Security. Dr. Joseph is the principal State Department officer for non- and counterproliferation matters, as well as for arms control, arms transfers, regional security and defense relations and security assistance.

Previously, he served as Special Assistant to the President and Senior Director for Proliferation Strategy, Counterproliferation and Homeland Defense at the National Security Council.

Gentlemen, without objection, your full statement will be made a part of the record. I ask that you limit your oral presentation to about 5 minutes, give or take, as is customary so we may have as much time as feasible for you to respond to questions from Members of the Committee.

Secretary Burns?

STATEMENT OF THE HONORABLE NICHOLAS BURNS, UNDER SECRETARY FOR POLITICAL AFFAIRS, U.S. DEPARTMENT OF STATE

Ambassador BURNS. Mr. Chairman, thank you very much for your invitation to Under Secretary Joseph and myself to be with you this morning. Thank you to Mr. Lantos and all the other distinguished Members of this Committee.

I have submitted testimony for the record. I shall not read it in the interest of time. I just have a couple of points that I thought I should make in response to some of the opening comments by Members, but first may I say how much I want to second Representative Ros-Lehtinen's welcome to the American hostages.

Ambassador Bruce Laingen and his colleagues who are here today have gathered from across the United States to come to this hearing and to come over to the State Department this afternoon—I look forward to meeting them—to give us their views on Iraq, and I for one am intensely interested to hear their perspective. They are American heroes.

There were 53 of them taken hostage in November 1979, held unjustly for 444 days, and the fact that they have come out of that

experience and contributed so much to our country is a source of great satisfaction to us. Three of them continue to serve in the American Foreign Service, and we are very, very proud of them. I just wanted to mention their presence and thank them for coming today.

Mr. Chairman, the threat posed to the United States by Iran is as great, in our judgment, as any foreign policy challenge that our country faces. The Iranians have issued, in essence, four challenges to our country's interests in the Middle East and globally.

The first is the clear pursuit of Iran of a nuclear weapons capability.

The second is the fact that Iran is the leading director and chief central banker of the major terrorist groups in the Middle East that have killed Americans and killed Israelis and Lebanese, and which stand in direct opposition to peace in the Middle East.

The third is the attempt by Iran, particularly under the regime of President Ahmadi-Nejad, to exert a dominant role in the Middle East itself and to make Iran into the most powerful country in the Middle East.

The fourth, of course, is the repression of the people of Iran by this autocratic regime. That in essence, in our judgment, represents the totality of the threat that Iran poses to American interests, as well as those to our friends and allies around the world.

What we have attempted to do over the past year in particular is not to have a go-it-alone policy of trying to confront Iran ourselves, but to create a large and diverse international coalition of countries on each of these issues designed to deny Iran a nuclear weapon and to roll back its support for terrorism and to influence the people of Iran who we see as victims of the regime and to assert a comprehensive and aggressive American foreign policy to counter Iran on all of these issues.

My colleague, Bob Joseph, and I have worked very closely together on all of these issues. He is our chief official responsible for nuclear policy, and he will go into some detail on our analysis of their intentions, but suffice it to say that the greatest immediate threat that we face is that Iran is clearly trying to create a nuclear weapons capability.

I made 11 trips to Europe and to the Middle East in the last year on this issue, and in the hundreds of conversations that I had with Russians, Chinese, Indians, Europeans, not a single person, not a single official from any of those governments, ever said that they doubted that Iran was trying to seek a nuclear weapons capability.

There is no international difference of opinion. There is no debate around the world about the essential fact of what Iran is trying to do, and that does inform our diplomacy and our national strategy.

What we have tried to do is to support those who would try to roll back the Iranians, engage them in negotiations and have them suspend their nuclear activities, so just a year ago this week Secretary Rice announced that we would support the European 3—Britain, France and Germany—in their efforts to negotiate with the Iranians, and we did that for 6 months until the Iranians walked out of the talks with the Europeans, walked out unilaterally and said they were not interested in dealing with the Europeans.

Then we worked throughout the autumn because of that result to create a larger coalition of countries designed to block the Iranians. Secretary Rice went to Moscow in October with President Bush, met President Putin in Asia in November, and we began to assemble this coalition of Russia and China—India had already decided to be with us—which resulted in the historic vote of the IAEA on February 4, where more members of the nonaligned movement voted against Iran than with Iran and where Russia and China and India and Brazil and Egypt and Sri Lanka, as well as Europe and Japan and Australia, voted with us to block the Iranians.

Secretary Rice had a very important gathering of the foreign ministers of the permanent five countries of the United Nations Security Council about 5 weeks ago, and all of those countries, led by the United States, decided that we would try to block Iran at the IAEA, but give them 30 days to reflect on their isolation.

The 30 days are up, and we believe that next Monday or Tuesday the United Nations Security Council will begin a very active debate about Iran's nuclear ambitions. That debate will be designed to shine a very large and intensive spotlight on what we believe to be a clear Iranian program.

We will likely see a Presidential statement of the Security Council designed to condemn Iran. We would like beyond that to entertain the possibility of a Chapter 7 resolution designed to isolate it and hopefully influence its behavior, but beyond that if Iran does not respond to words and resolutions then we believe that the world community should entertain the possibility of sanctions against Iran.

Now, our country, of course, has had sanctions in place for decades. It is across the board. There may be more that we can do as a country to try to hit against those in Iran via sanctions who build these nuclear programs and design them and who lead the government's efforts, but it is going to be incumbent upon our allies around the world and interested countries to show that they are willing to act should the words and resolutions of the United Nations not suffice.

Mr. Chairman, on terrorism we will be happy to respond to questions on this, but Iranian support for terrorism of course affects every vital American interest and American lives in the Middle East and throughout the world.

Iran is supporting Hezbollah, Hamas, and Palestinian Islamic Jihad. We have noticed the emergence of a nexus of these terrorist groups with Iran and the Syrian Government just over the last 5 to 6 weeks, and President Ahmadi-Nejad had a summit meeting with President Assad of Syria and all these terrorist groups just recently, several weeks ago. It is of great concern to us, and we are working actively to try to turn back that terrorist challenge that Iran poses to us.

On democracy and human rights, the Iranian Government has locked up dissidents. It has jailed journalists. Last month bus drivers went on strike for better wages. The Iranian Government sent armed thugs to beat them up.

Mr. Akbar Ganji, who has been held for many years as a journalist, may be released last week, but he is a celebrated human rights figure who deserves the support of all of us. I know he has

the support of the Congress, as well as the Administration, but we are concerned about the repression of the Iranian people.

As you indicated, Mr. Chairman, in your opening statement, the great irony of this situation as we face this Iranian threat is that a majority of Iranians in public opinion polls have a favorable view of our country. They like American democracy. They want to study here. They want to have exchange programs.

They do not particularly all support, a great number of them, the actions of their own government and so as we go on to the next issue, Mr. Chairman, that is how can we influence Iran and how can the Congress and the Administration work together, we hope the Congress will support Secretary Rice's and the President's $75 million supplemental request, which is designed to open up our ability to connect with average Iranian citizens.

We would like to use $50 million of that money to expand our TV and radio broadcast through Voice of America and Radio Farda into Iran. We would like to work with some of the private American radio and TV stations from the State of California and New Jersey and the Washington, DC, area to help them get the American message into Iran itself.

We would like to use some of the money, and Congressman Ackerman referred to this, to try to do a very difficult job. Congressman Ackerman, I agree with you. This is a high hill to climb, but to see if we can work through non-governmental organizations around the world and with some of the European NGOs to try to plant some roots of democracy, of independent journalism, of civil society into Iran.

It is difficult to do. In an open hearing we cannot say everything that we are intending to do obviously, but we do hope the Congress will respond to the request for $10 million in funding.

Finally, a number of the Members spoke about exchanges. We want to connect with the Iranian people. We do not want to be so blunt in our approach that we penalize innocent Iranians for the sins of their government and so we would like to bring Iranian high school and university students to this country. We would like to have exchanges among union officials, among teachers, among average citizens.

There was a time before the Iranian revolution when there were several hundred thousand Iranians studying in the United States. Today it is just 2,000 people. It is part of the longer-term effort that goes along with the shorter-term policy that Under Secretary Joseph and I are talking about today.

My final comment, Mr. Chairman, would be to say this. The presence of our hostages reminds us of how ill-equipped we are as a government to understand Iran, to have officials who can speak Farsi and to engage Iranians around the world.

Since our hostages were taken and since they were released, of course, our Embassy has been shuttered in Tehran. We do not intend to reopen that Embassy anytime soon.

We have a policy of trying to isolate Iran, but it is important that we understand it, understand the country, and so, Secretary Rice has directed that we undertake a series of measures designed to bolster our capability within the State Department to be smart about Iran and so, for the very first time since 1980, she has just

created in the last 2 weeks a new Iran desk in our Bureau of Middle Eastern Affairs in the State Department. It is up and functioning.

She has also directed that we establish an American presence post, a diplomatic post, in Dubai, which will be solely concerned with Iranian affairs. We will put about 10 diplomats in Dubai by this summer, and they will watch Iran. They will talk to Iranian dissidents and travelers from Iran and understand that country in a way that we have not been able to do before.

Last, Secretary Rice has directed that we expand significantly our Farsi language training at the Foreign Service Institute and that we try to produce a new generation of Foreign Service officers who understand Iranian history, culture and language who can be deployed to Embassies and Consulates outside of Iran, but in the neighborhood, to do in essence what we did, Mr. Chairman, in the 1920s when we had no diplomatic relations with the Soviet Union.

We sent young diplomats like George Kennan to Riga, and we created Riga Station. That station watched the Soviet Union from a close distance. A lot of those diplomats went on to have illustrious careers in the State Department.

We have lost the expertise that the generation of Bruce Laingen, who is here today, represented. Secretary Rice now wants to recreate that, and we do so because Iran represents a generational challenge to American foreign policy, and we must defeat Iran in its pursuit of nuclear weapons, its sponsorship of terrorism and its subjugation of the people of Iran and hope that better days will come for those people who deserve freedom and democracy in that great country.

Thank you very much.

[The prepared statement of Mr. Burns follows:]

PREPARED STATEMENT OF THE HONORABLE NICHOLAS BURNS, UNDER SECRETARY FOR POLITICAL AFFAIRS, U.S. DEPARTMENT OF STATE

Thank you Mr. Chairman, Ranking Member Lantos and distinguished Members of the Committee for this opportunity to discuss the United States' policy toward Iran.

Let me begin by noting that this Committee is surely right to focus on U.S. policy toward Iran at this time. Successive U.S. administrations have recognized that Iran's regime poses a profound threat to U.S. interests in the Middle East and more broadly across the globe. Over the past six months, however, since the August 2005 inauguration of President Mahmoud Ahmadi-Nejad, this threat has intensified as Iran's approach to the world has become even more radical. Today, the Iranian leadership is actively working against all that the U.S. and our allies desire for the region—peace in Lebanon, peace between Israel and the Palestinians, and an end to terrorism. In fact, no country stands more resolutely opposed to our hope for peace and freedom in the Middle East than Iran.

Iran's leadership directly threatens vital American interests in four distinct and grave areas:

- its pursuit of a nuclear weapons capability;
- its role as the "Central Banker" in directing and funding terror;
- its determination to dominate the Middle East as the most powerful state in the Persian Gulf region; and finally,
- its repression of the democratic hopes of the Iranian people.

Crafting an effective response to this Iranian threat is as important as any challenge America faces in the world today. It is critical that we succeed. The endurance of the Iranian regime and its extremist policies and the alarming stridency of its leaders, who have spent more than a quarter-century leading chants of "Death to America," mean that inaction or failure is simply not an option. For this reason,

President Bush and Secretary Rice have placed the highest priority on opposing Iran's policies across the board in the greater Middle East region.

The dangers posed by the Iranian regime are complex and diverse, and they necessitate an equally multi-faceted and sophisticated American response. We have constructed a new and comprehensive policy that is designed to prevent Tehran from achieving each of its objectives—and as the issue of Iran's nuclear ambitions moves this week to the United Nations Security Council, it is clear that we are on the right track.

As Secretary Rice reported to this Committee two weeks ago, our policy toward Iran is clear and focused. We seek to work within a broad international coalition of countries to deny Iran a nuclear weapons capability; to stop its sponsorship of terrorism in the region and around the world; to coalesce with Arab governments, our European allies and friends from across the world to blunt Tehran's regional ambitions; and finally to extend support to the Iranian people, especially the millions of young Iranians who suffer due to the regime's repression and economic misrule and crave opportunities to connect with the wider world. I will review each of these essential components of our policy, and finish by offering my thoughts on the ways in which Congress can enhance U.S. efforts to oppose the Iranian regime.

IRAN NUCLEAR PROLIFERATION

The greatest immediate threat posed by the Ahmadi-Nejad government is Iran's clear desire to acquire a nuclear weapons capability.

Around the world, there is simply no substantial difference of opinion about what Iran's nuclear program is intended to achieve. Iran's actions—its history of deception and continuing efforts to avoid full cooperation with the International Atomic Energy Agency—have convinced leaders of every political persuasion, in every corner of the globe, that Iran's leaders intend to acquire nuclear weapons. In my last twelve months of countless discussions with officials from Europe, Russia, India, China and other countries, I have not encountered a single person who has found the ritualistic public denials of the Iranian leadership convincing. Not a single one has disputed the danger posed if Iran were to succeed. In short, there is no international debate about Iran's aims—it is universally agreed that Iran is seeking nuclear weapons. With the possible exception of Cuba, Syria, and Venezuela, no other country wants to see Iran succeed.

This widespread international concern represents a tremendous asset for our efforts to counter Iran's nuclear ambitions. Our diplomatic activities over the past year have been designed to assemble an ever-wider coalition of countries to prevent Iran acquiring a nuclear weapon. This coalition has grown in number and strength. We have taken over the past 12 months a series of steps to blunt Iran's ambitions and isolate it.

In March 2005, Secretary Rice announced our support for the EU–3's diplomatic negotiations with Iran, which was intended to halt Tehran's nuclear ambitions. This was a significant step forward for U.S. policy. The EU–3 offered a proposal that would grant Iran far-reaching economic incentives, including access to and assistance with peaceful nuclear reactors. The United States offered its own incentives—we agreed to consider licensing the sale of spare parts for Iran's aging civilian airliners and dropping our prior objections to Iran's bid to join the World Trade Organization. Last August, Iran rejected the EU–3 proposal, unilaterally broke off negotiations with the Europeans, and resumed uranium conversion in violation of the Paris Agreement.

This began a new and more demanding phase of our diplomatic campaign. After Iran's provocative actions, we and the Europeans worked for months and succeeded in creating a broad international coalition to pressure Iran to abandon its nuclear program. In October 2005, Secretary Rice traveled to Moscow to convince Russia of the importance of cohesion on this issue. I made eleven trips to Europe in 2005 to consult with our European allies, Russia, China and India on Iran. In November, President Bush offered public U.S. backing for a Russian proposal to supply Russian fuel for Iran's peaceful nuclear reactors in exchange for a permanent suspension of enrichment activity within Iran itself. The Iranian regime had every opportunity to change course and agree to suspend nuclear activities, but rejected the proposal and insisted on its right and intention to carry out enrichment activities on its own soil. Iran tried throughout 2005 to divide the U.S. from Europe and then Russia, China, India and other countries. But its leaders miscalculated our ability to construct a strong international coalition.

In response to Iran's difficult and confrontational approach, in late January 2006 Secretary Rice successfully persuaded all five permanent Members of the UN Security Council to vote together at the IAEA to report Iran to the UNSC. On February

4, the Permanent Five, along with a massive global coalition comprised of countries as diverse as India, Sri Lanka, Brazil, Egypt, and Yemen, spoke with one voice: These countries, all represented in the IAEA Board of Governors, adopted a resolution to report Iran's noncompliance to the UN Security Council. We agreed to give Iran thirty days to reflect on its isolation.

The thirty days is now up. Iran has not met the conditions of the IAEA. We will therefore start a new phase of diplomacy—action by the UN Security Council starting next week. The UN Security Council is the right place to intensify the international debate on Iran's nuclear ambitions. We plan a concerted approach at the UN that gradually escalates pressure on Iran. We will shine a bright spotlight on Iran's nuclear program. We intend to participate in a vigorous international debate about Iran's nuclear ambitions. The Security Council will consider a Presidential Statement, or a Chapter 7 resolution. If after all those steps were taken Iran has not acceded to the wishes of the international community, then of course we would have to look at possible targeted sanctions, which a number of countries are already beginning to explore. Any sanctions we would consider will be specifically targeted to pressure the regime and Iran's nuclear and missile programs, rather than hurting the great majority of innocent Iranians.

Going forward, we will do everything we can to maintain the widest possible international consensus on the steps Iran must take, and continue to keep Iran isolated on this issue. Iran's leadership must realize that its only available choice is the one that serves its people's true national interests—a strategic decision to end its pursuit of nuclear weapons.

While we make it clear that no option is off the table, the U.S. strongly supports a peaceful, negotiated settlement of the Iranian nuclear problem. That is why we supported the EU3 process, and will continue to work with all our allies through the UN to change Iran's behavior.

Our message to Tehran is clear: recommit to the Paris Agreement, return to full suspension of all enrichment-related and reprocessing activities, and return to negotiations.

IRAN'S TERRORIST SPONSORSHIP AND REGIONAL AMBITIONS

A second critical dimension of the threat posed by the Iranian regime is its role as the most active state sponsor of terrorism in the world today. Iranian leaders consider extremism and terror to be legitimate tools of propagating their influence domestically and regionally. Ultimately, our concern is focused on not simply the tool, but also the objective—Tehran's aspiration to assert influence over its neighbors and frustrate democracy and development in the Persian Gulf and broader Middle East.

Across the region, the record of the Islamic Republic is one of violence and radicalism. This places Iran in direct opposition to each of America's most important interests in the region.

In Iraq, we have worked tirelessly and at great cost over the past three years to help Iraqis develop a pluralistic, democratic, federal, and united Iraq, which is stable and at peace with its neighbors. This is a historic effort, and one that is ultimately led by Iraqis themselves. The Iranian people—who were among the greatest victims of Saddam Hussein's brutality—would benefit from a secure and successful Iraq. However, for their part, the Iranian leadership has played a provocative and problematic role. They have interfered in Iraq's internal affairs by supporting sectarian militias and extremist groups and assisting anti-Coalition forces in Iraq by supplying weapons, training and explosives. As Secretary Rumsfeld said yesterday, Iran's activities are "harmful to the future of Iraq." Tehran is responsible for at least some of the increasing lethality of anti-Coalition attacks in 2005 by providing Shia militants with the capability to build IEDs with explosively formed projectiles similar to those developed by Iran and Lebanese Hizballah.

Iran has also come into direct confrontation with our regional interests with its campaign to undermine the fragile progress toward peace between Israelis and Palestinians. Iran's leadership has made no secret of its hostility toward Israel—President Ahmadi-Nejad rightly earned severe international condemnation for his outrageous vow to wipe Israel off the map. We take his words seriously. Tehran provides money, weapons, and training to HAMAS and other Palestinian rejectionist groups. Iran's support for these groups fuels terrorist violence in Israel and the Palestinian Territories. It is intended to subvert the efforts of the international community to advance the prospects for lasting peace and security between Palestinians and Israelis. Alone among all other governments, Iran is championing the hateful language in the HAMAS covenant and encouraging HAMAS leaders to ignore the

requirements of responsible leadership and the conditions articulated by the Quartet to ensure the continuation of international aid to the Palestinian Authority.

Closely related to its destructive approach to peace between Israelis and Palestinians is Iran's long-time relationship with Hizballah in Lebanon, which is responsible for more American deaths than any other terrorist organization apart from al-Qaida. More than a year after the brutal assassination of former Prime Minister Rafik Hariri and the momentous Cedar Revolution, Lebanon has made great strides. Iran's ongoing and extensive support to Hizballah runs in direct contradiction to the clearly articulated desire of the Lebanese people for sovereignty and democracy.

Iran is working within a coalition of rejectionists in Lebanon. Members of Lebanese Hizbullah have received explosives training in Iran arranged by the Iranian government's intelligence services. In January 2006, Ahmadi-Nejad again visited Syria and met with the leaders of Hizbullah, Islamic Jihad, HAMAS, and the Popular Front for the Liberation of Palestine (PFLP–GC pro-Syrian faction). We continue to work closely with the UN and key allies to urge Lebanon to implement fully UNSCR 1559, which calls for the dismantling of all armed militias in Lebanon, including Lebanese Hizbullah.

We are also deeply concerned about Iran's unwillingness to bring to justice senior al-Qaida members who are wanted for murdering Americans and others in the 1998 East Africa Embassy bombings and for plotting to kill countless others. Iran has refused to identify these senior al-Qaida members in its custody on "security grounds." Iran has also resisted numerous calls to transfer custody of these individuals to the U.S., their countries-of-origin, or third countries to face justice. Iranian judiciary officials claimed to have tried and convicted some Iranian supporters of al-Qa'ida during 2004, but refused to provide details.

Just as with its nuclear ambitions, Iran's support for terrorism and regional agenda requires a determined American approach and a global alliance. We have sanctioned Iran as a State Sponsor of Terrorism, and called for the regime to abide by the requirements of U.N. Security Council Resolution 1373 to deny safe haven to those who plan, support, or commit terrorist acts, and to affirmatively take steps to prevent terrorist acts by providing early warning to other states by exchange of information.

We are also devoting significant effort to ensure that Iran's efforts to sow instability among Palestinians will not succeed. Working with the Quartet, we have clearly articulated the conditions that the elected Hamas leadership must meet to ensure true international support for the Palestinian Authority and fulfill the Palestinian people's desire for a better life. At the same time, we are mindful of avoiding a humanitarian crisis and working to redirect our assistance to avoid any deterioration that might benefit Iran's radical ambitions.

We also continue to urge other governments to press Iran on its support for and sponsorship of terrorism, and on its threatening behavior towards its neighbors. Just two weeks ago, Secretary Rice met with leaders in Cairo, Riyadh, Beirut, and Abu Dhabi, and with the Gulf Cooperation Council. She highlighted the destabilizing effects of Iran's hostile foreign policy, including its support for terrorism and desire to acquire nuclear weapons. The Arab countries should not wish to see Iran contribute to nuclear proliferation in the region. We intend to work closely with the Arab governments to thwart Iran's support for terror and counter its destabilizing influences across the region.

STATE OF IRANIAN DEMOCRACY AND HUMAN RIGHTS

As we work to end the threat posed by the Iranian regime's nuclear ambitions and sponsorship of terror, we also wish to support the Iranian people in their aspirations for freedom. Some in the West watched with hope and anticipation over the course of the late 1990s, as Iranians voiced their clear desire for a government that pursued their interests in a better life, free from state harassment, ideological impositions, and isolation from the world community.

Sadly, we know the outcome of these efforts—newspapers were shuttered and journalists jailed, student demonstrators were beaten and imprisoned, and activists from all walks of life found their efforts to promote political change stymied and repressed.

The hard-liners in Iran mounted an all-out defense of their hold on the regime and its people, culminating in last June's election of Mahmoud Ahmadi-Nejad as its president. The election itself was deeply flawed :

- A small group of clerics prevented hundreds of declared candidates, including all the women, from running for President. Only a handful whose loyalty to the regime seemed assured were permitted to run.

- Hard-liners undertook a concerted, last minute campaign through their networks of influence in the mosques, the military, and the Revolutionary Guard to mobilize support for Ahmadi-Nejad.
- The polling was reportedly rife with manipulation and fraud.

From this inherently flawed process came the ascent of Ahmadi-Nejad.

Some Iranian citizens may have voted for Ahmadi-Nejad with the sincere hope that he represented change from the corrupt, old guard of the regime. If so, they have been sorely disappointed. Many who had hoped for a break from the corrupt past have been appalled by the rhetoric and policies of the new president and have seen him do nothing to improve their standard of living. The Iranian people deserve better.

His repeated denial of the Holocaust and his threats to "wipe Israel off the map" have earned the legitimate outrage of the international community, and have deeply shamed a country that—until its revolution 27 years ago—had a unique history of tolerance and a large Jewish community.

Just as his comments and actions have isolated Iran internationally, Ahmadi-Nejad has tried to turn the clock back for Iranians at home. The regime issued edicts banning Western music and demanding that Iranian television broadcast fewer programs about women's issues. He has put forward a budget that would make Iran more dependent than ever on oil revenues, and make its economy even less competitive in attracting domestic or foreign investment.

Ahmadi-Nejad may be its most public face, but he is by no means the only hardliner or radical in the Iranian regime. Although the Islamic Republic is a complex system with multiple power centers, today, all of the levers of power in Iran are in the hands of hard-liners. These men reject the basic notion that the governed should determine their leaders and their nation's course and who use religious faith to justify perpetuating their absolute hold on power.

Perpetuating the survival of the regime remains the highest priority for the Iranian leadership and has empowered an increasingly repressive approach to the Iranian citizenry. The regime's poor human rights record worsened throughout 2005, including summary executions, disappearances, extremist vigilantism, widespread use of torture, solitary confinement, and other degrading treatment. Juvenile offenders were executed, and sentences of stoning continue to be handed down.

Discrimination against women and religious and ethnic minority groups, including Jews, Sunnis and Sufi Muslims, persists. The Baha'i community has faced particular harassment. In December 2005 the longest held Baha'i prisoner died in prison of undisclosed causes.

Just as the Middle East is beginning to open to greater political participation and economic reform, it is especially disturbing to note the intensifying repression of the Iranian people. Protesters have been arrested and tortured. Journalists and web-bloggers continue to be arrested and mistreated for daring to publish their opinions. In February the Iranian regime answered the pleas of Tehran bus drivers for better working conditions by sending paid thugs to beat them. Journalist and political activist Akbar Ganji has spent nearly six years in prison for his reporting on the murders of Iranian dissidents and his advocacy of a secular Iranian republic. Having endured solitary confinement, a hunger strike, and reported torture, Ganji is due to be released next week, but it is unclear whether the Iranian regime will indeed release him.

We have worked cooperatively with a range of other countries to highlight the situation of Ganji and the many other Iranians who have been imprisoned unjustly or otherwise punished by the regime for expressing their views. At the UN General Assembly, for the third year in a row, we co-sponsored and helped ensure passage of a Canadian resolution condemning Iran's human rights abuses. This sent an important signal to the Iranian people and their government of continued international concern at Iran's mistreatment of its citizens.

As President Bush has said, it is important that the Iranian people know we will stand with them in their struggle. We are trying to do a great deal more to help Iranians who are trying to bring about peaceful democratic change. In the face of their difficult internal conditions, the people of Iran regularly give the world reason for hope about the country's future. Iranians know that their government may punish them for voicing their views on the Internet or in the newspapers, and yet journalists continue to write provocative pieces, and thousands of other Iranians post their thoughts to web-blogs every day. They gather on the streets to demand better pay and working conditions although the forceful reaction of the regime's thugs is a bitter reality. Iranians have found ways to endure in a system that strives to deprive them of their basic rights and culture—and we are confident that they will also find ways to change that system.

WHAT THE ADMINISTRATION AND CONGRESS CAN DO

Here, I would like to suggest how the U.S. Congress can help to support change and reform in Iran. The first and most important action that Congress can take is the appropriation of funding requested last month by Secretary Rice for an additional $75 million to expand our effort to reach out to the Iranian people. This funding will build upon the $10 million provided by Congress in FY 2006 to support the cause of freedom and human rights in Iran. The supplemental request would support an ambitious program of activities that will promote peaceful change and democratization in Iran.

Fifty-five million dollars, the largest portion, will be dedicated to communicating our message to the Iranian people, offering them unbiased information. Funds will be used to greatly expand our television broadcasting in Farsi into Iran to penetrate Iran's government dominated media. We will use tools we already have through the Broadcasting Board of Governors while supporting the development of competitive and independent Farsi television and radio. We intend to work through U.S. Government sponsored media, such as the Voice of America and Radio Farda, as well as broadcasting organizations in the private sector. We will seek to develop civic education campaigns that increase understanding of the rights and responsibilities of citizens in a democracy through written publications and new technologies such as pod casting, SMS messaging, and the Internet.

We plan to utilize $15 million of the supplemental request—in addition to the $10 million that Congress has already appropriated—to empower local activists and thus further human rights, support and strengthen civil society, help Iranians acquire the skills of citizenry and advocacy, support alternative political centers of gravity, improve justice and accountability, and increase tolerance and freedom of speech, assembly, and other basic rights for the Iranian people.

Finally, we will expand our outreach to young Iranians who have never experienced democracy. We will spend $5 million on Iranian student education and international exchanges, providing scholarships as well as creating professional, cultural, sports and youth exchanges designed to build bridges between our two nations. If Iranians are banned from playing Mozart in Iran, we will help them to do so in our country.

We are also working to better ensure that we streamline the process for expeditiously awarding and allocating our grants. To this end the Department of State is working with the Departments of Treasury, Commerce, and others to secure the necessary licenses and waivers for our grantees to do their work.

RE-AUTHORIZING ILSA

As you can see, the Administration entirely shares Congress' deep concerns about Iran—its pursuit of nuclear weapons; its role as the "central banker" and leading state-sponsor of terrorism, including support for groups that oppose Middle East peace with violence; its destabilizing role in Iraq; and its oppression of its own people.

The House has already taken a very helpful step by giving overwhelming support to a resolution authored by Chairman Hyde and introduced by Congresswoman Ros-Lehtinen and Congressman Lantos that condemns Iranian nuclear policy and calls for a strong response by the Security Council.

As the Secretary has said, the Iran Libya Sanctions Act (or "ILSA") has been "useful to us as a tool." In particular, the existence of the law has underlined the depth of our concerns about Iran's pursuit of WMD and support for terrorism, and has provided a platform for continually raising those concerns with others.

We very much welcome the interest of the House and this committee in working with the Administration on legislation relating to Iran. We are particularly encouraged by those provisions of HR 282 that provide support for democracy in Iran. We would also support a reauthorization of ILSA for Iran (excluding Libya) for a further five-year term.

At the same time, we are concerned with those provisions of HR 282 that would strain relations with our close allies whose help we need to change Iran's behavior. Since ILSA's original enactment and the subsequent extension of the law, there has been a paradigm shift on confronting the threats posed by Iran: increasingly, other governments share our views and concerns, and are working cooperatively with us to make their weight felt. Iran is working very hard to divide the Permanent-5 members of the UN Security Council, and we believe that some of the provisions in ILSA would make it easier for Iran to succeed at this game. We believe it is essential to strengthen the unprecedented coalition we currently have in place and would be concerned about any step we might take that could complicate our diplomacy.

Further, we believe that some provisions in the bill could constrain the administration's flexibility, just when we need to be able to maintain all of our policy options for dealing with Iran. I am sure this is not the intention of those sponsoring legislation.

Finally, we must take care not to jump to conclusions about what kinds of sanctions might be appropriate. We are confident that—if it becomes necessary—like-minded states will be able to agree on measures that will have a significant effect on Iran's economy.

We entirely share Congress' concerns about Iran and look forward to working closely with you as we move forward. We want to keep the focus on Iran's misdeeds, not create friction and division in the camp that is confronting Iran.

STATE DEPARTMENT CAPABILITIES

Beyond our legislative agenda, let me update you on an important initiative that the State Department has undertaken as part of Secretary Rice's global repositioning to support Transformational Diplomacy. For more than a generation, the U.S has had no diplomatic contacts with Iran—a unique state of affairs replicated in no other country in the world. We have not trained Foreign Service Officers to speak Farsi or established a significant effort to follow Iranian developments. This left a serious divergence between our capabilities and the profound challenges before us concerning Iran.

Secretary Rice directed us to address this disparity. During the last month, the State Department has created a new Office of Iranian Affairs within the Bureau for Near East and North African Affairs (NEA). We will add a significant number of diplomats to focus solely on Iran in this office, as well as adding new positions to our Democracy, Human Rights and Labor Bureau to coordinate and expedite programming for Iran. We will also create by this summer a new office focused on Iran at the U.S. Consulate in Dubai. In addition, we will increase the number of officers working on Iran at other diplomatic posts in the region. We will expand our Farsi language training to train a new generation of American diplomats in Iranian history, culture, and language.

As all of you are aware, since Iran seized our embassy and held 52 of our diplomats hostage for 444 days, we have not stationed a single diplomat in Iran or trained many officers in Farsi. We do not intend to re-open our Embassy any time soon. But we do plan to put more people, better trained, on the job of watching Iran both in the region on Iran's doorstep and here in Washington—so that we can block its destructive policies and so that we can communicate more effectively with the people of Iran. These enhancements are a key part of Secretary Rice's Global Diplomatic Repositioning initiative to shift our people to where they are needed most.

CONCLUSION

Let me conclude by thanking the Congress for the effort and interest that you have devoted to Iran and for your support for our policies. As we move forward, we will need your help on a variety of fronts:

- to reach out the Iranian population with approval of our $75 million supplemental request;
- to re-authorize ILSA in a format that facilitates the strengthening of the broad global coalition that is already achieving real progress in addressing Iran's nuclear ambitions; and
- to continue to support the Administration as we seek to stop Iran's pursuit of a nuclear weapons, its support for terrorism, its harmful meddling in the affairs of the region, and end its repression of its own citizenry.

It may be a long struggle to block Iranian ambitions in each of these areas and to roll back their dangerous policies, but it is necessary for achieving a better, more democratic future for the Middle East and greater security for U.S. interests across the world. The problem of the Iranian regime has become entrenched over the course of an entire generation, and it may require a generational struggle to address it, but we have no choice but to do so in a serious, committed and effective way.

Chairman HYDE. Thank you, Ambassador Burns.

Under Secretary Joseph?

STATEMENT OF THE HONORABLE ROBERT JOSEPH, UNDER SECRETARY FOR ARMS CONTROL AND INTERNATIONAL SECURITY, U.S. DEPARTMENT OF STATE

Mr. JOSEPH. Mr. Chairman, Mr. Lantos, distinguished Members of the Committee, it is a pleasure for me to appear before you today with my colleague, Under Secretary Burns, to discuss what Iran is doing in terms of acquiring a nuclear weapons capability and what we are doing to blunt that effort.

I have submitted a written statement. What I would like to do with your permission, Mr. Chairman, is simply summarize some of the main points.

I begin from the premise that Mr. Lantos has articulated, and that is that a nuclear armed Iran is intolerable. Let me outline the reasons.

First, a nuclear armed Iran could embolden the leadership in Tehran to advance its aggressive and expansionist ambitions in and outside of the region, both directly and through the terrorists that it supports.

Today, even with an Iran that does not have a nuclear weapons capability, we are confronted by it and its surrogates in Iraq, in Afghanistan, in Lebanon and by Tehran's efforts to undercut peace between Israel and the Palestinians. If Iran possessed nuclear weapons, those confrontations would be sharpened and expanded.

Second, a nuclear armed Iran would represent, in my view, a direct threat to United States forces and allies in the region, to the greater Middle East, Europe and Asia and eventually to the United States itself.

Iran would be more likely to use force, perhaps even chemical and biological weapons, which it is also pursuing, if it believed that a nuclear shield protected it from retaliation. At a very minimum Iran could seek to use nuclear weapons for intimidation and blackmail.

Third, as you, Mr. Chairman and Mr. Lantos, pointed out, a nuclear armed Iran could engender further proliferation and a reevaluation of security requirements across this vital region, undermining the very integrity of the nuclear nonproliferation regime.

Fourth, a nuclear armed Iran would represent an existential threat to the State of Israel. President Ahmadi-Nejad has repeatedly stated his goal of wiping Israel off the map. Many in Israel believe that he means exactly what he says, and I believe for good reason. He is a true believer.

Finally, Iran is at the nexus of weapons of mass destruction and terrorism. If it has fissile material or a nuclear weapon, the likelihood of their transfer to a third party would increase either by design or by diversion.

For these reasons, I believe we must not concede the inevitability of a nuclear armed Iran, but rather pursue determined diplomacy and defensive measures to preclude such an outcome.

Let me just turn very briefly to Iran's nuclear program. Today we are challenged by a determined Iranian effort. Iran is pressing ahead on the centrifuge enrichment technology. It has since January put both feet on the accelerator.

Recently it began to introduce UF–6 gas, the feed material for centrifuges, into a 10 centrifuge cascade to enrich uranium at a

pilot plant. This is the beginning of a much larger cascade with hundreds of centrifuges at this pilot facility.

Iran has openly notified the IAEA that this fall it will begin installing the first 3,000 centrifuges at an industrial enrichment plant at Natanz, which is in fact designed to hold tens of thousands of centrifuges.

Iran has already produced approximately 85 tons of feed material, uranium hexafluoride, the feedstock for these centrifuges. If this amount of feedstock were enriched to weapons grade uranium, the result would be enough highly-enriched uranium for about 10 nuclear weapons. The only plausible explanation for the expansion and the urgency of the Iranian enrichment program is to produce fissile material for nuclear weapons as soon as possible.

There are also disturbing indications that Iran is working on the next step, that is weaponization. The IAEA has uncovered documentation in Iran for the casting and machining of enriched uranium hemispheres, which are directly relevant to the production of nuclear weapons components.

The IAEA is also pursuing information on high explosive tests and on the design of a specific delivery system which clearly point to a military rather than a civilian peaceful purpose.

In short, Iran is determined to acquire a nuclear weapons capability, but we are equally determined to stop it. The President has emphasized that all options are on the table to deal with this threat, but that our strong preference is to do so through effective diplomacy.

Under Secretary Burns has addressed some of our diplomatic efforts. I would just add a few points. The IAEA statute requires that noncompliance with IAEA safeguards be reported to the Security Council.

The IAEA board in November 2003, now over 2½ years ago, decided to put off reporting Iran's noncompliance to the Security Council to allow time for the United Kingdom, France and Germany, or the EU–3, to reach an agreement with Iran that would provide confidence that Iran's activities in the nuclear area were solely for peaceful purposes.

In November 2004, an agreement was reached in Paris between the EU–3 and Iran to suspend all uranium conversion and enrichment activities during the negotiations on a long-term agreement, and the United States supported that effort.

Russia also has put forward a creative proposal for a joint venture for uranium enrichment in Russia, but in a way that does not allow Iran access to sensitive technology and would not permit Iran to conduct any enrichment related activities on Iranian soil.

While Iran continues to feign interest in such a deal with Russia and very cynically calls for negotiations in compromise, it has refused to agree to stop those enrichment related activities in Iran, which is an essential part of the package, and in violation of this Paris agreement and in defiance of the will of the international community Iran resumed uranium conversion activity in August 2004 and enrichment activities in January of this year.

In September 2005, the IAEA board found that Iran's many breaches and failures to comply with its safeguards agreement constituted formal noncompliance under the state and found that

Iran's nuclear activities have given rise to questions within the competence of the UN Security Council.

In early February, the IAEA board by a wide majority instructed the Director General, Dr. ElBaradei, to report his findings on Iran to the Security Council, and he has since done so. We expect that the Security Council will take up action on Iran noncompliance next week. The Council's action will not supplement the IAEA's role, but rather enforce it.

It is imperative that the Council make clear to the Iranian regime that there will be significant negative consequences if it does not step away from its nuclear weapons ambitions. The Security Council can take progressively firmer action to induce Iran to come into compliance with its NPT and safeguard obligations, to suspend all of its enrichment and reprocessing related activities and, finally, to cooperate fully with the IAEA.

While our diplomacy in the IAEA and the UN Security Council is an essential part of our strategy, we must do more, and we recognize that through the development of a broader strategy. We will work closely with other states to continue and, as necessary, to expand defensive measures to protect ourselves against the WMD threat from Iran, as well as from other proliferant states.

These defense measures require an increasing array of instruments, policies and programs. At one end of that spectrum are programs like the Nunn-Lugar work that helps to prevent Iran, as well as others, from gaining access to enabling technologies and materials, to deny Iran and others a shortcut to a nuclear weapon.

At the other end are capabilities such as missile defense and other counterproliferation capabilities that we need to deploy in order to address the threats, to protect ourselves and to provide assurance and reassurance to our friends and allies.

Other defense measures address the financial underpinnings of proliferation, including the President's June 2005 Executive Order authorizing the United States Government to freeze assets and block transactions of proliferators and their supporters.

One of our most important defensive measures is the Proliferation Security Initiative or PSI, which is now expanded to include support from 70 other countries and continues to grow. PSI action has stopped the transshipment of material and equipment for Iran's ballistic missile and WMD programs, including their nuclear program.

We continue to consider possible new or expanded defensive measures to combat the proliferation threat from Iran. This is—I agree with what has been said—the greatest strategic challenge we will face in the foreseeable future. We must and we will pursue multiple avenues to prevent the emergence of a nuclear armed Iran.

Mr. Chairman, thank you very much.

[The prepared statement of Mr. Joseph follows:]

PREPARED STATEMENT OF THE HONORABLE ROBERT JOSEPH, UNDER SECRETARY FOR ARMS CONTROL AND INTERNATIONAL SECURITY, U.S. DEPARTMENT OF STATE

IRAN'S NUCLEAR PROGRAM

Introduction

Mr. Chairman, distinguished members of the Committee, I appreciate the opportunity to appear before you today to discuss what Iran is doing to acquire a nuclear weapons capability and what we are doing to counter this emerging threat.

I start from the premise that a nuclear-armed Iran is intolerable. Let me outline some of the key reasons:

- A nuclear-armed Iran could embolden the leadership in Tehran to advance its aggressive ambitions in and outside of the region, both directly and through the terrorists it supports—ambitions that gravely threaten stability and the security of U.S. friends and allies.
- A nuclear-armed Iran would represent a direct threat to U.S. forces and allies in the region, the greater Middle East, Europe and Asia, and eventually to the United States itself. The likelihood of Iranian use of force, including possibly chemical and biological weapons, could increase if Tehran believed its nuclear capability protected it from retaliation. At a minimum, it could seek to use nuclear weapons as a powerful tool of intimidation and blackmail.
- A nuclear-armed Iran could provide the fuse for further proliferation, engendering a re-evaluation of security requirements across the region, and undermining the nuclear nonproliferation regime.
- A nuclear-armed Iran would consolidate the chokehold of the mullahs, making democracy in Iran a more distant prospect.
- A nuclear-armed Iran would represent an existential threat to the state of Israel. Not content with his efforts to destroy peace between Israel and the Palestinians, President Ahmadi-Nejad may believe that nuclear weapons are the chosen instrument to achieve his stated goal of wiping Israel "off the map." Despite the resulting apocalyptic costs for Iran itself, the regime could miscalculate, or accept those costs in the cause of martyrdom.
- Finally, Iran is at the nexus of weapons of mass destruction and terrorism, pursuing nuclear, chemical and biological programs and actively supporting terrorist movements. If Iran has fissile material or nuclear weapons, the likelihood of their transfer to a third party would increase—by design or through diversion.

For these reasons, we should not concede the inevitability of a nuclear-armed Iran but rather pursue determined diplomacy and defensive measures to preclude such an outcome. But there is no question that Iran is as committed and determined as we. As a result, stopping Iran is one of the most fundamental strategic challenges we face.

Iran's Nuclear Program

Two decades ago, Iran embarked on a secret program to acquire the capability to produce fissile material—the most critical component for nuclear weapons. Since then, Iran has pursued the goal of large-scale production of both enriched uranium and plutonium, spanning the full range of activities from laboratory experiments to industrial facilities.

Iran pursued two parallel uranium enrichment approaches, a laser process based on Russian technology and a centrifuge process based on technology acquired from the A.Q. Khan network. The Russian government terminated cooperation with Iran on laser enrichment in 2001, following extensive consultations with the United States, and it appears to be no longer active.

Most of Iran's effort in the enrichment area has been concentrated on centrifuge technology, which Tehran is aggressively pressing forward with today. The International Atomic Energy Agency (IAEA) has found that Iran repeatedly violated its IAEA safeguards agreement during an 18-year period of covert development and testing. Currently, Iran is operating a small centrifuge cascade and is conducting research and development work at a pilot facility at Natanz. This is the beginning of a much larger effort with hundreds of centrifuges at the pilot facility, and Iran has notified the IAEA that this fall it will begin installing the first 3000 centrifuges at an industrial enrichment plant also at Natanz. Let there be no mistake that what Iran calls innocent research and development is actually the next step toward achieving a large-scale enrichment capability.

Supporting this conclusion, Iran is now producing feedstock for centrifuges at a uranium conversion facility at Isfahan. Iran has already produced approximately 85 tons of uranium hexafluoride at Isfahan. If this amount of feedstock were enriched in centrifuges to weapons grade material, the result would be enough highly-enriched uranium (HEU) for about 10 nuclear weapons. Nearby, Iran has dug an underground tunnel for storing uranium hexafluoride. The facility at Isfahan is also capable of converting uranium hexafluoride to uranium metal, the form used in nuclear weapons components.

Iran is obviously moving forward to master the technology of centrifuge enrichment and to commence industrial-scale production as rapidly as it can, in defiance of calls by the international community to suspend all enrichment-related activity. Iran claims that this program is entirely peaceful, for production of fuel for power reactors. The only power reactor Iran will have for at least the next ten years is the one being built by Russia at Bushehr, the fuel for which Russia is obligated to provide for the first ten years.

The only plausible explanation for the urgency of the Iranian enrichment program is to produce fissile material that can be used in nuclear weapons as soon as possible, no matter the international cost. The secret origins, military involvement, acquisition of key technologies from a proliferation network, violation of IAEA safeguards, false reporting to the IAEA, and denial of IAEA requests for access to individuals and locations also belie assertions of peaceful intent.

To produce plutonium, Iran has built a heavy water production plant and is now constructing a large, heavy water-moderated reactor whose technical characteristics are well suited for the production of weapons grade plutonium. In support of this effort, Iran produced small quantities of plutonium in targets inserted into the safeguarded Tehran research reactor and conducted plutonium separation experiments, in violation of its IAEA safeguards agreement.

Because of Iran's incomplete and false reporting and denial of access to its inspectors, the IAEA has been unable to determine the full scope and nature of Iran's nuclear program. The IAEA is pursuing information on what could be another uranium conversion project. Iran has designs for a next generation, more sophisticated centrifuge (P–2), but the IAEA has been unable to determine the complete history of this activity.

In addition to its determined effort to put in place the capability to produce fissile material, there are also disturbing indications that Iran is working on the next step, weaponization. The IAEA has discovered documentation in Iran for casting and machining enriched uranium hemispheres, which are directly relevant to production of nuclear weapons components. The IAEA is also pursuing information on high-explosive tests and on the design of a delivery system, which clearly point to a military rather than peaceful purpose.

Last week, in his most recent report, IAEA Director General ElBaradei made clear that Iran has not taken any of the steps the IAEA Board has called for. Iran has not re-suspended enrichment activities, not stopped construction of the heavy water reactor, not ratified the Additional Protocol, and not cooperated fully with the IAEA investigation. None of the outstanding problems have been resolved. In his overall assessment of the current situation, Dr. ElBaradei expressed regret and concern that the scope and nature of Iran's nuclear program have not been clarified after three years of intensive IAEA efforts.

Diplomatic Efforts to Stop Iran's Nuclear Program

The President has emphasized that all options are on the table to deal with the threat from Iran, but that our strong preference is to do so through determined diplomacy. A peaceful diplomatic solution to this issue would spare the world from the threat posed by a nuclear-armed Iran and would benefit the Iranian people with the possibility of fuller integration with the international community. Diplomacy remains essential and, despite the frustrations, is working.

The IAEA investigation of the Iranian nuclear program began in 2003, following revelations about the enrichment and heavy water programs by an Iranian opposition group in August 2002. In November 2003, IAEA Director General ElBaradei issued a comprehensive report, finding that "it is clear that Iran has failed in a number of instances over an extended period of time to meet its obligations under its Safeguards Agreement."

The IAEA Statute requires that non-compliance with IAEA safeguards be reported to the United Nations Security Council. The IAEA Board decided at its November 2003 meeting to put off reporting Iran's non-compliance to the Security Council to allow time for the United Kingdom, France and Germany (the "EU3") and Iran to reach an agreement that would provide the international community confidence that Iran's nuclear activities were entirely peaceful.

It was essential to the Europeans and to us that Iran suspend all enrichment-related and reprocessing activities while negotiations on a long-term agreement were undertaken. The EU3 and Iran reached an understanding on this point in Tehran in October 2003, but this broke down over differences whether the agreed suspension covered conversion of uranium into uranium hexafluoride feedstock for the centrifuge process. In November 2004 a more explicit agreement was reached in Paris in which Iran agreed to suspend all uranium conversion and enrichment activities during negotiations on a long-term agreement.

On this basis, the EU3 developed a comprehensive and ambitious proposal for extensive economic and technical cooperation between the European Union (EU) and Iran, including cooperation on nuclear energy. The United States supported the EU3 effort, including by changing our policies with respect to World Trade Organization (WTO) membership and civilian aircraft parts for Iran.

While the EU3 engaged with Iran, the IAEA continued and expanded its investigation of the Iranian nuclear program, and the result has been a growing number of unresolved problems and concerns. The reports of the IAEA Director General document a long list of unresolved problems, including: discrepancies between Iran's account of its acquisition and use of P–1 and P–2 centrifuge technology and other information available to the IAEA; Iran's possession of documentation on casting and machining enriched uranium into hemispheres, related to the fabrication of nuclear weapon components, and refusal to provide the IAEA a copy of this document; discrepancies between Iran's account of plutonium separation experiments and the IAEA's technical analysis; unresolved questions concerning military involvement in the Iranian nuclear program; and failure to fully cooperate with IAEA requests for access to individuals, information, and locations. The IAEA Board has adopted nine resolutions calling on Iran to suspend enrichment-related and reprocessing activities, and to cooperate fully with IAEA requests.

Russia has put forward a creative proposal for a joint venture for uranium enrichment in Russia, which would not give Iran access to sensitive technology. While Iran continues to feign interest in a joint venture in Russia, and cynically calls for negotiations and compromise, it has refused to agree to suspend enrichment activities in Iran, an essential part of the package for the EU3, Russia and the United States. I want to be particularly clear on this point. Given Iran's 18-year clandestine enrichment program, any solution must provide objective guarantees that Iran's nuclear programs will be solely for peaceful purposes, including complete cessation of all enrichment and reprocessing activities in Iran. Some have suggested that Iran be allowed small-scale enrichment activities, but even these could enable Iran to master technology critical to making nuclear weapons. Therefore, they would not be an acceptable solution.

Iran responded to the generous EU3 proposal by calling it an insult. In violation of the Paris agreement with the EU3 and in defiance of the will of the international community expressed in the resolutions of the IAEA Board, Iran initiated unilateral actions that shattered the basis for negotiations, resuming uranium conversion in August 2005 and, following its provocative removal of IAEA seals this January, resumed uranium enrichment activities.

With the negotiations with the EU3 stalled, in September 2005 the IAEA Board returned to the task it had set aside nearly two years earlier, and made two important findings. First, the Board found that Iran's many breaches and failures of its obligations to comply with its safeguards agreement constituted noncompliance as described in Article XII.C of the IAEA Statute. Second, the Board found that the long history of deception and concealment of Iran's nuclear activities, the nature of those activities, and the absence of confidence in Iran's peaceful nuclear intentions have given rise to questions within the competence of the UN security Council.

Both of those findings were cause to report Iran to the UN Security Council, but the Board chose to defer the timing and content of that report to give Iran one final chance to change course, and to restore the basis for a negotiated solution. Iran again chose the course of confrontation rather than negotiation, however, and following Iran's resumption of enrichment activities in January 2006, the IAEA Board by a 27–3 vote, with 5 abstentions, instructed the Director General to report Iran to the UN Security Council. Dr. ElBaradei has done so, and the Iranian nuclear program is now before the Council, the international body responsible for dealing with threats to international peace and security, which this surely is.

We are now moving to a new phase, in which the Security Council can add its considerable authority to the international effort to counter Iran's quest for nuclear weapons. We expect the Security Council to take up action on Iranian noncompliance next week. The Council will not supplant the IAEA effort, but reinforce it—for example, by calling on Iran to cooperate with the Agency and to take steps the

IAEA Board has identified to restore confidence, and by giving the IAEA new, needed authority to investigate all aspects of the Iranian nuclear effort.

The Council should make clear to the Iranian regime that there will be consequences if it does not step away from its nuclear weapons ambitions. We will continue to consult closely with the EU–3 and the European Union, with Russia, China, and many other members of the international community as this new diplomatic phase proceeds.

Absent even more provocative actions by Iran, we envision a graduated approach by the Security Council, interacting closely with the IAEA. The Security Council can take progressively firmer action, to the extent necessary, to induce Iran to come into complete compliance with its NPT and safeguards obligations, suspend all its enrichment- and reprocessing-related activities, and cooperate fully with the IAEA.

For the first step, we may look to a Statement by the President of the Security Council. Such statements are issued by the Council President, but agreed by all members of the Council. In our view, a Presidential Statement could underline serious Council concern over Iran's nuclear activities and support for the IAEA investigation. In that regard, it could call on Iran to comply with IAEA Board resolutions, including by reestablishing full suspension, halting construction of the heavy water plant, resuming implementation of the Additional Protocol and bringing it into force, and cooperating fully with the IAEA investigation. Further, the Statement could call for a report on its implementation from the IAEA Director General within a short period—a few weeks, not months. We will urge that such a Presidential Statement be issued rapidly after the Council takes up the Iranian dossier next week.

If Iran defies the Security Council Presidential Statement, as it has the IAEA Board of Governors resolutions, we will urge a Council resolution to put increased pressure on Iran to comply. The resolution could be grounded in Chapter VII of the UN Charter, given the threat to international peace and security posed by Iran's nuclear program. In issuing such a resolution, the Council could require Iran, within a specified short period of time, to comply with all elements of the IAEA Board resolutions, as well as with additional Council requirements such as opening up to substantially increased IAEA investigative authority.

If Iran still does not comply, we will look to even firmer Council action. Our aim is that Iran will be persuaded to reverse course by the obvious resolve of the international community, shown first in the IAEA Board of Governors and beginning this month in the Security Council.

Defensive Measures

In addition to our diplomatic efforts to end the Iranian nuclear threat, we will work closely with other states to continue—and as necessary, expand—our defensive measures to protect ourselves against WMD proliferation and all WMD-armed adversaries, including Iran. Those defensive measures require an increasing array of instruments, policies and programs.

At one end of the spectrum are programs like Nunn-Lugar that help to prevent Iran and other proliferators from gaining access to sensitive technologies and materials that could represent a short cut to nuclear weapons. At the other end is missile defense and other counterproliferation capabilities. These capabilities not only strengthen our strategic posture against the threat we face, but provide another reason to persuade states like Iran not to acquire nuclear weapons in the first place.

Other defensive measures address the financial underpinnings of proliferation. UN Security Council Resolution 1540—adopted at the President's urging—requires states to adopt and enforce effective controls on funds and services related to export and transshipment that would contribute to WMD programs. Consistent with Resolution 1540, G–8 Leaders have called for enhanced efforts to combat proliferation through cooperation to identify, track and freeze transactions and assets associated with proliferation activities.

President Bush augmented U.S. efforts in this field when he issued last June a new Executive Order, which authorizes the U.S. Government to freeze assets and block transactions of entities and persons, or their supporters, engaged in proliferation activities, and to prohibit U.S. persons from engaging in transactions with them. Currently 18 entities—6 from Iran, as well as 11 from North Korea and one from Syria—have been designated under the Order, and we are actively considering designating additional ones.

One of the most important defensive measures undertaken by the Bush Administration is the Proliferation Security Initiative, which shows the close interaction among—and the creative use of—diplomatic, military, economic, law enforcement, and intelligence tools to combat proliferation. PSI countries have put all of these assets to work in a multinational, yet flexible, fashion. The participating countries are applying laws already on the books in innovative ways and cooperating as never be-

fore to interdict shipments, to disrupt proliferation networks, and to hold accountable the front companies that support them. PSI has now expanded to include support from more than 70 countries, and continues to grow. It is not a treaty-based approach, involving long, ponderous negotiations that yield results only slowly, if at all. Instead, it is an active—and proactive—partnership, to deter, disrupt and prevent proliferation of WMD and their means of delivery. And PSI is working—including against Iran. PSI cooperation has stopped the transshipment of material and equipment bound for Iran's ballistic missile programs. PSI partners, working at times with others, have also prevented Iran from procuring goods to support its WMD programs, including its nuclear program.

We continue to consider possible new or expanded defensive measures to combat the proliferation threat from Iran. We must and will pursue multiple avenues to prevent the emergence of a nuclear-armed Iran.

Chairman HYDE. Thank you, Mr. Secretary.

We will now get to questions under the 5-minute rule. I do not usually ask a question, but to give you an opportunity to outline your concerns with H.R. 282 will you tell us if the passage of that bill will help or hurt your efforts and why?

Ambassador Burns?

Ambassador BURNS. Thank you very much, Mr. Chairman, and thank you for the opportunity to comment on H.R. 282.

We believe that the current legislation in place, ILSA, has been a very effective tool for our foreign policy. Secretary Rice has said that quite often.

We are a country that has had a harder edge to its diplomacy than many others, and sometimes in international diplomacy you have countries that are out in front engaging and other countries that stand behind with a great deal of solidity to their position. We have been that country standing behind the European countries and the Russians and Chinese with very effective sanctions in place.

We know that the ILSA, perhaps without Libya in our view, needs to be reauthorized. Our view, Mr. Chairman, is that it ought to be reauthorized, and we think it can continue to be an effective tool for American foreign policy and the good union of congressional, as well as Executive Branch interest.

I would say this, Mr. Chairman. It is in my written contribution. When the bill is being debated I think we will want to have discussions with you and other Members about ways that some of the provisions in the current draft could be modified because one thing we do not want to do is divide the international diplomatic coalition that we have put together.

We think that rather than focus some of the sanctions on our allies we ought to focus the sanctions on the Iranians. In our view, over the last 12 months the most significant achievement of American foreign policy toward Iran has been to broaden the group of countries who are standing with us. The Europeans are solidly with us. Japan and Australia are with us, but, most importantly, India has voted twice with the United States in the IAEA against Iran, and now Russia and China have done so.

I know Secretary Rice prizes the fact that we have this coalition in place, and rather than have new legislation that would really focus sanctions on our allies we would rather focus it on the Iranians, so as you begin your work—or should I say as you continue it—we will want to make that suggestion.

We have some specific suggestions, Mr. Chairman, that we can put forward with respect to Members of Congress, and we will be happy to engage further with you on this.

Chairman HYDE. Thank you.

Mr. Berman of California?

Mr. BERMAN. Thank you, Mr. Chairman. I have a few questions, but I just have to respond to Ambassador Burns' comment.

I understand reservations about this legislation. I can understand. I myself would argue that Congress moving this kind of legislation creates an atmosphere which helps you push the impetus toward a multilateral and diplomatic approach to the problem if for no other reason than the good cop/bad cop routine, but I do not think you should try to sell the notion that ILSA has been effective.

While it had some initial deterrent benefits on investment in the energy section, the fact is this Administration and the previous Administration initially through the use of waivers and now through the total unwillingness to make any findings never acknowledges any foreign investment in Iran's energy section, and therefore nothing ever gets triggered.

Whatever the reservations may be about the legislation before us, I do not think we should try and sell it on how effective this legislation, the existing law, has been. As a sponsor of the existing law, I am sorry to have to admit that fact, but I think that fact is clear.

My questions though, and perhaps, Secretary Joseph, you are the right person to direct them to. I raised this initially. Is Russia in the context of its proposal to Iran pushing? Here are the few things I would like you to respond to.

Are they pushing for a complete suspension not only of enrichment, but of conversion? Are they pushing for continued IAEA inspections until all aspects of the Iranian program, including the evidence already available of a parallel military program, are they pushing total access to individuals and sites as part of their proposal?

Are they seeking a time-limited agreement or an agreement of indefinite duration? Are the Russians going beyond simply the willingness to provide the enriched fuel to provide assurances that there will be no research and development on these issues?

Just how broad is the Russian proposal that Iran may never accept, but if they do accept it will be very hard to get Russia then to become an ally of imposing sanctions at the Security Council if it is deficient, so I am wondering are we right in investing as much as we are in this effort.

Finally, could you give us your best guess, not about when Iran will have a nuclear weapon, but about the fastest in which they would have the independent capability to develop a nuclear weapon without explicitly or illicitly gaining technologies from outside Iran?

Thank you, Mr. Chairman. If you could just address some of those?

Ambassador BURNS. Mr. Berman, if I could just steal 15 seconds with Under Secretary Joseph's permission just to respond to the initial comment you made on sanctions and on ILSA?

We want to work with your Committee, this Committee, and with the Congress on a reauthorization of the ILSA. We just would request a certain degree of flexibility because what is ahead of us diplomatically is this process in the UN, and if the process of words, resolutions, does not work that process will head toward the consideration of some kind of targeted sanctions.

That is the only point I wanted to make.

Mr. BERMAN. I was not arguing with that point, although I think movement of a strong bill can have some benefits. I was arguing with the point that ILSA has been effective.

Mr. JOSEPH. Mr. Berman, thank you. In terms of the Russian proposal, the Russians first put forward some ideas that evolved into their proposal. They put forth those ideas last September, and they have been developing those ideas ever since.

The proposal, as I understand the proposal, as has been described to me by Russian authorities, is that it would prohibit on Iranian territory all enrichment-related activities. It would, however, allow the continuation of conversion of uranium, which is ongoing at Isfahan as we speak today.

The Russians have been very supportive of the IAEA authorities, and in the context of their proposal they have encouraged Iran as part of the arrangement that they would try to negotiate to adhere to the additional protocol, which would give the IAEA additional authorities to pursue their investigation.

They have been very frustrated with Iran's unwillingness to cooperate fully with the IAEA, which is repeated successively in about nine—I think the count is now nine—IAEA resolutions on this issue.

The Russians I believe are very frustrated that Iran continues to pursue its nuclear weapons capability, and I think it is quite apparent to the Russian authorities exactly what is happening.

In terms of the time limitation, I have not heard that there is any time limits associated with their proposal other than rumors that have recently been circulating in Vienna in the context of this board meeting. I do not give any credence to those rumors.

I think the Russian Foreign Minister Lavrov, when he spoke to this issue here in Washington, made very clear that there is not a Russian proposal, a new Russian proposal that would allow limited research and development in Iran in the area of enrichment activities.

In terms of Iran's capabilities, indigenous capabilities, it is my sense that Iran has a very large, a very capable scientific and technical community. Iran has access to tremendous resources which you can see reflected in the scale of their investment in Natanz and in Isfahan, their overall nuclear program.

My sense is that there will be impediments that Iranian scientists and technicians will need to overcome before they are able to master the enrichment process. They are currently now hooking up centrifuges into small cascades. It is not easy to go from individual centrifuges to small cascades to larger cascades, but my sense is they have the ability to overcome those problems in time.

The issue is how much time. I do not know that we have a good sense of how much time it will take Iran to master these technologies on their own. There is always of course the concern that

they can shortcut the process. They can either acquire fissile material on the black market, or they can bring in expertise to help them solve some of the problems that are associated with developing an enrichment capability.

A.Q. Khan, for example, provided expertise. We believe that we have closed down the A.Q. Khan network, but there may be others out there for hire.

Chairman HYDE. Mr. Smith of New Jersey?

Mr. SMITH FROM NEW JERSEY. Thank you very much, Mr. Chairman.

Ambassador Burns, Secretary Joseph, thank you for your tremendous leadership on behalf of our country.

Let me ask a couple of questions. Given the longstanding, bitter animosity between Iran and Iraq, how do you assess the immediate, the intermediate and the long-term threat of Iran to democratic Iraq and especially as it relates to our troops who are deployed there?

Secondly, Iran, as we all know, is a country of particular concern because of its ongoing egregious abuse of religious freedom. Has Iran's already bad record been made worse under the new President, and can you speak to the issue of evangelical Christians in the Baha'i, and what about the small Jewish community which goes back thousands of years in Iran?

Thirdly, the issue of Internet companies. We held a joint hearing, Mr. Leach and I, just a few days ago on the ongoing complicity of many of our larger Internet companies, including Yahoo!, Cisco, Google, with China and their secret police and their propaganda organs, and I wonder if you can tell us, since we know that the Internet is very severely monitored by the Iranians have any of our companies directly or indirectly been a part of that?

Have they lent any of their technology, for example, to their secret police in Iran to crack down on anyone who might seek freedom or justice?

Again, along those same lines, are VOA and Radio Farda bypassing Iranians' jamming efforts?

Ambassador BURNS. Congressman Smith, thank you very much for your leadership on all these issues. Let me just try to address them one-by-one.

We believe that Iran is playing a "negative" role in Iraq. First, there is evidence, and it is in my testimony again today, that the Iranians have supplied sophisticated improved explosive device technology to Shi'a terrorist groups, and those grounds have used that technology against British forces in the southern part of Iraq, as well as against American forces. We are very concerned about that development. It is not new. We have known about this for some months.

Secretary Rice and Ambassador Khalilzad have discussed it publicly, and that is why we discuss it publicly again today, but we have communicated with the Iranian Government through the intrasection, the Swiss intrasection that represents our interests in Tehran, that this is unacceptable, and we believe that message has been heard in Tehran.

We also believe that the Iranians obviously are trying to enhance their own influence in Iran. They do that in a number of ways. We

do not think their influence has been as ours has to suggest that Shi'as, Sunni and Kurds should live together peacefully and should form a government peacefully, but rather the Iranians have been trying to really speak to one community, and that is the Shi'a community in Iraq.

We also think that they have been exceedingly unhelpful in not using their influence to downplay sectarian violence and so we do not have anything good to say about what the Iranians have done as a country, as a government in Iraq.

On your second question, one of the great tragedies of the last 26 years is that a country that previously had a reputation and history of some tolerance for religious differences within its society, that has disappeared especially with this very aggressive group of leaders that have taken power in Iran over the last 25 years.

They have persecuted Baha'i and Christian and Jews, and in our annual human rights report we document that. I know you have done a lot of work on this yourself, Mr. Smith, and of course we have been sorely disappointed to see this. We speak out against it. We ask our European allies, all of which have Embassies in Tehran, unlike us, to use their influence, as well as Arab countries to use their influence, to speak up on behalf of persecuted minorities.

Third, on the question of American Internet companies, if I have understood it correctly, I would respectfully ask just to accept that question and give you a written answer. I simply do not know to what extent American companies may or may not be involved in working with the Government of Iran.

As we do not have an Embassy there, as there are very few American citizens living in Iran, our ability sometimes to understand everything that is happening is quite limited but I will take the question and look at it for you and get back to you.

Mr. SMITH FROM NEW JERSEY. And Radio Farda?

Ambassador BURNS. Yes. The Iranians have attempted to impede the transmission of Radio Farda, as well as the Persian language, and the Farsi language TV stations that we fund. They obviously try to do that to blunt the private American and international radio and TV stations that broadcast into Iran.

That is one of the reasons why the President and Secretary Rice have requested $50 million from the Congress to upgrade our ability to effectively transmit an American voice into Iran.

Chairman HYDE. Mr. Ackerman?

Mr. ACKERMAN. I want to thank both of our witnesses for their very thoughtful approach to this and so many other difficult issues.

Since our involvement in Iraq, we have not heard any mention of the other two participants in terms of calling them part of the evil axis. They have each very strongly continued to try to procure a nuclear weapons program. They are very much alive.

My first question is the Bush doctrine. Is that alive? We have not heard mention of it for a while.

Also, shortly one of our later witnesses is going to suggest that we cannot move ahead with a nuclear cooperation agreement until we resolve the Iran issue. In that regard I want to ask you about the relationship between what we are trying to achieve in Iran, mainly stopping their nuclear program, and what we are trying to

achieve with India, and that is providing them access to nuclear technology.

Not speaking specifically for myself, but in the minds of many proceeding with the Indian deal undercuts our efforts to stop Iran from acquiring nuclear weapons. I would like you to outline if you would for the Committee why the Administration sees these as two separate and distinct cases and why our progress with India will not hinder our efforts to stop Iran.

Then I would like, if you could, to address the question of whether our friends on the Security Council, which does include all of the members of the nuclear club, also see these two cases as distinct.

Mr. JOSEPH. Mr. Ackerman, thank you very much. Why do I not try to address your first question?

We are, of course, under no illusions about the nature of the regime in Pyongyang or in Tehran. I think the statements that have been made by President Ahmadi-Nejad reflect the nature of that regime, statements that call for Israel and, by the way, the United States to be wiped off the face of the map, statements that deny the historical reality of the Holocaust.

This is a truly abhorrent regime, and we see it in many contexts. Clearly the same is true with regard to North Korea in terms of their violation of the basic fundamental human rights of their own citizens, a nation that uses starvation as part of their national policy. Again, we are under no illusions.

In terms of the Bush doctrine, that can mean many things to many different people. My understanding of the Bush doctrine is the national strategy that we developed for combatting weapons of mass destruction, the first truly comprehensive approach to dealing with the very complex and dangerous spectrum of threats associated with the spread of weapons of mass destruction and their means of delivery.

It is a strategy that has three principle pillars. First of all, prevention. This Administration has put forth record requests for spending to stop the spread of weapons of mass destruction, to build up the Nunn-Lugar and DOE type programs so that countries like Iran and North Korea and others do not have easy access to sensitive materials and technologies.

We have expanded that set of programs to include international funding through the G–8 global partnership, a partnership that has added approximately $7 billion in non-U.S. funds to this mission.

The second pillar is prevention. We know that we are not always going to be successful in terms of preventing the spread of weapons of mass destruction. Therefore, we need to be able to deter and defend against that threat both for our own protection, as well as for the protection of our friends and allies.

Here again we have led the way through such measures as the Proliferation Security Initiative, which I mentioned before, which has resulted in I think significant nonproliferation results, including the unraveling of the A.Q. Khan Network, as well as the Libyan decision to give up its nuclear weapons program, as well as its long-range missile capabilities.

The third pillar of this strategy——

Mr. ACKERMAN. If I might, Mr. Secretary, because I want to make sure that Ambassador Burns can answer the rest of the ques-

tion. I assume that is the way you are dividing it up. If you could just cut to the chase on that?

Are we prepared to do in Iran and North Korea what we did in Iraq?

Mr. JOSEPH. The President has made clear that there are no options off the table and that a nuclear armed Iran is intolerable.

Ambassador BURNS. Mr. Ackerman, I am pleased to respond to your second question about India and Iran.

Let us look at the differences between these two countries. India is democratic and peaceful and a great friend of the United States. Iran is autocratic and adversarial and one of the greatest threats facing our country today.

India, through the arrangement negotiated by President Bush last week, is seeking to bring the IAEA in to India for the very first time significantly to place safeguards on the great majority of their nuclear facilities. Iran is trying to kick the IAEA out, so these two countries are going in opposite directions concerning their relationship with the IAEA.

We are looking forward, Bob and I, very much to coming up to brief all of you and also to testify if you wish, Mr. Chairman, about this India agreement, but if I could just say the deal would call for 14 of the 22 current India nuclear power plants, civil plants, to be put under safeguards. All future civilian breeder and thermal reactors will be put under safeguards, permanent safeguards in place, a moratorium on nuclear testing.

Mr. ACKERMAN. If you might, Mr. Ambassador, just in the interest of time I think most of us are familiar with the provisions so far, but the question on do our friends in the Security Council and specifically those in the nuclear club see it this way with regard to both programs?

Ambassador BURNS. President Chirac, Prime Minister Blair, Prime Minister Howard and Mr. ElBaradei have all spoken out in support of the President's civil nuclear arrangement with India over the past week, and we think we are far better off bringing India into the nonproliferation system, as this deal does, than keeping it outside in isolation.

India is seeking inclusion. Iran is seeking exclusion. There is a great difference between the two, and we do not believe that an aggressive American policy on Iran means that we should not have an inclusive American policy toward India.

Chairman HYDE. Ms. Ros-Lehtinen?

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. Thank you for the time. It is great to see you gentlemen again.

Secretary Burns, you had said in your testimony that as the bill, our Iran bill, H.R. 282, is being debated we would like to find ways to modify it. With all due respect, Mr. Secretary, we have asked the Administration for comments for over a year.

The bill now has 345 co-sponsors as it is, and I thank Chairman Hyde for helping us out and bringing it to a markup next week. Thank you, Chairman Hyde, for that help.

Secretary Burns, in your testimony you referred to a number of steps we have taken in the last year to blunt Iran's ambitions. You then proceeded to discuss our support for the EU–3's proposal of

far-reaching economic incentives, including access to and assistance with peaceful nuclear reactors.

How do incentives and nuclear assistance prevent Iran from crossing the nuclear threshold, and also related to that then after Iran's proactive and provocative actions in your words, why do we support Russia's proposal of having the fox guarding the hen house, and would you agree that the time has come for punitive action?

We have been working with you, and we have done all we can to give the Presidential waiver and the flexibility that needs to be reviewed every 6 months. It is in the bill. We do give the Department and the Administration a lot of flexibility. I would like to hear your comments.

Ambassador BURNS. Thank you, Congresswoman Ros-Lehtinen. We are impressed by the 345 number, and we know how strong the sentiment is here in Congress to have an effective bill.

I apologize that we have not given you specific comments. I can assure you we will do so. We just had a review within the Administration of this bill, and I think you were out of the room when I said before in response to another question we would like to see the reauthorization of the bill. We think the bill can be a useful tool and has been and so we would like to work with you on that basis.

We do want some flexibility given the diplomacy, which gets to your second question. We are certainly entering a new phase of diplomacy. The European Union's attempt to negotiate an end of the nuclear program was spurned by the Iranians, and now the attempt to have the IAEA be an effective tool to influence the Iranians, that did not work either and so we are turning to the UN Security Council.

Now, we will begin a diplomatic phase there of conversations, discussions, Presidential statements and resolutions, but should they not work then we are going to have to have a harder edge, and I mean a harder diplomatic edge to the policy, and that would be the consideration of targeted sanctions.

If we can have some flexibility in that domain as you write and finish your legislation that would be greatly appreciated. I know Secretary Rice will be happy to talk to you about that in some detail.

I would just say in answer to your final question the Russian Government has played a constructive role in our judgment over the last 5 or 6 months. It does not mean we agree with everything Russia says or does on this issue.

For instance, we do not agree that Russia should be selling arms to Iran as it has said it will do. We have never favored, either the Clinton Administration or this Administration, the construction of the Bushehr reactor in Iran with the help of the Russians, but they have put forward a proposal, as Under Secretary Joseph said, that would effectively allow the Iranian people to have access to civil nuclear power, but none of the sensitive aspects of a nuclear fuel cycle would be on Iranian territory. It would be an offshore arrangement.

President Bush said on November 16 when he was in Asia that we would support that proposal if the Iranians accepted it. Now, what have they done? They have rejected it. The Iranians have

played a double game here. They said well, we are interested in the Russian proposal, but we insist on our right to have enrichment on Iranian soil, which is a basic contradiction of the Russian proposal.

Ms. ROS-LEHTINEN. Thank you, Mr. Ambassador.

Thank you, Mr. Hyde. I just am very disappointed with the disengagement from the Bush Administration with Congress on the issue of Iran, and I think that we have seen a build up of support that has been incredible for this bill.

To come back, over a year later, and say we want to work with you and we want to be flexible, it is just incredible to me. You had willing partners who reached out and did everything we could to engage you. You wanted to go another way.

I thank the Chairman for giving us the opportunity to mark the bill and pass it. Thank you.

Chairman HYDE. Mr. Delahunt of Massachusetts?

Mr. DELAHUNT. Ambassador, my friend from California talked about dialogue with the Iranians. I noted where our Ambassador to Iran has been authorized by the President to engage in discussions with the Iranians regarding Iraq and stability in the region.

Have we made an effort to engage or has the Ambassador had communication, and if he has, has there been a response from the Iranians, and might there be an expansion of the agenda if in fact those discussions are available and an option? That is one question.

Secondly, in a memorandum prepared by CRS in preparation for this hearing, there is a statement that is made by the author that the "U.S. military ousting of Saddam Hussein appears to have benefitted Iran strategically. Pro-Iranian Shi'ite Islamist parties have triumphed in two national assembly elections in 2005, essentially putting Tehran's proteges or groups friendly to Iran in power in Iraq."

Could you identify those parties for us, and what kind of influence they are bringing to bear in terms of stability in Iraq and in the region?

Also, in that same memorandum there is an observation, at least this is the inference that I drew, that the new President, and I cannot pronounce his name so I am not going to make that effort, might not exactly be on the same page with the ruling religious elite. There was a statement that they have granted new governmental advisory parties to a council that in fact is headed by his Presidential rival, Rafsanjani.

I do not want to fall into the trap where there are no nuances in terms of our discussions relative to Iran. If you see any nuances such as a potential disagreement within the Iranian Government as to its bilateral relationship could you relate that to us?

A final question. I am concerned, as Mr. Ackerman indicated, about that $10 million. I think one of our most serious mistakes was our reliance on Ahmed Chalabi for intelligence and for insight into what was occurring in Iraq.

You know, we have groups here that I think potentially would like to engage and influence American foreign policy. There is a terrorist group, MEK, that has considerable presence here in the United States through various front groups. Are they still on the terrorist list? I would hope that there would not be any consideration or support given for any group associated with them.

Thank you, Mr. Ambassador.

Ambassador BURNS. Congressman, thank you very much. I will try to be brief in answering your four questions.

On the first question regarding our limited contacts with the Iranian Government, since 1980 there are available to us a series of channels through which we communicate to the Iranian Government. The first is the fact that Switzerland is our protecting power in Tehran and so we have an ability to pass messages, written messages, through the Swiss to the Iranian authorities, and every Administration since President Reagan has availed itself of that opportunity, including the current Administration.

Second, there is an Algiers channel, a legal channel, which is meant to adjudicate concerns regarding government-to-government but also private legal and financial issues between the two governments.

Third, as Secretary Rice I think mentioned to the House International Relations Committee—I know she did to the Senate Foreign Relations Committee when she testified 3 weeks ago—she has authorized Ambassador Ron Neumann, our Ambassador in Afghanistan, to be in contact with the Iranian Ambassador in Afghanistan about issues there, and she has authorized Ambassador Khalilzad in the past to have the same type of channel.

Obviously in an open hearing I would prefer not to give you a report card on those channels, on the results of those contacts, but I would be happy to do that in classified session.

We believe, and I think it is the question you are asking, that with this current regime of President Ahmadi-Nejad it is better to isolate than to engage directly. I think the Iranians would like nothing better than to see business as usual. They would like to see the United States re-open an Embassy. They would like to see the United States talk to it every day, but this is, after all, the President who said that Israel should be wiped off the face of the map and that the Holocaust did not happen.

As a matter of diplomatic tactics, the Iranians do not want to be isolated in the world—perhaps the North Koreans do; the Iranians do not—and so we prefer to isolate them and deny them the benefits that would come from a regular and normal degree of diplomatic relations with the United States. We are not going to change our policy on that issue.

On your second question, Iran's influence in Iraq; as I said before in answer to a prior question the Iranians are seeking influence in Iraq. You would expect them to. They were of assistance to a lot of the Iraqi exiles during the regime of Saddam Hussein. Some of those exiled figures are now figures of some consequence in the southern part of Iraq and so Iran is giving financial and political and other support to some of these leaders.

The Iranians we think have played a very unhelpful role because they have not encouraged cohesion or tolerance among the various groups of political moderation. They have tended to encourage more extremist activities, including sectarian violence.

As I said before, we believe they provided sophisticated IED technology, at least their services have, to a militant Shi'a group and that those devices have been used to kill British soldiers and to attack American soldiers.

On your third question regarding President Ahmadi-Nejad and his counterpart, the Supreme Leader, Mr. Hamani, there are lots of different views as to who is up and who is down and who is influential and who is not.

I think you are right. You are very correct to say that, like any country, there is no monolithic internal political system in Iran. It is a very complicated system of government. There are all sorts of factions vying for power. There are factions that believe in internal reform or engagement with the United States, and there are factions that completely reject both of those propositions.

You referred to Mr. Rafsanjani, the defeated Presidential candidate. He is Chairman of the Expediency Council, which is named by the Supreme Leader to cast judgment on the actions of the government and so many have speculated that perhaps there is a competitive relationship between Rafsanjani and Ahmadi-Nejad.

What we have to do ultimately, we are interested in the parlor game of looking at the internal machinations of their political system. We have to ultimately judge them by what they do. Across the board, this is an entire regime that is quite radical. They have banned the playing of Mozart and of classical music inside their country. They repress journalists and political dissidents across the board, and they have mounted a terrorist campaign against the United States that has been unrelenting for 20 years.

We judge them by those actions, but we are interested in looking at the internal configurations as you are.

Chairman HYDE. Mr. Paul of Texas?

Mr. PAUL. Thank you, Mr. Chairman.

First off, Secretary Joseph, I know you did not come here to scare us, but I think you have frightened me a little bit. In one of your answers to Mr. Ackerman when he asked whether or not the Iraq option was off the table, you said no options are off the table.

Considering the results in Iraq, I would hope that our planning and our discussion now would concentrate on where we went wrong in Iraq because we cannot find many successes there.

Another quick point I would like to make is my understanding that Iran is not in defiance of the Paris agreement because the agreement clearly states that it was totally voluntary, purely voluntary, and we do know that they have a legal right to develop nuclear power for peaceful means and that the Paris agreement was not legally binding.

I approach this from a noninterventionist viewpoint, which is not all that popular today, and I know the interventions that most everybody advises are well intended, but interference in the internal affairs of other nations does not do much good for us. Playing the policemen of the world has not been beneficial, and getting involved in nation building has generally backfired.

Instead of it leading to peace and trade, too often it has led to war and protectionism. A perfect example of how our policies have led to protectionism is this tremendous sentiment on the Dubai incident. We drum up this fear and hatred of certain types of people, and all of a sudden here we are. We are in a protectionism sentiment now. It will not be just getting rid of one company. We may be seeing a lot of serious protectionism come about because of the type of policies that we follow.

Instead of getting peace and trade, we end up with the concern about blow back, unintended consequences and unintended alliances. We all were surprised. All of a sudden they have aligned themselves with somebody else.

I think this is a policy that really is an open invitation for commercial interests to get involved in our foreign policy. We have already mentioned oil, and it is frankly admitted now that oil is a very important thing that we are involved in, in the Middle East.

In line of questioning, I would like to ask about this argument that is used by the Administration that Iran has no need for nuclear power because they have all this oil. That sounds fairly logical, but why did we give them a nuclear reactor in the 1950s when they had just as much oil or more oil then? They had used up less.

This whole idea that at one time—this is part of this intervention that I disapprove of, we literally provided them with technology back in the 1950s, and here now we are faced with a great deal of difficulty.

At the same time, how do we treat India? Does India follow all the rules? They do not even belong to the nonproliferation treaty, and we reward them with technology and money. The same way with Pakistan. Then we get carried away with it and it just seems to be trying to provoke and aggravate and looking for a fight.

I know it is a serious problem, but what we do and how we react is very serious. Is it not true that the Iranians have a right to nuclear power, and is it not true that they have not been found in any violations, and is it not true that there is no absolute concrete evidence that they are developing a nuclear bomb? Is it not true that the very way we treat Pakistan and India and even North Korea, is it not true that this is the tremendous incentive for a country like Iran to get a nuclear weapon?

It just seems like what we do, no matter how well intended, seems to backfire. I do not know. I just think that all these options on the table to do to Iran what we have done to Iraq ought to make us sit back and say what have we done these last 3 years? Is it not time for a reassessment?

Maybe we do too much too fast, and maybe we ought to just sit back and cool off a little bit rather than going out and looking for the next place where we can send more troops.

Mr. JOSEPH. Mr. Congressman, thank you. Let me say that with regard to the Paris agreement, that agreement was the basis for the negotiations between the EU–3 on the one side and Iran on the other, and that agreement called for the full suspension of enrichment related activities.

When Iran removed the IAEA seals in January and began enrichment related materials, that was clearly in contradiction to the Paris agreement. It shattered the basis for the negotiations, and as the EU–3 foreign ministers made very clear it drove that process to a dead end. Iran has consistently chosen confrontation over negotiation.

In terms of the question of a right, we have avoided the whole debate over theoretical rights because I can tell you that Iran does not have the right to enrich uranium if it is for the purpose of a nuclear weapon, but Iran, like other countries, has cynically manip-

ulated the provisions of the NPT, which provide for the right of non-nuclear weapon states to peaceful nuclear energy technology.

Iran has used that provision as a means for gaining access to sensitive technologies for the purpose of moving forward to acquire a nuclear weapon. This is a major loophole in the regime, and it is one that we are trying to address in a number of ways, including the provision of fuel assurances to countries if they forego this sensitive technology.

In terms of Iran and its violations, it is in violation of its NPT and IAEA safeguards commitments. That was clearly found to be the case in September by the IAEA Board of Governors. It was a clear statement in the resolution that these violations are inconsistent with Iran's obligations under its own agreements with the IAEA, and that is the basis for reporting under the statute of the IAEA, reporting Iran to the Security Council.

In terms of no evidence of a bomb, I think that Dr. ElBaradei's most recent report makes very clear that after 3 years of extensive, intensive investigation in Iran by the IAEA inspectors he is still unable to state that there has not been a diversion, and clearly the outstanding questions that are identified in report after report regarding plutonium experiments and even more recently regarding evidence of weaponization leads us to the conclusion that there is no doubt that Iran's intention is to acquire a nuclear weapon.

In terms of Iran and how it relates to Pakistan and India, Pakistan and India and Israel are the only countries that did not sign the NPT. Iran has signed the NPT? Iran has committed not to acquire a nuclear weapon, and yet it is clearly determined to do exactly that.

Chairman HYDE. Mr. Blumenauer?

Mr. BLUMENAUER. Thank you, Mr. Chairman.

Ambassador Burns, I appreciated your indication that as we come forward with H.R. 282, the Iran Freedom Support Act, that you would have some observations. I am of the opinion that there are a number of people in Congress who are obviously appalled, as is the Administration, at Iran's actions over a number of periods of time and so there may be some reflexive support for something, and I understand that, but I think as I look at the bill it is a long way from what I hope comes through Congress.

Your offering of specific recommendations to shape the language so that we are clear about what we are saying, we do not have things in there that are unnecessarily harsh or undercut your diplomatic initiatives or send the wrong signals to people you are trying to work with in the other sectors that you mentioned would be extraordinarily helpful, along with recommendations to make sure that there is appropriate flexibility for this Administration and the next Administration and the next Administration to be able to use all the tools available to it.

I fear sometimes we in Congress pass, with the best of intentions, instruments that are somewhat blunt, and sometimes language comes back to haunt us. We have never met a sanction we did not like and I think we are the only developed country that does not have a sanctions policy. Maybe some day we will have a sanctions policy that tells us when we should implement them,

when we get rid of them, how we know whether we are succeeding or failing.

I would urge you to share with the sponsors and those of us who have not yet sponsored it, because we do not think it has ripened, those observations and thoughts so that under the guidance of our Chairman in a markup that if it is the will that is passed that it is something that is not counterproductive and works for the Administration.

I want to go back to the issue that has been raised by several of my colleagues with the difference between India and the proposed agreement that is coming forward to Congress and your concerns about how we get our friends and allies and people who actually have friendlier relations with Iran and deeper commercial relations to understand the difference.

Now, we may agree that there are some pretty fundamental differences with the world's largest democracy, how it has treated nuclear technology, facts on the ground, all of these things that I think even people who do not agree with what the Administration has proposed understand it, but the issue here appears to be how we compel a China or a Russia that has a different relationship with Iran to understand how it is okay for us to draw these distinctions with India, but it is not okay for them.

Ambassador BURNS. Congressman, thank you very much. May I just say on your first comment we will get to the Congress, to this Committee, written suggestions as to the provisions of H.R. 282.

I would just say this. I know that it is Secretary Rice's strongly held view that we need to proceed carefully on the question of sanctions. We do want to increase the pressure on the regime, on supporters of the regime. We certainly want to limit and prevent investment in any way that would help the Iranians to construct a nuclear device, but we are very concerned about the dangers of a blunt sanctions regime——

Mr. BLUMENAUER. Right.

Ambassador BURNS [continuing]. That would hurt average Iranians who otherwise would have a very favorable view of the United States. We want to make a distinction between the regime and the Iranian people. There is a great distinction politically in terms of their motivation.

On the question concerning India and Iran, in our judgment, and we reflected very carefully on this before the President agreed to the civil nuclear energy deal with India. Our policy toward India and this new initiative will not have a negative impact on our ability to prosecute an effective international response to counter Iran, and for the following reason.

India, of course, has a very complicated history over the last 30 years with the international nonproliferation regime, but India has not diverted its nuclear technology. It was not India, like Iran, that joined the NPT and then violated it.

Mr. BLUMENAUER. Right.

Ambassador BURNS. That is a crucial distinction.

Mr. BLUMENAUER. If I may, Mr. Ambassador, I appreciate that, and I attempted to preface that.

The thrust of my question is how we persuade others so that we can distinguish vis-a-vis the United States, India and the inter-

national regime and so we set up a different set of standards for India.

My point was that you are relying on China and Russia and other countries, but those two in particular, that have a different view of this regime and have a different relationship with this regime and how we would somehow persuade them that they should not be able to make the distinctions as we have done with India.

This seems to me to be even if I grant everything you said, and I am sympathetic to the differences, it seems to me to be something that puts us in a really difficult position to try and implement what you are talking about.

Ambassador BURNS. I understand your question, and let me just try and respond to it directly.

There are current international restrictions that prevent any country in the world from providing assistance to India's civil nuclear sector, restrictions of a nuclear suppliers' group. They can only be altered by consensus.

We believe that there can be a persuasive case made to the NSG that those restrictions should be altered as on an exceptional basis only for India. I do not think that if any other member of the NSG put up another country with a less satisfactory record than India you would find that kind of basis for a consensual change.

Therefore, India is an exception. We do not think that any other country will put up other countries for that type of exceptional treatment or that a persuasive case could be made perhaps for any country but India at the present time.

Mr. BLUMENAUER. I would work on that answer, with all due respect. You are good, but we have——

Ambassador BURNS. We will look forward to further discussion with you.

Chairman HYDE. Mr. Rohrabacher of California?

Mr. ROHRABACHER. Thank you very much, Mr. Chairman.

Let me just note I am somewhat favorable to this proposal that we join with the Indians to try to develop their energy resources.

My Subcommittee, with Chairman Hyde's permission, will soon be holding a hearing on a new technological breakthrough by General Atomics which has a reactor, a nuclear reactor, that will produce all the electricity someone needs or any country needs without any production of plutonium and with no possibility that in the end what we have left over can be made into a nuclear bomb. I would suggest that that new technology will revolutionize the whole concept of nuclear energy and get beyond some of the issues we are talking about today.

I also might add that General Atomics is in a partnership with Russia in this reactor, and a reactor is already in operation in Japan so this is not theory. We have a technological alternative. I would hope the State Department pays attention. We will have a hearing of my Subcommittee on that issue.

Let me state for the record that while Iran is being run by radicals and extremists, it is totally responsible to prevent Iran from coming to the point that they are in possession of a nuclear weapon. It is irresponsible not to do everything we can to prevent radicals and extremists like those people who run Iran from having a nuclear weapon at their disposal.

We must ask ourselves is Iran's goal, which I see them marching in the street saying we deserve to have nuclear power to produce electricity. Is their goal the production of electricity, or is their goal the production of a nuclear weapon?

That is a no-brainer, and I wish that the leadership of Iran would not keep insulting us and insulting the world by suggesting that they are doing this for power, electric power, and not to possess a weapon of mass destruction that could murder millions of people with the push of one button.

The mullahs in Iran should cut the obfuscation, cut the lies. Let us discuss it with truth. In terms of our own policy, we should also quit playing games. Although we recognize that your actions and the actions of the Administration are governed by the 1979 Export Administration Act as amended, and you seem to be moving forward with that and very cautiously I might add, let me suggest to you that the Administration has been too cautious.

I appreciate that you mentioned in your answer that we have to make sure that the people of Iran are not hurt while we are trying to get at their government, but I think that you have been too cautious, and the people of Iran will understand totally because they are under the heel of these manics. They will understand totally our not cautious movement forward, but our aggressive moving forward with sanctions in order to pressure their government not to waste their money and not to make Iran a nuclear target.

The people of Iran will understand that, so let us not be cautious. Let us be aggressive. While moving forward with those sanctions we can at the same time reach out to the people of Iran by again a more aggressive policy than this Administration has in trying to organize the democratic elements. Not organize, but working to help those democratic elements in Iran who are trying to bring honest government and a peaceful oriented government to the control of that country.

Ambassador Burns, you might want to comment on that. Again, I think you have been too cautious.

Ambassador BURNS. Thank you, Congressman. We think that our policy is the right policy, and we think that this creation of the international coalition that we discussed this morning is the right way to go because we find so much more strength if we have other countries working with us than if we operated alone.

I would address your question directly, and thank you for your comments. It is a complicated situation inside Iran. As best as we can determine by the various polling that has been done, the issue of nuclear power has become a nationalist issue within Iran itself, and most of the polls show that the Iranian people take great pride in civil nuclear power.

What we would like to do is suggest, as the President has done, that Iranians have the right to peaceful civil nuclear power, but that they do not have the right to nuclear weapons. We would like to try to divide the question on that basis.

Mr. ROHRABACHER. Okay. My red light is on. I would hope then that the Administration pays very close attention to this technological breakthrough that I just mentioned. It permits the construction of nuclear reactors without any byproduct that can be used for weapons.

The Russians are already involved in this project in a big way, so that gives us an out. I hope somebody pays attention to that. We will hold a hearing on that later.

Thank you.

Chairman HYDE. Mr. Chandler of Kentucky?

Mr. CHANDLER. Thank you, Mr. Chairman.

I would like to first pay my respects, my personal respects, to the hostages who are here, the former hostages. I was in college when you were undergoing your ordeal, and I can tell you that it had quite a profound effect on how I viewed and view our country's role in the world.

I cannot imagine the ordeal that you were involved in. To me, you are real heroes to our country, and we will never forget. We will never forget what happened to you and what happened to our country.

I want to agree with the statement, your statements, Mr. Ambassador and Mr. Under Secretary, that this problem with Iran is in fact our most difficult problem, international problem, that we face today. It concerns me deeply

What I do not understand though, and I would like for you to comment on this, is how our policy in Iraq could possibly be aiding our efforts in the future to deal with Iran.

It seems to me that our adventure in Iraq has expended enormous resources that could otherwise be used to deal with these problems that we face in Iran. Our adventure in Iraq has alienated many of our allies throughout the world, caused increasing difficulties in any efforts we might want to form coalitions to deal with this problem in Iran.

It has also, in my view, potentially created a situation in Iraq where we may be creating a future ally for Iran in a powerful and dominant Shi'a leadership in Iraq.

If you could, just give me some idea as to how you believe that our adventure in Iraq has done anything other than weaken our hand in dealing with Iran. Also, I would like if you could, and maybe this could be part of the answer to that same question. Could you give me some idea about the relationship between the Iranian mullahs and the clerics, the Shi'ite clerics in Iraq? How close are those relationships, and where will all of this lead us?

Thank you.

Ambassador BURNS. Mr. Chandler, I thank you very much. Analytically what has happened over the last 5 years is that Iran has felt pressured by the fact that the United States military forces are in Afghanistan on the Iranian border and also in Iraq, and that is a good thing.

We are concerned about an expansion of Iranian influence in the Middle East region, which we would find to be negative. We believe that is the ambition of the Ahmadi-Nejad government and so the fact that Iran feels pressured by the disposition of American military forces on two of its borders is to our strategic advantage.

There is no question that Iran is seeking opportunity in Iraq, but our sense is that any future Iraqi Government is going to have a balanced set of interests as well as relationships.

The Iraqi Shi'a, in our judgment, while they have historical and sometimes "personal" ties to members of the Iranian religious lead-

ership and some of them were helped by the Iranians during their period in exile during the Saddam era, the Iraqi Shi'a and certainly the Sunni and Kurd leaderships of Iraq want to see an independent Iraq maintained. They do not want to see Iraq dominated by Iran.

Our policy in part has to be designed to blunt the potential role of Iran in Iraq, and that is the job of Ambassador Khalilzad, and he does it very well, but it is also to recognize the longer term interest that Iraqis have.

While some of them may feel that it is to their advantage to have economic relations with Iran, clerical relations, we do not believe there is a dominant force that wants to tie the future of Iraq in a subjugated way to Iran itself. That is how I would answer your question.

Mr. CHANDLER. So you believe that we have in fact strengthened our hand vis-a-vis Iran by going into Iraq rather than weakened our hand?

Ambassador BURNS. The Iranians are not 10 feet tall the way they sometimes like to portray themselves. They have a great deal of opposition to the expansion of Iranian influence on the part of the Arab states, the secular Arab states, moderate Arab states I should say in the Gulf region.

The Afghans do not want to see a dominant Iran in the region, and the Iraqis do not either, so if you look at it from a certain perspective the deployment of American forces to Afghanistan and Iraq have been a strategic advantage to us in our long-term struggle to reduce Iranian influence in the Middle East.

Chairman HYDE. Mr. Royce of California?

Mr. ROYCE. Thank you very much, Mr. Chairman.

Secretary Joseph, going to a point you made earlier about a debate that we avoided, maybe it is a debate we should have had.

We had a hearing last week of the Terrorism and Nonproliferation Subcommittee that I chair, and we were looking at countries' rights as some people call them under Article IV of the Nuclear Nonproliferation Treaty to develop the full cycle as Iran is attempting to do right now. As you know, enrichment capacity leaves countries only a few steps away from developing nuclear weapons.

Now, when we get to our position on this, and it is a little cloudy, but, as I understand it, our opposition to Iran's nuclear program, at least legally speaking, is based upon the fact that it hid its activity for two decades and has refused to be transparent through the IAEA. It is not based on the idea that it is undertaking enrichment per se.

Now, several of our witnesses before the Committee criticized, and I think rightly so, the interpretation of the NPT that says that this activity is permissible. Common sense suggests that a nonproliferation treaty should not give countries cover to take every step just short of weaponizing their nuclear material.

As I said at the hearing, my concern is that over time—maybe not that far in the future—Iran could come clean with the IAEA, win international support and successfully assert this right to develop its nuclear industry, including producing nuclear fuel.

What I would like to know is how we got ourselves into this box on conceding this so-called right to Iran and other countries if in-

deed that is our position, and what did we do last year at the NPT review conference to begin to push back on this interpretation?

I do not have to tell you that eventually a world with many countries producing nuclear fuel is going to be a very dangerous world.

Mr. JOSEPH. Congressman, I certainly agree with your assessment. Let me just say that for Iran this has not been about energy. This is about nuclear weapons.

The EU–3 in August of last year put forth a very attractive package. It was tens of pages of incentives, including——

Mr. ROYCE. Yes.

Mr. JOSEPH. Including nuclear energy incentives, and Iran just considered it to be, in their words, an——

Mr. ROYCE. And I think you have made that point, Secretary Joseph. I certainly concur with that point. I was just trying to get you to engage on this point. If you do not want to I understand, but I——

Mr. JOSEPH. No. I would like to.

Mr. ROYCE. All right.

Mr. JOSEPH. I would like to, sir. We have not tried to reinterpret the NPT, Article IV or any other article. We do not think that that would be a productive exercise. In fact, we think that it could be counterproductive to try to do that.

What the President has laid out is a new path whereby we would look at, in practice, a restructuring of the fundamental deal that is reflected in the NPT as it was written back in the late 1960s.

What the President laid out in a speech at the National Defense University in February 2004 was a different deal whereby we would encourage all countries who have the ability to export technology associated with enrichment and reprocessing not to spread that technology any further, any further than those countries that currently have that capability.

Mr. ROYCE. Right.

Mr. JOSEPH. And to make this attractive to other countries who did not have enrichment and reprocessing, the President put forth the idea that we would come up with fuel assurances so that these countries would not need to invest in these very expensive technologies and proliferation risky technologies. We are working very hard on that.

I think that resolution after resolution has indicated that the majority, the vast majority, of the IAEA does not want Iran to go down this path without getting into——

Mr. ROYCE. Thank you.

Mr. JOSEPH [continuing]. The issue of whether or not it is a legal right.

Mr. ROYCE. Let me go then to Ambassador Burns. A very quick question.

I was glad to see the Administration's supplemental request to broadcast into Iran. I understand the concept here of doing the cultural content. Women cannot, under the mullahs, listen to women sing in Iran and so when we broadcast in they listen to the programming, but with all of the additional oppression going on in the country is it perhaps time to look at more hard news and information, and we know it worked with Radio Free Europe/Radio Liberty in Poland, Czechoslovakia, Russia.

We know that it was a certain type of information that built a basis of understanding of what was actually going on in those countries in terms of oppression, the news around the rest of the world and then sort of a new way to process that information so people could understand how they could help engineer their own liberty in eastern Europe.

What I am questioning is why we do not use that template. Why do we not bring back the engineers of that policy because before we recruited the right people to do that type of work. We did not have the pulse there. It was not working.

Under the Reagan Administration that was turned around. We found something that according to Baklov Havlov and Lech Walesa worked to change those societies. I think we have a little bit to learn from them about how to go forward with Radio Farda.

Ambassador Burns?

Ambassador BURNS. Thank you, Congressman. I do not think we disagree at all. You know, we do not have a perfectly constructed path forward. We are looking at a variety of ways to get information into Iran.

Radio Farda, if you will, and the Farsi language TV are the inheritors of that brilliant mantle of VOA and Radio Free Europe of the 1970s and 1980s. The problem in Iran is not lack of information. The Iranians are wired. There are all sorts—hundreds, if not thousands—of blogs that are being produced in Iran. The problem is accurate information and full information about how the world works.

We think that U.S. Government radio and TV has a big role to play, but it should not be exclusive. We would like to help some of the private American TV and radio stations that also can play a role, but it has to be based——

Chairman HYDE. The gentleman's time has expired.

Mr. ROYCE. Thank you, Mr. Chairman.

Chairman HYDE. Mr. Wexler?

Mr. WEXLER. Thank you, Mr. Chairman.

I am a little bit confused, and I was hoping that Secretary Burns could help me out here. As an aside also, I saw an interview you gave I watched on PBS I think it was last night or the night before. I thought you were excellent, as you always are.

I think you do a phenomenally good job in presenting the Administration's, the State Department's and America's best face forward on foreign policy, and I congratulate you for that. I think all Americans owe you a debt of gratitude.

I watched what the President did in India, and I believe I support it in terms of the expanded nuclear cooperation. I think it is a bold, dramatic, positive step forward, and I applaud the President for doing it.

You rightfully mentioned at least once, maybe more, that India voted twice with us in the context of Iran, and I think that should be more than noted because that is both a terrific statement about India, a terrific statement about American-Indian relations, and I think it also reflects extremely well on you and in your department for managing the diplomacy that it undoubtedly took to reach the conclusion where India chose to vote in the manner in which it did, and I congratulate you for that.

My confusion is this. Given what we are attempting to do with Iran, given that the President went to India and has embarked upon this very bold, new expanded nuclear cooperation, why would the President of the United States, when you and your department are engaging in this extraordinary diplomatic effort to isolate Iran, why would the President of the United States go and give his blessing to a natural gas pipeline that goes from Iran to India?

How do we argue with a straight face—we meaning the United States of America argue with a straight face—that we are trying to isolate Iran and we just said go ahead, build a pipeline. If I understand it correctly, it is a $6 billion deal that would have fairly substantial cashflows going to Iran.

To put it in the broader question, how do we mirror what would seem to be a totally contradictory decision? How do we then ask all of the players in Europe, the Russias of the world, the Chinas of the world? How do we ask them to curtail their commercial relationships and we appear to have just blessed this commercial relationship? How do we fit them all into a coherent policy? Please?

Ambassador BURNS. Thank you very much, Congressman Wexler. I was in India and Pakistan with President Bush last week, and I was at the press conference in Islamabad last Saturday afternoon when the President answered that question. I just think there has been a misunderstanding about it.

The President spoke to some of the congressional leaders yesterday when he reported on his trip to South Asia and said very clearly that it is the policy of our Government that Iran is an unreliable business partner and oil pipeline partner for countries in the region, and it has been our advice, and Secretary Rice and I have both given this advice to the Indian and Pakistani Governments, that they ought not enter into long-term oil and gas contracts or pipeline contracts with Iran because of the basic unreliability of the country.

The President got a specific question, and it pertained to Iran's nuclear power. I think the way he answered he just said look, it is not about this. I do not want to comment about this. I want to comment about the nuclear program.

I think that was just misunderstood, and I know that it was cleared up immediately, and I know that he spoke yesterday on this issue. Our policy is quite clear. Furthermore, when Secretary Rice made her first trip to India and Pakistan back about 12 months ago, I remember she spoke out against this deal, and we have been doing it since then. This pipeline deal.

Mr. WEXLER. So we do not support, and this is not a trick question by any means. If it is an easy question, I would like it to be an easy question. So it is the answer that we do not support that pipeline deal?

Ambassador BURNS. Correct. The United States does not support that pipeline deal.

Mr. WEXLER. Thank you very much.

Chairman HYDE. Mr. Leach of Iowa.

Mr. LEACH. Thank you, Mr. Chairman. I want to comment about some implications of prior statements on the panel and in response.

Friends and foes of this Administration would agree that this is a government that is fairly muscular. It has a proclivity to muscu-

larity and so if there is an implication that the Congress should play a good cop/bad cop role, meaning you are the good cop and we are the bad cop, that means Congress is attempting to out-macho a fairly macho Administration.

I would suggest to my colleagues that I think this is very dangerous. When the Assistant Secretary of State asserts that the Secretary of State is going to make an appeal to this Committee to modify legislation to make it less macho, we are preposterously foolish not to concur.

I want to be very clear on that. I mean, what there is unanimity about is concern about this country getting nuclear weapons. What there is no unanimity about is because all options are bad—I do not know a single option that is not pretty awesomely awkward—is that tactics matter.

This Administration has attempted, despite all the criticisms that it is unilateral in too many instances, to take a multilateral approach and to work with our allies and to work with the countries that matter to try to develop a consensus approach on Iran.

This Committee is about to put forth legislation that will undercut those negotiations. Is that not something this Committee ought not take fairly seriously, and is there not a time and place that we should not defer to the Executive Branch, particularly when we as a Congress are objecting to an Executive Branch discretion that is too macho in an increasing degree?

I also would like to stress that you have two issues with Iran that have some places for which there can be consensus. One is with the international community. One is with many people in Iran. If the Congress, which symbolizes people-to-people relations, wants to take a very confrontational approach to Iran that implies people-to-people confrontation, that is difficult too.

If anything, this Congress ought to be suggesting to the Iranian people, we identify with your plight. We think your government is out of step. We want to express this in as many ways as we can, one of which might be the new radio.

By the way, I believe culture is far stronger than hard words, and I think anything that expresses the culture of the West is a very real positive without necessarily overinundating with what might be described as propaganda, meaning a perspective of ours, although that can be part of something, especially if it is straightforward and honest.

I just would like an assessment on your part. You are coming from a State Department that has lost a little moral suasion with this body for the precise reason that has been raised that you are not advising as legislation developed to a very significant extent over the past half decade.

This is something that I think is very serious because this Congress is bringing bills to the Floor without Executive Branch input and sometimes bringing bills to the Floor without Committee input, only a few Members' input. I think the State Department ought to be working closer with us.

Here I will tell you as an individual Member of this Committee it is my sense that this is a timeframe that we ought to be working with the Executive Branch when they are throwing out a negotiating approach and the Congress is suggesting a more macho ap-

proach. This may be the one time and place that there should be a little deference to that Executive Branch.

Would you care to comment on that?

Ambassador BURNS. Thank you, Congressman Leach. I would just make a brief comment.

We do owe you our considered formal views on H.R. 282, and I apologized to Congresswoman Ros-Lehtinen before that we had been late in getting that to you. I think you are right. This is an important bill, and these are very difficult policy choices. Part of the explanation for the delay on our side is we have been wrestling with these policy choices having to do with tactics, but we have come to the view that we think a re-authorization of ILSA would be an effective instrument for the United States.

However, in our response to you we will suggest that some flexibility for the Administration, particularly on the impact it will have on our allies, is going to be important for the following reason. I do not want to beat a dead horse, but it is important to say it. The most significant diplomatic achievement I think of the past year has been the emergence of this international coalition to isolate Iran.

We would not want to—and we know Congress would not either—by a bill that was structured in a certain way, we would not want to blow that coalition apart. We want to keep it together because we believe that is the best way to roll back Iran's nuclear weapons program.

Mr. LEACH. Fair enough. I just want to conclude with one brief statement, Mr. Chairman.

There are few things worse in this world than the spread of weapons of mass destruction, but that worseness can be compounded if we give reasons for people to use these weapons against us.

Sometimes we lose sight of the fact that actions of the United States of one kind can precipitate responses that are increasingly going to be of concern to the American people as this globe gets to be small in the way it has.

As we approach things, the greater the extent to which we can advance the unanimity of the world community and operate under law itself, I think the better off this country is going to be.

Thank you.

Chairman HYDE. I thank the gentleman.

We are down to two Members. The Administration witnesses have been here for 3 hours. I am going to appeal to Mr. Engel and Mr. Sherman to be brief, maybe hold their questioning down to 2½ minutes so we can get to the next panel, which has been waiting equally as long, and we can finish the hearing, so may I have the cooperation of Mr. Engel?

Mr. ENGEL. Thank you, Mr. Chairman, Mr. Ambassador, Mr. Secretary.

I believe that we need to take a hard line with Iran. I believe that Iran has to be stopped from having nuclear weapons at all costs, but my fear is that we are so bogged down in Iraq so we cannot be as strong as we need to be in Iran.

There is a limit to how thin we could be stretched, and the Iranians know it. I think that is why we are hearing so much of their

bellicosity. Tell me I am wrong. That is a big fear I have. Tell me I am wrong.

Ambassador BURNS. Congressman Engel, we agree that we should take a hard line in Iran, and I think that the way that we have laid out our policy I would hope you would agree it is sufficiently tough as it should be.

We have a tremendous diplomatic establishment in the American Foreign Service. We have a brilliant leader in Secretary Rice. We can walk and chew gum at the same time. We can continue to have a focused, aggressive policy to succeed in Iraq, and we certainly can devote an extraordinary amount of time and attention to the Iran problem.

As Under Secretary Joseph and I both work closely with Secretary Rice, she is focused on both. She is spending the right amount of time on both. We have lots of different people who are focused solely on Iraq, others focused solely on Iran. We have the diplomatic strength, and we certainly have the political will to treat the Iran problem as one of the great foreign policy challenges of our generation. It certainly is.

I think that our Administration has done very well over the last 12 months to create this international coalition. We have essentially isolated the Iranians. We have now got them in the Security Council starting early next week. That is a considerable achievement.

It does not mean we have succeeded in the ultimate goal, which is to deny them a nuclear weapons capability and to roll back their terrorist machine, but it is a good start, and I am supremely confident that we can focus on both of these problems.

Mr. ENGEL. Can I ask you? We have heard lots of estimates about when Iran is capable of having the nuclear bomb. On August 2 of last year, the *Washington Post* reported that the most recent national intelligence estimate in Iran judged them to be about a decade away from manufacturing enough highly-enriched uranium to make a nuclear weapon.

We have heard 6 months. We have heard a year. What is our real estimate about how far Iran is from developing a nuclear weapon?

Mr. JOSEPH. Sir, the intelligence community assessment has been that Iran is approximately 5 to 10 years away from a nuclear weapons capability.

There are many unknowns, and the intelligence community is the first to acknowledge that there are many unknowns that go into that assessment, and there are many wildcards that could accelerate that timeline, including, as we had mentioned before, assistance from outside or the acquisition of fissile material from external sources.

Some individuals and some countries have talked about the point of no return, which is not necessarily the point at which Iran has a weapon, but the point at which Iran will have the capability to move forward with enrichment and produce the fissile material that is necessary for a bomb. That is the long pole in the tent.

Mr. ENGEL. And what is our estimate of the point of no return? Do we have an estimate of that?

Mr. JOSEPH. Again, I have seen many different estimates from months to a short number of years, but many unknowns.

Mr. ENGEL. One final question. Ahmadi-Nejad is a lunatic, and the things that he says are really, really frightening. Who makes the decisions in Tehran? Is it the mullahs, or is it Ahmadi-Nejad?

We always hear that the Iranian people like all things American, blue jeans. They really do not like the control of the mullahs. We are having, Secretary Rice told us, the $75 million which I support wholeheartedly. I would double and triple it if we could.

What about the Iranian people? The reformers had always had the upper hand in elections. They were eliminated, many of them, from running for re-election so we have Ahmadi-Nejad.

What do the people really think in Iran of their leadership, and what does our intelligence tell us? Is it the mullahs or Ahmadi-Nejad who really controls the power?

Ambassador BURNS. Congressman Engel, we could probably devote a full hearing to both of your questions. They are very good and serious questions, and thank you for asking them. I will just try to give very brief answers.

On the decision making process, it is, as far as we can understand it, a fairly complex government with lots of different factions vying for power and influence against each other. The position of the Supreme Leader, of course, is as it says, supreme in the Iranian governmental structure, but there is no question in our mind that Ahmadi-Nejad has a great deal of influence.

What he has done, in contrast to his predecessor, is to strike out on a very radical course both in internal policy in repressing dissent and repressing liberal behavior—listening to classical music is defined as liberal behavior—firing 40 so-called overly reformist-minded Ambassadors of Iran in European countries, and he has also adopted a very hard line in terms of Iranian foreign policy.

A lot of our friends in the region in the Arab world and in South Asia talk about an Iranian policy that seeks to intimidate through the use of oil and gas, but ultimately this regime, this clerical regime that has been in power for 26 years, is uniformly repressive.

We have to judge it by what it has done to us. They have financed the terrorist groups that killed Americans in Lebanon and that killed Americans in Saudi Arabia and the terrorist groups that now are striking at the democrats in Lebanon, at the moderate Palestinians and at Israel, and we have to take that seriously, as well as what we have talked about this morning in large part, their seeking a nuclear weapons capability. Whatever the internal differences are, we judge the State of Iran, the Government of Iran, based on its actions.

Finally, on the Iranian people, it is a very great country. It is one of the great civilizations in world history. We tend to see the Iranian people as victims of the clerical regime of the last 26 years. This is not a democracy. That was not a free and fair Presidential election in August. There were 1,112 people who wanted to run for President, and a little over 1,000 were not allowed to run for President.

In the elections of the previous February, all sorts of people who were elected had their elections annulled because the clerical regime did not like the people for whom the Iranian people voted, the

politicians for whom they voted, so we see the Iranian people desiring the kind of freedom and tolerant society and open and liberal society that exists in many other countries of the world, including in that region.

What we are trying to do with the $75 million request is to begin a longer term effort to reach out to the people, as opposed to the regime.

Chairman HYDE. Mr. Sherman?

Mr. SHERMAN. Thank you. I have so many questions I will ask you to respond for the record. I want to associate myself with Mr. Royce and Mr. Wexler's questions. As to Mr. Leach's, I wish he were here.

I think our policy toward Iraq has overflowed with so much surplus testosterone that it has hidden the fact that when it comes to our using economic power to prevent Iran from developing nuclear weapons and even hinting to China that our economic power and our trade with them is dependent on their cooperation, our policy toward Iran can only be called "no muy macho."

This has been up until the last few months a continuation of the feckless policy of the Clinton Administration, and while I hope that we are broadcasting Mozart and Beethoven into Iran with soprano voices, I hope that we are also able to broadcast an explanation to the Iranian people that their economy will suffer if their government develops or continues to develop nuclear weapons and will prosper if it does the opposite.

Speaking of radio, Ambassador Burns, I am glad that you are talking about funding the private broadcasters. That is a very low cost-per-broadcast hour. The shows already exist. The satellite time is like a couple hundred bucks or less an hour, and I hope that we allow 1,000 flowers to bloom.

I should point out that the Iranians today in Vienna threatened America with harm and pain, and with them being the number one state sponsor of terrorism perhaps we should take that seriously.

For nearly 5 years, the Administration has continued the Clinton Administration policy when it comes to economics in Iran. We have allowed the World Bank to make loans to Iran. We continue to import goods from Iran. United States corporations do business with Iran through their foreign subsidiaries.

I was dumbfounded as to why all this was happening, and then Ambassador Burns said that we are for strong sanctions on Iran as long as they do not adversely affect the Iranian people, which translates into the fact that we are for economic sanctions as long as they do not affect the Iranian economy.

I think we will just have to agree to disagree as to how strong our economic efforts should be, but there is one place where we should not disagree, and that is the rule of law. The Iran-Libya Sanctions Act is law. You have explained why you think it might be a bad law, why it might put an onus on our allies, but what bothers me is we are telling other countries about the benefits of the rule of law.

When it comes to the Iran-Libya Sanctions Act I would like to add to the record of this hearing—I hope there is no objection—a list of over a dozen instances where the State Department has a very interesting approach to the rule of law, and that is to say well,

if no one told us officially that these investments were being made in the Iranian oil fields, then we get to ignore them.

[The information referred to follows:]

Potential ILSA Violations By Firms in Iran

Compiled by Congressional Research Service

Date	Company Name	Amount
February 1999	Totalfina Elf, ENI France/Italy	$1 billion
April 1999	Totalfina Elf, Bow Valley, ENI France/Canada/Italy	$300 million
November 1999	Royal Dutch/Shell UK/Netherlands	$800 million
July 2000	ENI Italy	$1.9 billion
April 2000	Norsk Hydro Norway	unknown
March 2001	GVA Consultants Sweeden	$226 million
June 2001	ENI Italy	$1 billion
May 2002	Sheer Energy Canada	$80 million
September 2002	LG Engineering Group South Korea	$1.6 billion
October 2002	Statoil Norway	$2.6 billion
February 2004	Inpex Corp. Japan	$2 billion
February 2004	Total and Petronas France	$2 billion
January 2005	**Various Chinese Firms (planned)**	**$70 billion**

Mr. SHERMAN. This is like a police officer who disagrees with a statute so he begins his shift with a blindfold on. The rule of law means nothing if the Executive Branch is going to ignore the official reports to shareholders of Japanese oil companies where they say they are making investments in Iranian oil fields.

There is one area where I think that the State Department has been slavishly dedicated to a particular treaty, and that is the Algiers Accords. This is a document that should be viewed as void ab initio. There were guns pointed to the heads of the heroes that are in this room when that document was signed.

More important or just as importantly, is it not an insult to the many Americans who have been killed by terrorist acts planned, plotted and financed by the Iranian regime after 1980 that we have not officially announced the Algiers Accords have been shredded by those bloody acts?

If we continue to adhere officially to this Algiers Accord after Beruit, after Saudi Arabia, after so many dead Americans, what does it take to void a treaty of ours or that we have entered into, and in this case——

[Applause.]

Mr. SHERMAN [continuing]. A treaty that was void ab initio I believe.

I have asked the State Department to lay out a road map for the MEK as to how to get off the terrorist list. Now, I realize that that is an organization that engaged in terrible tactics in times past, but the response from the State Department I received was basically hey, we do not want to do that.

There should at least be some acknowledgement from this Administration that the MEK told the world about Iran's nuclear program and that if it had not been for their actions we would not be in this hearing room today.

For us to say that we will not even talk about what the MEK could do in order to get off the terrorist list is particularly peculiar given the fact that the PLO and the IRA have been removed from that list, and they did not perform that same level of service to the world.

Finally, I think it is important, and I mentioned this before, that we gain the support of China for what needs to be done at the Security Council and that we at least be willing to hint to China that their continued access to United States markets cannot be assured if they feel that their anticipated $70 billion investment in the Iranian oil fields is more important to them than a world without Iranian nuclear weapons.

Mr. Chairman, thank you for allowing me to put these questions to the panel.

Mr. LEACH [presiding]. The Chair would note you went almost double your time. I would ask the panel to respond briefly if you could, please.

Ambassador BURNS. Thank you very much, Mr. Chairman.

Congressman Sherman, we have had a chance to talk privately about some of these issues, and I have enjoyed those opportunities. I must tell you how much I disagree with your major point.

To somehow insinuate that our Administration or the previous Administration under President Clinton has not had as a first order of national importance opposing the Iranian regime I think is unfair and I think is inaccurate.

Our Administration has led the international effort over the past 12 months to mount a united coalition against Iran on its nuclear policy and on its practice of terrorism. We have been the leading

voice calling attention to human rights violations within Iran itself. I think to suggest otherwise is simply wrong and is not balanced.

We have protected the sanctions regime that has been in place. I suggested in my formal testimony and in answer to some of the other questions this morning, we are looking at additional targeted sanctions, but I would respectfully say we need to be smart about how those additional sanctions are put into place.

Do we really want to alienate the great majority of Iranians who we believe should change their own government and form a democratic government in the future, or do we want to put our emphasis in targeting the regime, which is the evil part of this equation? So I enjoy the give and take, but I think you have been unfair in the way you have characterized what President Bush and Secretary Rice and the rest of us have been doing.

Mr. ENGEL. Mr. Chairman, I hope we will put in the record this list of over $100 billion of investments. CRS compiled this list, and the State Department's official position is that none of this exists.

I yield back.

Mr. LEACH. Without objection. The list will be put in the record, and without objection I do think the State Department is implicitly required to answer the gentleman's question about the legality of these investments. Will you do that in writing to us?

Ambassador BURNS. Mr. Chairman, I think we should answer two questions. One would be we would be happy to answer that question.

I am also going to be meeting with the former hostages this afternoon, and I want to listen to their concerns about the Algiers Accord and how it has had a negative impact on them.

All Administrations since President Reagan's have carried out the letter of those accords, but we certainly want to give a fair hearing to the former hostages. They are our people. They came from the United States Government, and we want to be fair to them.

Mr. LEACH. I appreciate that, and we all recognize them as heroes to their service to this country.

I want to thank both of you. I believe every Member has had a chance to ask questions. We will now turn to the second panel. Thank you, Ambassador Burns and Secretary Joseph.

We will now hear from our private witnesses, all of whom are experts on Iran and were kind enough to appear and offer their views today. I will introduce them in alphabetical order and call on them in the same order.

I ask unanimous consent that all of your statements be made part of the record in full and ask that you present them in about 5 minutes after which Members will be recognized to ask questions.

Our first witness on this panel will be John C. Hulsman, who is a Senior Research Fellow at the Heritage Foundation. At Heritage, Dr. Hulsman examines European security and NATO affairs, the European Union, United States-European trade and economics relations, economic relations in war and terror, Iraq, Iran and the Middle East peace process.

Dr. Hulsman was involved, as he notes in his prepared statement, in a Track II effort to find a common ground between the United States and the European powers and what to do about Iran.

Michael Ledeen is an expert on U.S. foreign policy and a current Freedom Scholar at the American Enterprise Institute. His research areas include state sponsors of terrorism, Iran, the Middle East, Europe, United States-China relations, intelligence and Africa.

A former consultant to the National Security Council and to the U.S. State and Defense Departments, he has published several books and countless articles on foreign policy.

Gary Milhollin is the Director of the Wisconsin Project on Nuclear Arms Control. The project carries out research and public education designed to inhibit the spread of nuclear weapons. It operates in Washington, DC, under the auspices of the University of Wisconsin where Professor Milhollin has been a member of the law faculty since 1976.

Our final witness will be Dr. Abbas William Samii, who is Regional Analyst and Coordinator at Radio Free Europe/Radio Liberty. Dr. Samii is a veteran of the United States Army's Special Forces.

At Radio Free Europe/Radio Liberty his primary task is writing the weekly RFE/RL Iran report and contributing to the RFE/RL newsline, both based on open sources. Dr. Samii is recognized as one of the nation's top analysts of Iranian domestic politics.

Dr. Hulsman, we will begin with you. Please proceed. All of your statements, as previously noted, will be placed fully in the record.

Please, Dr. Hulsman.

STATEMENT OF JOHN C. HULSMAN, PH.D., THE HERITAGE FOUNDATION

Mr. HULSMAN. Thank you very much, Mr. Chairman. As you said, I have a much fuller statement. This is an incredibly complicated issue, and the first thing we have to do is not to make it simple and not to look for silver bullets.

I agree with almost everything Ambassador Burns said, but I do not find looking at the internal Iranian regime a parlor game. I look at it as fundamentally important because if we do not look at things, if we see everything as broadly as the same—he brought up George Kennan and the Riga thing. Mr. Kennan said an interesting thing after all those years of looking at the Soviet Union, by the way, calling the split between China and Russia.

He said there seems to be a curious American tendency to search at all times for a single external center of evil to which all our troubles can be attributed rather than to recognize that there might be multiple sources of resistance to our purposes and undertakings and that these sources might be relatively independent of one another, which is not something we have been very good at of late, I might add.

One of the things is if we see this all as a repository of evil and do not look at it as people talk about Islama fascism and not noticing the differences between a Bathist reality that is pan-socialist to pan-secular and pan-Arab versus Persian Nationalists versus people wanting to have a caliphate. While they may agree in certain circumstances they disagree about more than they agree about.

It is the equivalent of suggesting that in the Europe of the past Communism, Catholic conservatism, fascism and Russian Czarism are all basically part of the same movement because they were all part of liberal democracy, a suggestion that would render most of modern European history completely incomprehensible if you took that approach.

Somehow we do not think about Czar Nicholas II facing a Communist firing squad, was this is so unfair; actually I have always agreed with Lenin. Any Arab scholar who suggested this as a theory of European history would be laughed and scorned by Western historians. Let us be very careful not to do the same thing to their region.

Starting with that moment of caution, I would like to now move to the questions that I asked and try to actually answer them I know not in the spirit always of hearings, but try to answer them.

First, were the EU–3 talks a waste of time? I am going to answer that last because I think that is the key point, and should the Administration have supported it.

The big question I was asked was if the UN Security Council cannot reach a consensus on effective sanctions, which at the moment I think we have to say it is unlikely to do. The Chinese signing a $100 billion possible gas deal, the timing on that I found somewhat suspicious. Let us put it that way.

The Russians? Goodness knows what they do, but do not assume the Chinese, as someone mentioned this morning, might not reverse their record and actually veto. They have never done that on their own before. Do not assume that the $100 billion and the access to natural gas and oil will not change that. That is lazy thinking. I think we have to at least prepare for a Chinese veto.

If there is a veto, can we impose effective sanctions if Russia and China continue? First, I am all for a humpty-dumpty kind of Brechtian approach here. I want the Chinese and the Russians to go on record in open session saying with a straight face Iran is not a problem because by doing that we will get all the other serious people in the world and their allegiance to begin to work together, particularly the Europeans who are the only way that effective sanctions can be managed.

A point not mentioned this morning is the huge demographic bulge within Iran. Most of the Iranian population does not remember the Shah. Very young median ages, 24 and 23 for Iranians. They have to create some incredible number of jobs per year to make things go. That is whoever is in charge.

Again, that does not relate to anything else, and I think that is a very important point. Where are they going to create these jobs? Well, they need investment. Who is likely to give them investment? We will turn to it, but particularly Germany, which is who I have worked on my Track II approach for, seeing that that would be a very important country, although not a nuclear country, economically the largest power in Europe, still the third largest economy in the world and one that would like to do a lot more investment with Iran than it currently is and a huge trading source for Iran.

You have to hit people where they live if you are going to do it, so I think the UN has to be shown not to work. I do not think that means the United States has failed. I think we have made a good

faith effort, and sometimes you are going to disagree in the UN and quite often you are going to disagree in the UN. By going the extra mile, you actually gather allies to do the sanctions regime that is absolutely necessary.

In line with our Track II plan, we started assuming a UN no vote, and we talked to the Germans who are now in the coalition on both sides, the SPD as well as the CDU/CSU people, and we had a broadbased bipartisan group in America. Our point basically was if this goes to a no you do not get to take your ball and go home. You do not get to say well, the diplomatic approach has been tried and found wanting, and now we are going to move on. They have to go to the EU level.

If that does not work, the EU–3 plus Italy, the economic powerhouses—France, Germany, the U.K. and Italy. If you add all those together that would make a significant dent, indeed, in what is going on there.

Would that change Iranian opinion? Perhaps no. Perhaps yes. In line with boiling the frog, with racheting up diplomatic pressure, you want to have as much flexibility as you possibly can. You do not just turn it to scalding. You move this along. You start with these smarter sanctions that are mentioned that inconvenience the Iranian regime. Then you move on to broader sections. You do things with PSI as the Ambassador suggested.

You work on that strategy. You see if that makes any difference, and if it does not you leave the option on the table for military force, and in this case that would involve air strikes and not ground troops, of which we can talk more later. I think we have to be very straight up about what we are talking about.

This is the Cuban missile crisis. There are not good options, as I think you yourself, Mr. Chairman, mentioned. Doing nothing will cause great damage. One thing, an arms race in the Middle East. It does not strike me as Israel's style to sit there and say gee, I am going to trust the international community to trust the balance of terror to make my life okay. I think that that is a factor. Egypt, Turkey, Saudi Arabia would all be candidates for a nuclear weapon. There is no doubt.

If we do things, we have to remember there will be a price too. Any hope at democratization in the region I think goes out the window, and the seemingly pro-Western regimes, the King of Jordan, the King of Omam, the King of Morocco, if you look at what happens we could get at worse Wahabis running Saudi Arabia. We could get A.Q. Kahn or bin Laden's people running Pakistan. We have to keep that in mind. There are not good options, but this calls for seriousness.

[The prepared statement of Mr. Hulsman follows:]

PREPARED STATEMENT OF JOHN C. HULSMAN, PH.D., THE HERITAGE FOUNDATION

INTRODUCTION: COMPETING NIGHTMARES

For the past several years, two compelling and equally haunting narratives have dominated thinking about the endgame of the Iranian nuclear crisis. As with the Cuban missile crisis, both options seem fraught with peril.

Having learned from the Israeli air strike on the Iraqi nuclear plant at Osirak in the 1980s, the Iranians have dispersed their nuclear sites to approximately 200 facilities (and our intelligence is bound to be less than perfect), buried many of them underground, duplicated sites, and shielded others by placing them in high-density

urban areas, ruthlessly using their own people as human shields. As such, it is highly unlikely an American or Israeli air strike could take out the program neatly, cleanly, or in its entirety. It could certainly set Iran's efforts to acquire nuclear weapons back, but at a possibly calamitous price. With American ground troops not an option (given the size of Iran, the overstretched army and national guard and its likely overwhelming support for repelling American ground forces), from a military point of view it has become either advocating bombing or eschewing the military card altogether.

In terms of public diplomacy the likely significant casualties, broadcast continually over the global 24-hour news cycle, would gravely further harm America's image in the rest of the world. For example, it is hard to see how Administration-led efforts to democratize the Middle East could survive a bombing campaign. Given Iran's strong ties to the dominant Shia factions in Iraq (for example to anti-American firebrand Muqtada al-Sadr), there is a strong possibility that unrest in southern Iraq would get entirely out of control; at a minimum it would rival the unrest in the central Sunni triangle.

Another price of the bombing campaign would be Iran's likely efforts to make the West pay a significant economic price, either through merely threatening to withhold oil from the market (causing a spike in the price), or in endeavoring to blockade the Straits of Hormuz, if only for a brief time. As Europe is entirely dependent on oil from the Persian Gulf (and as America is entirely dependent on European foreign direct investment), Iran could make the West pay a fearful economic price for such a campaign. Worse still, the rage on the streets of the Middle East would put the pro-American regimes of Egypt, Saudi Arabia, Jordan, and Pakistan in peril, a state of affairs that could only benefit America's number one strategic foe—al-Qaeda. And all this for a military option unlikely to do more than retard Iran's nuclear program.

But nor does doing nothing, or even containing Iran, seem a policy that comes without cost. Any hope that the Nonproliferation regime (the NPT) still had significance for stopping states from going nuclear would be gone. In terms of nuclear weapons we really would be living in the jungle, with no norms and no mechanism to pressure states into settling for non-nuclear outcomes. In addition, the U.S., the guarantor of global order of last resort, would be seen to be hapless to stop a state becoming nuclear—surely a significant proliferation of nuclear states around the world could not be very far away. For example, in the Middle East, Turkey, Saudi Arabia, and Egypt are all candidates for quickly developing a nuclear weapons program after Iran crosses the threshold. It is unlikely Israel would accept such an outcome with equanimity, especially as these new members of the nuclear club would have untried command and control regimes; many such states are allies with millennial terrorist groups who desire the destruction of Israel. There is thus the very real possibility of a regional conflict between countries with nuclear weapons being highly likely in the medium term.

Such terrible choices could only be avoided by effective Western diplomacy, and even here at best we must accept the Iranian leadership, and not the United States, will make the final decision as to whether to proceed with efforts to build a nuclear weapon. Certainly the U.S. can change the calculations the Iranian leadership will make, but not the fact that they will make the ultimate decision. The problem is that this is not a democracy issue: according to polling in October 2004 by Iran's semi-official Mehr news agency, around 80 percent of those polled said they were opposed to halting nuclear activities. More than 65 percent of respondents said Iran should continue its nuclear pursuits under any circumstances.[1] Nor are the mullahs and their supporters the only adherents of this position—the dirty little secret in Iranian politics is that the modernizers who oppose the mullahs want the bomb as much as their political rivals. The primary issue is Persian nationalism; regime change does not make this problem go away.

From an Iranian point of view the reasons for desiring nuclear weapons are clear. On the plus side, with the demise of Saddam, they have unwittingly become the dominant power in the Persian Gulf. Possession of a nuclear weapon symbolizes and solidifies this growing power. Second, Iran is a proud 4,000-year old civilization. Many in Tehran feel that if upstart states like North Korea and Pakistan have such a weapon, there is absolutely no reason the should not possess something similar.

On the negative side, Iran is aware that the United States considers it an international outlaw, with the President declaring it a member of the 'Axis of Evil.' The sad lesson of the 1990s is that countries that possess nuclear weapons can do pretty much as they please, despite American displeasure, while leaders of states that do

[1] Golnaz Esfandiari, "Iran: Public Offers Mixed Feelings On Nuclear Issues (Part 4)," *Radio Free Europe/Radio Liberty*, December 23, 2004.

not, are in peril. Saddam ended up in the dock, while Kim Jong-Il has yet to make it there. In this case, nuclear weapons are viewed as an insurance policy for outlaw regimes. Also, Iran is bounded by what it views as two American satrapies in Iraq and Afghanistan. One does not have to be paranoid to understand that the 'Great Satan' perched on its doorstep (twice) is a wonderful argument for the Mullahs to acquire weapons of mass destruction. After all, Tehran has long used American perfidy as a rationale for seemingly aggressive moves that contain an element of self-defense.

This is not to say the above arguments should justify Iran acquiring a nuclear weapon. But the first rule of foreign policy analysis should be efforts to understand the logic (flawed or otherwise) of one's opponents, rather than merely climbing on the most convenient moral soapbox. It is clear form the above assessment that the reasoning behind Iran's efforts to acquire nuclear weapons is obvious and powerful, cutting across elements of Iranian society. So the task to change the minds of Iran's ruling elite is daunting. It was initially made worse by transatlantic efforts that seemed to have the United States and European allies behaving at their worst; here both sides actually approximated the cartoon versions each had of the other, enshrined by the diplomatic controversies over Iraq.

COMPETING CARTOONS

Initially, the European allies were doing a pretty good impersonation of Neville Chamberlain; having wholly divorced diplomacy from the vital notion that power must back it up in order to be successful. America, on the other hand, having determined the mullahs in Iran were evil, disdained to engage them. But we cannot only conduct diplomatic relations with Canada; I have always naively thought a major reason for diplomacy was talking to those one didn't agree with, in an effort to modify their behavior to suit one's own national interests. These dueling efforts at futility, with Europeans unwilling to put forward sticks to stop Tehran, and with America allergic to all carrots, could lead only to the competing nightmares outlined above. Worse still, I am entirely convinced that another uncoordinated effort over seminal questions of geopolitical interests would spell the death-knell of the transatlantic relationship as we have known it; after Iraq it would not take much to decimate what was left of the alliance. With Europe living in a post-historical sandbox and America recoiling from engaging those we disliked, we risked fiddling while Rome burned.

Instead, our only diplomatic hope has been for Europeans to proffer sticks and Americans carrots, if internal Iranian calculations are to be significantly altered. Iran's domestic political scene is as diffuse as it is opaque. While there is certainly no hope that the President of Iran can be swayed, he is not the ultimate decision-maker. Instead, the country's spiritual guide, Ayatollah Khamenei, is the final arbiter of Iran's nuclear policy. Also, another political figure looms large, former President Rafsanjani, now head of the Expediency Council, a group of senior clerics Khamenei has given power to oversee the executive, in some unsubstantiated manner. President Ahmadinejad is a diplomatic blessing in disguise for transatlantic relations—after one of his hate-filled utterances against Israel all our differences melt away; no westerner living wants him to be anywhere near a nuclear weapon. Instead it is to Khamenei and Rafsanjani that we must turn our coordinated diplomatic efforts.

It must be strongly emphasized that this does not mean that those of us who have traveled down the diplomatic road for the past several years were either naïve or stupid about the likelihood that our best efforts would still not be able to head off an ultimate crisis. But nor does that mean, that somehow this has made them not worth the effort. Our thinking has always been this—if I am wrong and Rafsanjani and Khamenei can be moved to curtail the program, we should all get promotions. If am correct and the Iranians continue to cheat and drive toward acquiring nuclear weapons, unlike over Iraq, potential allies in the transatlantic community will see that the United States went the extra mile for peace. This would give the Bush Administration more leverage for dealing with the Mullahs, however dicey the crisis became. Unlike Iraq, the focus must remain on the outlaw's behavior, rather than on American behavior.

A COMMON PLAN

Thus, around two years ago we decided to promote a Track II initiative to devise a common plan that would be acceptable to broad constituencies on both sides of the Atlantic. We chose to focus on the Germans, given their significant investment stake in Iran. With the Islamic Republic experiencing a demographic bulge requiring ever more European investment, this was a significant economic stick that just

might cause the Iranian government to think again about acquiring nuclear weapons. Even if that did not diplomatically come to pass, Germany, which, Iraq aside, traditionally sided with Washington in times of crisis, seemed ripe to return to the fold, but only if the U.S. made a good faith effort to diplomatically resolve the crisis.

Thus, we decided to form a true coalition of the willing. Our German interlocutors represent the major political parties of the center-left and the center-right (CDU/CSU, SPD), and involve such notable German opinion-formers and parliamentarians as General Klaus Naumann, former Deputy SACEUR of NATO, Rolf Mutzenich and Dietmar Nietan (SPD parliamentarians), and Karl Theodor zu Guttenberg (CSU Parliamentarian). Our American opinion-formers also spanned the entirety of the political spectrum, from Ambassador James Dobbins and Dr. F. Stephen Larrabee, Mr. David Albright, of the Institute for Science and National Security, and Dr. Michael Haltzel, now of Piper Rudnik Gray and Cary LLP, to Mr. William Schirano of the Heritage Foundation. All made invaluable contributions to the process.

After half a year of arduous discussion, the outline of a deal was reached. Its key points are these: 1) Iran must agree to permanently terminate its pursuit of a full nuclear fuel cycle in a manner that can be independently confirmed by real-time monitoring. 2) Should Iran comply, transatlantic security guarantees, and negotiations aiming toward a resumption of U.S.-Iranian diplomatic relations, plus talks aiming toward a resumption of trade relations between the U.S. and Iran would ensue. 3) If Iran refuses to heed the will of the U.S. and the broader international community, the U.S. and the EU–3 (Germany, France, and the UK) would support the referral of the Iranian nuclear issue to the United Nations Security Council. If this process is stalemated due to either a Russian or Chinese veto (and yesterday's Russian offer to allow the Iranians to continue small-scale nuclear enrichment on its own soil does not bode well)[2]—the EU–3 would adopt a policy of gradually tightening sanctions against Iran regardless of the U.N.'s failure. At the same time the U.S. would reserve the right to act in a manner appropriate to the situation. This plan, with the Europeans offering genuine sticks to go alongside American carrots, seemed to us then, as well as now, the last, best, chance for peace.

Our colleagues in Germany unveiled our plan to President Bush during his visit to Mainz, Germany. The American side has followed up with both congressional and executive briefings. Since then, the notion of coordinating carrots and sticks between the EU–3 and the Bush Administration has moved forward, as when the White House suggested it would not stand in the way of eventual Iranian membership in the WTO and might allow Tehran to buy scarce airplane parts, as part of a more comprehensive deal. For this coordination, both sides genuinely deserve plaudits.

Indeed, despite constant efforts by the Iranians to divide the coalition, the EU–3 have so far stoutly resisted. In fact, the EU–3 suspended talks with Iran when it restarted its enrichment program. The entire transatlantic situation improved with the establishment of the more pro-American Merkel Grand Coalition in Germany, where both CDU/CSU and SPD interlocutors have briefed German politicians at the highest levels about our Track II efforts. But the EU–3 must continue to hang together with America, or in the words of Benjamin Franklin, we will all hang separately.

Several general comments about this process are in order before briefly looking at individual European responses. First, both sides have little doubt the plan's best feature was to put the focus on a clearly defined and agreed upon common position, namely that Iran must agree to permanently terminate its pursuit of a full nuclear fuel cycle in a manner that could be independently confirmed by real time monitoring. Any vagueness could lead to differing interpretations along the lines of the Iraq diplomatic debacle. This time around, no one so far has expressed any doubt that the Iranians remain in breach of our clearly defined yardstick. While it is vital that carrots remain on the table in the event Iran does a diplomatic about-face, no one doubts that we are now jointly talking about coordinating sticks.

Second, this clarity was achieved only by separating the nuclear issue from the long laundry list of disagreements held by both sides. For it was apparent to all that if we attempted some sort of 'Grand Bargain', an effort to solve all outstanding U.S.-Iranian issues, we were destined to fail, given both the entrenched nature of both sides' positions and the time constraint. While certainly agreeing that Iran ought to recognize Israel, should stop funding Hizbollah and other terrorist groups, should transform itself over time into a democratic state, and while accepting that Iran would wish to talk about its legitimate security concerns in the region, discuss enhancing economic ties with both the EU–3 and the U.S., and that both sides would wish to discuss human rights, all these daunting issues pale in comparison to ad-

[2] Mark Beunderman, "Russian move on Iran challenges EU unity," *EU Observer.com*, March 7, 2006.

dressing the nuclear issue. To cut the Gordian Knot, priorities had to be established, even among worthy policy outcomes. For that is the business of serious people.

INDIVIDUAL EUROPEAN RESPONSES TO IRANIAN RECALCITRANCE

While the adage, 'so far, so good' sums up transatlantic cooperation up until now, given Iranian recalcitrance the genuine tests lie ahead. What does previous EU–3 behavior tell us about likely outcomes?

United Kingdom—While the Blair government has supported the EU–3's efforts to negotiate with Iran, it has been far less engaged in the diplomatic process than in the run-up the Iraq war. Britain has been content to let Paris and Berlin make far more of the diplomatic running. While it is likely Britain would go along with some sort of sanctions regime if Iran continues its dash for the bomb, it is highly unlikely Britain would join the U.S. in some sort of military action this time around. Foreign Minister Straw has clearly ruled force to resolve the Iranian crisis as out of the question. The Prime Minister has concurred, saying simply, "Iran is not Iraq."[3]

But there is more going on here. It is clear that most in Washington do not understand the extent of the political price Prime Minister Blair pays for having militarily fought with the U.S. in Iraq. In the recent general election, New Labour lost 101 seats against its majority, largely because of the Iraq war's abiding unpopularity in the UK. Personally, the Prime Minister's long run of personal popularity, unparalleled in modern British political history, also came to an end. In addition, many in the UK view America highly unfavorably, with positive ratings for the U.S. hovering in the low 20 percent range.[4] This reticence on the part of our closest ally about Iran is the part of the political price the Administration has had to pay due to Iraq. It would be wise not to expect too much from London.

France—There is better news in Paris. Unlike over Iraq, where France led the diplomatic charge against America, the Iranian crisis finds the two erstwhile allies in much closer diplomatic step. France has long thought Iran must be referred to the Security Council; like the UK it is also likely to favor the imposition of some form of sanctions. Given its own Gaullist belief that part of France's grandeur is tied up in its possession of nuclear weapons, the Chirac government (and he sees himself as the direct heir of De Gaulle) does not want its own nuclear currency devalued. Also, given France's historically important role as an advocate of Arab states, Paris does not want to look weak or peripheral to what is going on in this vital region. For its own unique reasons, France is likely to side with all American actions short of military force.

Germany—As the largest exporter of goods to Iran and a likely source of much needed future investment (in 2004 German companies exported goods worth 3.6 billion euros to Iran, while in 2005 this number rose to around 4 billion euros),[5] Germany is vital to the offering of both economic carrots and sticks, depending on Iranian behavior. Given the efforts made to cultivate it and the pro-American tilt of the new Merkel government, Berlin is likely to support the imposition of sanctions as well as continued transatlantic diplomatic efforts; it would not have the military capability to assist the U.S. directly in any form of joint military strike against Iran, even if it had the inclination (which it assuredly does not).

To sum up, the Europeans will almost certainly go along with sanctions, even relatively tough escalating ones, in the future. They are likely to be helpful in setting up some sort of interdiction regime (including involving some shared intelligence assets and information) to see that Tehran does not export nuclear material out of the country. They will remain diplomatically behind us if we pursue this course. None of them will join us in military action of any kind. It remains an open question as to how much diplomatic support we could count on, if we commenced air strikes against Iran, or in combination with the Israelis.

CONCLUSION: ANSWERING THE QUESTIONS

In a spirit of goodwill, and one wholly out of tradition with giving Congressional testimony, I will end by actually attempting to answer the questions Chairman Hyde has put to me.

Were the EU–3 talks a waste of time? *No, because they convinced both European publics and elites that it is Iran, and not the U.S., which is at the root of the controversy.*

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[3] "Blair warning to Iran on weapons," *BBC News*, February 7, 2006.

[4] Simon Sarkar, "British Public Weighs In on Blair and Bush," *The Gallup Organization*, June 8, 2004.

[5] "Key nations' stances on Iran," *BBC News*, January 31, 2006.

Was it a mistake for the Administration to support them? *Even more so no, as it has led to far closer coordination with the Europeans if we decide to go the sanctions route, while at the same time not limiting any of our ultimate options.*

If the UN Security Council cannot reach a consensus on effective sanctions, can we assemble a "coalition of the willing" to impose effective sanctions even if Russia and China continue with business as usual? *I'm all for humpty-dumpty falling down, its better to be Brechtian about the UN vote on Iraq; I want the Russians and the Chinese to stand there with straight faces and tell the world Iran is not a threat—this greed-induced irresponsibility can only help us with the Europeans. A 'no' from the UN will show it for what it is—a badly divided and impotent organization. Then, in line with our Track II plan, the Administration must put pressure on the Europeans (through the whole EU) to adopt a series of gradually escalating sanctions. The advantage to (in the words of my colleague David Albright) 'boiling a frog slowly' is that it gives the Iranian leadership time to change its mind and reverse its course of nuclear adventurism, while the carrots that could then be offered providing the leadership in Tehran a face-saving way out, a la the Cuban missile crisis. At the same time, the increasing burden on Iranian society, starting with their leadership and spreading, in terms of lost European exports and investment, create an ever-increasing pressure on the Mullahs. Even if the EU as a whole does not endorse such a strategy, the EU–3 plus Italy (which has significant economic ties to Iran) would carry enough economic weight to put real pressure on the regime, regardless of whatever Russia (whose economy is the size of that of the Netherlands) or China do.*

What are my views on H.R. 282, legislation intended to tighten United States sanctions against Iran and against countries and entities that invest in Iran. *Given the nonprofit nature of the Heritage Foundation, I am legally prohibited from discussing specific pieces of legislation, so let me speak generally. Congress and this Committee is ahead of the curve in trying to come grips with the economic tools that must be used to try to alter the mindset of the leadership in Iran. But the effect of additional sanctions by the U.S. on Iran will amount to little; there is precious little leverage we have on this point, given the fairly comprehensive nature of our sanctions up to now. As to other countries, as my adherence to an escalated series of sanctions indicates, timing is everything. Now is not the best moment to limit the possibilities of revving a sanctions regime up—as such I'm generally against blanket efforts to curtail the very European sanctions that will have a far more important role to play as a stick as the crisis unfolds. There may come a time, and not in the distant future, when such a piece of legislation is necessary, if the Europeans prove recalcitrant. But, as I've outlined, so far they deserve nothing but praise for their efforts, and are likely to support a coordinated sanctions effort, especially as many would see that as the primary means to avoid military action. We are entering dangerous times, Mr. Chairman, they call for a new creativity and coordination, if we are to avoid a re-run of the Cuban Missile Crisis.*

Thank You.

Mr. LEACH. Thank you, Dr. Hulsman, for a very precise statement in a timeframe that was very well received.

Dr. Ledeen?

STATEMENT OF MICHAEL A. LEDEEN, PH.D., THE AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH

Mr. LEDEEN. Thank you, Mr. Chairman. I think that future historians will be baffled at the intensity and tenacity with which successive American Administrations have refused to deal seriously with the obvious and explicit threat from the Islamic Republic of Iran.

From the first hours of the fanatical regime of Ayatollah Ruhollah Khomeini in 1979, Iran declared war on us in language that seems impossible to misunderstand. We are the great Satan. They are the representatives of the one true faith, sworn to combat satanic influence on earth.

They have waged unholy war against us ever since. They created Hezbollah and Islamic Jihad. Created them, not support them, as we heard earlier this morning. They support almost all the others

from Hamas and al-Qaeda to the Popular Front for the Liberation of Palestine General Command. Iran's proxies range from Shi'ites to Sunnis to Marxists, all cannon fodder for the overriding objective about which they make no secret to dominate or destroy us.

Iran tops the State Department's list of state sponsors of terrorism, and we know that Abu Musba al-Zarqawi, the titular head of al-Qaeda in Iraq, created a European-wide terrorist network in the latter years of the last century from his stronghold in Tehran.

We know this from public sources, from documentation presented by the German and Italian Governments in public trials against terrorists arrested in their countries. The evidence presents and included intercepts of phone conversations between terrorists in Europe and Zarqawi in Tehran.

We also know from abundant battlefield evidence of the intimate working relationships between terrorists in Iraq and the regimes in Tehran and Damascus. Just the day before yesterday ABC News broadcast a story about the discovery of very powerful bombs being sent from Iran into Iraq, and on that broadcast Richard Clark said, "I think it is very hard to escape the conclusion that the Iranian Government is knowingly killing U.S. troops."

Invariably there are still those who believe that somehow our differences can be reconciled, and we can yet reach a modus vivendi with the Islamic Republic. The Iranians' behavior proves otherwise. This is a war we can either win or lose, and no combination of diplomatic demarches, economic sanctions and earnest negotiations can change that fatal equation.

The nuclear question now dominates all discussion of Iran as if nothing else mattered. Numerous Iranian leaders have said that they intend to use nuclear weapons to destroy Israel, and we should take such statements at face value. A nuclear Iran, as was said earlier, would indeed be a more influential regional force, and its missiles would directly menace the West. Indeed, nuclear devices could be provided to terrorists or even launched on missiles from the soil of Iran's new strategic allies, Castro, Chaves and Morales.

But they do not need atomic bombs to kill large numbers of Americans. Hardly a day goes by without chest-pounding speeches from the mullahs warning us about the wave of suicide bombers headed our way.

The obsession with the nuclear question often obscures the central issue that the Islamic Republic has waged war against us for many years and is killing Americans every week, nukes or no nukes. They will continue to do that even if their nuclear program is shut down, and they will do it because it is their essence to do it. It is what they are.

So the nuclear threat is inseparable from the nature of the regime. If there were a freely elected democratic government in Tehran instead of the self-selecting tyranny of the mullahs we would not feel such a sense of urgency about the nuclear program.

I believe that the most important thing is to support democratic revolution in Iran. The demographics certainly favor radical change. About 70 percent of Iranians are 29 years old or less. We know from the regime's own public opinion surveys that upwards of 73 percent of the people want a freer society and a more demo-

cratic government, and they constantly demonstrate their hatred of the regime in public protests, in the blogosphere in both Farsi and English, in strikes, the most recent of which is the ongoing action by the Tehran bus drivers union, and from time to time in violent acts against officials on the ground.

In response to recent demonstrations in oil-rich Khuzestan, the regime sent in members of the Badr Brigade from Iraq and of Lebanese Hezbollah, which suggests to me at least a lack of confidence in the more traditional security organizations.

Yet many gainsay the possibility of successful revolution, a pessimism that I find as bizarre as it is discouraging. We empowered a successful democratic revolution in the Soviet empire with the active support of a very small percentage of the population. How hard can it be for a revolution to succeed in Iran where more than 70 percent of the people want it?

The mullahcracy is not likely to go away on its own. Most revolutions, including our own, required external support in order to succeed, and there is a widespread belief among Iranians that democratic revolution cannot defeat the mullahs unless it is supported by the United States. They have been waiting. They are still waiting for concrete signs of our support.

Support means, above all, a constant critique by our leaders of the regime's murderous actions and constant encouragement of freedom, freedom fighters and democracy. The Iranians need to see that we want an end to the Islamic Republic. We need to tell them that we want, and show them that we will support, nonviolent regime change in their country.

We also need to talk to them very specifically about how such revolutions succeed. We should greatly expand our support for private radio and television broadcasters, and we need to get serious about using our own broadcasts as revolutionary instruments.

We are not competing for market share, and we are not in the entertainment business. We should be broadcasting interviews with successful revolutionaries from other countries, and we should present conversations with experts on nonviolent revolution. The Iranians need to see and hear in detail what works and what does not. They need to see and hear the experiences of their revolutionary comrades.

Finally, we must provide them with the wherewithal for two vitally important revolutionary actions: Build resources for a strike fund and get the modern communications instruments. Workers need to be able to walk off the job and know they will be able to feed their families for several weeks. Democracy advocates need modern tools to communicate between cities, which is very difficult and dangerous today.

There is a lot that is praiseworthy in the Iran Freedom Support Act, Mr. Chairman. I think it could be improved by openly embracing a policy of regime change in Iran and allocating an adequate budget to demonstrate our seriousness in this endeavor. It is what the Act says anyway. People are just afraid of coming out and using the language. You cannot have freedom in Iran without bringing down the mullahs, so what are we talking about?

I heartily endorse the suggestion that the President appoint someone responsible for our Iran policy and who will advise the

President and report to the Congress. The choice of that person would be very important because the Iranians will be encouraged by someone who they believe to be firmly on their side, and they will be discouraged by someone who has participated in the failed efforts to formulate a serious Iran policy.

I hope these thoughts will be useful to you and your colleagues, Mr. Chairman. I believe this is the most important question we face in the Middle East and in the war against terror, and I wish you wisdom, patience and good humor in your labors.

[The prepared statement of Mr. Ledeen follows:]

PREPARED STATEMENT OF MICHAEL A. LEDEEN, PH.D., THE AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH

I am delighted and honored by your invitation to discuss American policy toward Iran, but before I do that, I hope I will be permitted a few personal words in appreciation of the welcome contribution that you, Chairman Hyde, have made to our country and to the tenor of life in Washington.

Our national political debate has long been very fractious, and this moment is especially nasty. But you are a rare man, Mr. Chairman. You have never forgotten that our elected representatives are sworn to advance the national interest, whatever the transient demands of party or faction. You have done that with rare grace and humor, through some terrible personal tragedies and despite some particularly insensitive slanders. After nearly thirty years in Washington, I cherish many memories of your ability to defuse a tense situation with an urbane chuckle, all the while reminding your colleagues of their responsibilities to the American people. Thank you, Mr. Chairman. I hope that your years ahead are full of satisfaction and fulfillment.

Future historians will be baffled at the intensity and tenacity with which successive American administrations have refused to deal seriously with the obvious and explicit threat from the Islamic Republic of Iran. From the first hours of the fanatical regime of the Ayatollah Ruhollah Khomeini in 1979, Iran declared war on us in language it seems impossible to misunderstand. We are the great Satan, while they are the representatives of the one true faith, sworn to combat satanic influence on earth. Hassan Abassi, the chief strategic adviser to President Ahmadi-Nezhad, recently put it this way: "America means enemy, and enemy means Satan."

They have waged unholy war against us ever since. They created Hizbollah and Islamic Jihad, and they support most all the others, from Hamas and al Qaeda to the Popular Front for the Liberation of Palestine General Command. Iran's proxies range from Shiites to Sunnis to Marxists, all cannon fodder for the overriding objective to dominate or destroy us.

A lot of nonsense has been written about the theoretically unbridgeable divide between Sunnis and Shiites, and we should remind ourselves that the tyrants of the Islamic Republic do not share these theories. The Iranian Revolutionary Guards as Shiite as they come were trained, beginning in the early 1970s, by Asser Arafat's Fatah Sunnis one and all. Arafat was the first foreign leader to be invited to Tehran after the overthrow of the shah, proving that when it comes to killing infidels, theological disagreements are secondary to the jihad. Yet even today, we hear that it is quite impossible that the mullahs have supported al Qaeda, because bin Laden, Zawahiri and Zarqawi are famously Sunni.

The Iranian war against us is now twenty-seven years old, and we have yet to fight back. In those twenty-seven years thousands of innocent people have died at the hands of the mullahs' terror state, inside Iran and around the world. Many Americans have been killed, in Lebanon twenty years ago and in Iraq today, by terrorists armed, trained and funded by the Islamic Republic. Iran is invariably atop the State Department's list of state sponsors of terrorism, and we know that Abu Musab al-Zarqawi created a European-wide terrorist network in the latter years of the last century from a stronghold in Tehran. We know this from public sources—from copious documentation presented by the German and Italian Governments in public trials against terrorists arrested in their countries. Among the evidence introduced by the prosecution were intercepts of phone conversations between terrorists in Europe and Zarqawi in Tehran.

We also know from abundant evidence ranging from documents to photographs captured by American forces in both Fallujah and Hilla of the intimate working relationships between terrorists in Iraq and the regimes in Tehran and Damascus. Indeed, the terror war in Iraq is a replay of the strategy that the Iranians and the

Syrians used in the 1980s to drive us and our French allies out of Lebanon. Those Americans who believed it was possible to wage the war against terrorism one country at a time, and that we could therefore achieve a relatively peaceful transition from Saddam's dictatorship to an elected democracy, did not listen to the many public statements from Tehran and its sister city in jihad, Damascus, announcing in advance that Iraq was about to become the "new Lebanon."

They have made good on their threats. On Monday, ABC News broadcast a story about the discovery of very powerful bombs—the so-called IEDs—sent from Iran into Iraq.

> "I think the evidence is strong that the Iranian government is making these IEDs, and the Iranian government is sending them across the border and they are killing U.S. troops once they get there," said Richard Clarke, former White House counterterrorism chief and an ABC News consultant. "I think it's very hard to escape the conclusion that, in all probability, the Iranian government is knowingly killing U.S. troops."

Inevitably, there are still those who believe that somehow our differences can be reconciled, and we can yet reach a modus vivendi with the Islamic Republic. I wish they were right, but the Iranians' behavior proves otherwise. Religious fanatics of the sort that rule Iran do not want a deal with the devil. They want us dominated or dead. There is no escape from their hatred, or from the war they have waged against us. We can either win or lose, but no combination of diplomatic demarches, economic sanctions, and earnest negotiations, can change that fatal equation. They will either defeat us, or perish. And that is their decision, not ours. We have yet to engage.

THE NUCLEAR QUESTION

A few months ago, the CIA concluded that Iran could not produce nuclear weapons in less than a decade, but that timeline seems to have significantly contracted. Some Russian experts reportedly think it could be a matter of months, and they probably have better information than we do. In any event, the nuclear question has been elevated to the center of the policy debate, as if nothing else mattered.

The nuclear question is certainly serious. Numerous Iranian leaders have said that they intend to use nuclear weapons to destroy Israel, and contemporary history suggests that one should take such statements at face value. A nuclear Iran would be a more influential regional force, and since its missiles now reach deep into Europe, it would directly menace the West. Moreover, once Iran manages to put nuclear warheads on their intermediate range missiles, they might even be able to direct them against American territory from one or more of the Latin American countries with which the mullahs are establishing strategic alliances. The mullahs make no secret of their strategy; just a couple of weeks ago, when the leader of Hamas was received in honor in Tehran, a photograph of the event was released, in which there was a colorful poster of President Ahmadi-Nezhad and Supreme Leader Khamenei along with Castro, Morales and Chavez. The mullahs would be pleased to nuke Israel, and they would be thrilled to kill millions of Americans.

But they don't need atomic bombs to kill large numbers of Americans; they have long worked on other weapons of mass destruction, and they doubtless have moved plenty of terrorists all over the Western world. Hardly a day goes by without chest-pounding speeches from the mullahs warning us about the wave of suicide bombers headed our way. I am afraid that the obsession with the nuclear question often obscures the central policy issue: that the Islamic Republic has waged war against us for many years and is killing Americans every week. They would do that even if they had no chance of developing atomic bombs, and they will do that even if, by some miracle, the feckless and endlessly self-deluding governments of the West manage to dismantle the secret facilities and impose an effective inspection program. The mullahs will do that because it is their essence. It is what they are.

The nuclear threat is inseparable from the nature of the regime. If there were a freely elected, democratic government in Tehran, instead of the self-selecting tyranny of the mullahs, we would not feel such a sense of urgency about the nuclear program, or about an effective American policy toward Iran.

And still we debate how to respond. Some even wonder if we should respond at all. That is why we are here today.

WHAT TO DO?

The first step in crafting a suitable policy toward Iran is to abandon the pretense that we can arrive at a negotiated settlement. It can't be done. The Iranians view negotiations as merely tactical enterprises in support of their strategic objectives.

Just look at the news from this past Sunday. According to the London Sunday Telegraph:

> Iran duped European Union negotiators into thinking it had halted efforts to make nuclear fuel while it continued to install equipment to process yellowcake—a key stage in the nuclear-fuel process, a top Iranian negotiator boasted in a recent speech to leading Muslim clerics.

That bit of incautious self-congratulation came from Hassan Rowhani, the mullah in charge of negotiations with the French, British and Germans. He thoughtfully tells us that the Iranians used the negotiations to buy time for their nuclear program. They never intended to "negotiate in good faith." As Colin Powell said in mid-January, Iran cannot be trusted to tell the truth about its nuclear program.

Nor is there any reason to believe that we can count on the United Nations to impose the rules of civilized behavior on the mullahs, either on nuclear issues or terrorism.

That leaves us with three courses of action, none of which is automatically exclusive of the others: sanctions, military strikes, and support for democratic revolution. I am opposed to sanctions, I am generally opposed to military strikes, and I fully endorse support for revolution.

SANCTIONS

I do not know of a case in which sanctions have produced a change in behavior by a regime that considered us its enemy. The two possible exceptions are regimes that thought of themselves as friends of the United States, and wanted to be embraced by us: Chile and apartheid South Africa. But enemy regimes don't respond to sanctions, whether it be Castro's Cuba or Qadaffi's Libya or the Soviet Empire. Indeed, sanctions aimed against the national economy are misconceived, because they harm the people who are not our enemies and may be our best weapon against the tyrants while leaving the tyrannical and oppressive elite largely untouched.

The basic rule for dealing with our tyrannical enemies is to punish the regime and help the people. Big-time economic sanctions or embargoes cannot do that, but very limited sanctions and other economic and financial actions can. I am very much in favor of seizing the assets of the Iranian leaders, because while the mullahs have ruined the lives of most Iranians, they have greatly enriched themselves at the people's expense, and a good deal of that money has been squirreled away in foreign bank accounts. My favorite example of the greed of the Iranian ruling class is a transaction tax, roughly worth 5% of the purchase price, all of which goes into the personal fund of the Supreme Leader, Ali Khamenei.

That money properly belongs to the Iranian people, whose misery grows from day to day. We should hold it for them, and return it to a freely elected government after we have helped them overthrow their oppressors.

I also agree that a travel ban on the top leaders would be useful, if for no other reason than its symbolic value. It tells the Iranian people that we consider the mullahs unworthy of acceptance in the civilized world. The Iranians know it, far better than we. But they need to see that we have taken sides, and the travel ban is one good way to do that.

MILITARY ACTION

Nobody is talking about an invasion of Iran, but there is considerable speculation about limited strikes against nuclear facilities. I do not know enough about our information to be able to offer an informed opinion on this matter. I would only point out that our intelligence about Iran has been bad since before the revolution of 1979, and one would have to be very optimistic to base a military plan on our current intelligence product. Iranians are skilled at deceit, and have been hiding their nuclear projects from us for a long time.

Military action carries enormous risks, because of the many unforeseeable consequences. Some number of Iranians would likely be inclined to rally to the national defense, even if they hate the regime. It's impossible to estimate how many of them would take this path. Moreover, there would inevitably be innocent victims, and our strategy should aim at saving innocents, not killing them. Add to that the virtual certainty that Iran would respond with a wave of terrorism, from Iraq to Europe to the homeland.

That said, our failure to design and conduct a serious Iran policy for so long has narrowed out options, and we may be faced with a choice among various unattractive actions. If we and our allies decide that Iranian nuclear facilities must be taken out, we should first make clear to the Iranian people that we have come slowly and reluctantly to this position, that the regime could have avoided this terrible situa-

tion by negotiating in good faith, and that we would never dream of doing such a thing if Iran were governed by reasonable people.

In fact, whatever policy we adopt, it is very important for us to talk a lot to the Iranian people.

REVOLUTION

Iran had three revolutions in the twentieth century, and boasts a long tradition of self-government. The Iranian Constitution of 1906 might well serve as a model for the entire region, and prior to Khomeini's seizure of power, Iran was by far the most progressive Muslim country in the Middle East, providing considerable opportunity for women and a generally tolerant attitude toward minority religious groups, including Jews, Christians and Baha'i.

The demographics certainly seem to favor radical change: roughly 70% of Iranians are twenty-nine years old or less. We know from the regime's own public opinion surveys that upwards of 73% of the people would like a freer society and a more democratic government, and they constantly demonstrate their hatred of the regime in public protests, in the blogosphere in both Farsi (the internet's fourth most popular language) and English, in strikes (the most recent of which is the ongoing action by the Tehran bus drivers' union), and from time to time in violent acts against officials on the ground. The regime's reaction is violent and ruthless, but the protests continue, and there is good reason to believe that the mullahs are extremely worried. In response to recent demonstrations in Khuzestan, the oil-producing region in the south, the regime sent in members of the Badr Brigade (the Iranian-trained militia in Iraq) and of (Lebanese) Hizbollah. This suggests a lack of confidence in the more traditional security organizations: the regular Army, the Revolutionary Guards, and the thuggish Basij, generally described as fanatically loyal to the Islamic ideals of the mullahcracy.

Yet there is a vast cottage industry that gainsays the possibility of successful democratic revolution in Iran. The pessimists say many things, including the lack of a charismatic leader, the viciousness of the regime, and, with the urgency provided by the nuclear program, a shortage of time, arguing that revolutions take a long time to gather critical mass.

The pessimism is as bizarre as it is discouraging. We empowered a successful revolution in the Soviet Empire with the active support of a very small percentage of the population. How hard can it be for a revolution to succeed in Iran, where more than 70% of the people want it? Our experience with Soviet Communism suggests that revolution can triumph under harsh repression, and that there are often dynamic democratic revolutionaries even if we cannot always see them. Indeed, I suspect that in Iran there are many potential leaders, some of whom are in prison while others are underground. I also suspect that there has been a lot of planning, both for the revolution itself, and for the shape of the free society thereafter. This was the case in many of the Soviet satellites—Poland and Czechoslovakia being prime examples—and is certainly ongoing in the Iranian diaspora, whether in the United States or in Europe. It would be surprising if Iranian democrats were not doing the same.

The regime is famously vicious, as the mounting numbers of executions and the ongoing torture in Iran's prisons unfortunately demonstrate. But tyranny is the most unstable form of government, and democratic revolution invariably surprises us. If anyone had forecast a successful democratic revolution in the Ukraine, even three months before it occurred, most of us would have considered it a fantasy.

Nobody knows with certainty whether revolution can succeed in Iran, or, if it can, how long it will take. But tyrannies often fall with unexpected speed, and in recent years a surprising number of revolutions have toppled tyrants all over the world. Most of them got help from us. Most revolutions, including our own, required external support in order to succeed, and there is a widespread belief in Iran that a democratic revolution cannot defeat the mullahs unless it is supported by the United States. They are waiting for concrete signs of our support.

Support means, above all, a constant critique by our leaders of the regime's murderous actions, and constant encouragement of freedom and democracy. Too many of us have forgotten the enormous impact of Ronald Reagan's denunciation of the Soviet Union as an "evil empire." The intellectual elite of this country condemned that speech as stupid and dangerous, yet the Soviet dissidents later told us that they considered it enormously important, because it showed that we understood the nature of the Soviet regime, and were committed to its defeat. In like manner, the Iranians need to see that we want an end to the Islamic Republic. We need to tell them that we want, and show them that we will support, regime change in their

country, peaceful, non-violent regime change, not revolution from the barrel of a gun.

We also need to talk to them very specifically about how such revolutions succeed. We should greatly expand our support for private radio and television broadcasters, both here and in Europe, and we need to get serious about using our own broadcasts as revolutionary instruments. We are not competing for market share, and we are not in the entertainment business; we should be broadcasting interviews with successful revolutionaries from other countries, and we should be broadcasting conversations with experts on non-violent revolution. The Iranians need to see, in detail, what works and what does not. They need to see and hear the experiences of their revolutionary comrades.

We also need to provide them with the wherewithal for two vitally important revolutionary actions: build resources for a strike fund, and get them modern instruments of communication. The strike fund speaks for itself: workers need to be able to walk off the job, above all the oil fields and the textile and transportation sectors, and know they will be able to feed their families for several weeks.

The instruments of communication include servers, laptops, satellite and cell phones and phone cards. The regime has been more effective in identifying and repressing nation-wide communications among dissidents. They have been less effective quashing local networks. We should accordingly provide the local networks advanced technology in order for them to better communicate between cities and regions.

LEADERSHIP IN WASHINGTON

There is much that is praiseworthy in the Iran Freedom Support Act. I think it can be improved by more openly embracing a policy of regime change in Iran, and allocating an adequate budget to demonstrate our seriousness in this endeavor. I know some members would prefer to dance around the explicit declaration of regime change as the policy of this country, but anyone looking closely at the language and content of the Iran Freedom Support Act, and its close relative in the Senate, can clearly see that that is in fact the essence of the matter. You can't have freedom in Iran without bringing down the mullahs.

I heartily endorse the suggestion that the President appoint someone responsible for our Iran policy, and who will advise the president and report to the Congress. The choice of that person is important, because the Iranians will be encouraged by someone who they believe to be firmly on their side, while they will be discouraged by someone who has participated in the failed efforts to formulate a serious Iran policy.

Mr. Chairman, I hope these thoughts will be useful to you and your colleagues in your deliberations. I believe this is the most important question we face in the Middle East, and in the war against terror. I wish you wisdom, patience, and good humor in your labors.

Mr. LEACH. Thank you, Dr. Ledeen.

Mr. Milhollin?

STATEMENT OF MR. GARY MILHOLLIN, WISCONSIN PROJECT ON NUCLEAR ARMS CONTROL

Mr. MILHOLLIN. Thank you very much. I am grateful for the opportunity to discuss today the steps that we, the United States, might take next to deal with Iran's nuclear efforts.

As the Committee knows, the dispute with Iran has now reached a turning point. The Iranians have resumed research that will enable Iran eventually to produce fuel for nuclear weapons, and Iran has also announced that it will start installing a cascade of 3,000 machines late this year.

That many machines operating successfully will produce or could produce enough enriched uranium for one or two bombs per year—actually two or three bombs per year according to my calculations—so we are looking at a ticking clock.

It is very important for us to formulate a policy that is going to have some beneficial effect within the time we have remaining. That means that we have to start acting as if stopping the bomb

in Iran is truly at the top of our priority list, which I do not think we are doing at this time.

Putting Iran first would mean a number of things. It would mean first that we would have to start figuring out how to get sanctions in place at the UN in time for them to work in the time we have remaining.

Second, it would mean putting on hold this strategic partnership with India that is now being considered until the Iran crisis is over, or at least that long.

Third, it would mean telling the Government of Dubai that it must stop serving as a smuggling hub for Iran and Pakistan if it wants to operate an American port.

These questions are all being treated separately by the media, but in fact they are all related. First let us look at sanctions. I think we are looking at a 4- or 5-year timeframe for an Iranian nuclear weapon. We are also looking at an incremental process at the UN planned by our Government that is going to consist of first exhortations, then deadlines, then debates on what to do when the deadlines expire.

This is a sound strategy, but it cannot drag on long enough so that the Iranians have time to get most of the way to the bomb before sanctions are actually adopted.

If we adopt sanctions, what kind of sanctions should we ask for first? The simplest and perhaps most effective sanction to ask for first would be to suspend the sale of any nuclear item, including dual-use items, to Iran and to suspend the sale of any military or military dual-use item to Iran.

Iran is now in violation of its obligations. It is up to the world. The world, it seems to me, has an obligation not to facilitate Iran's nuclear missile, chemical, biological efforts, and that should be a position taken as soon as possible. It would stop Russian aid to the Bushehr reactor. It would stop the kind of dual-use equipment being imported that the IAEA is still looking for in Iran and that Iran has not really accounted for.

Unfortunately, to get this kind of a sanction in place there is a hitch. These sensitive items are exactly what the United States now wants to sell to India under the new India deal, so in order to cut off these exports to Iran our diplomats are going to have to convince the rest of the world that we should, at the same time, be allowed to sell the same things to India.

I think this is going to be a difficult task, and it is one that we do not need to put on ourselves, so rather than face the prospect that India and China can then ask us basically for the same kind of treatment for Iran that we are asking the rest of the world for for India, we should just shelve this deal.

There is another downside to the India deal, and that is that it bolsters hardliners in Iran who favor nuclear weapons. This group believes that such weapons are in the country's interest and that developing them will bring only limited short-term penalties. They can argue now, in light of the India deal, that they are proved right.

Once a country succeeds in getting the bomb, the lesson is that the United States will give up on sanctions and pursue its interest

in trade. That is exactly what we are trying to get China and Russia not to do with respect to Iran.

Sanctions also need to be implemented. If there are countries willing to flout sanctions in the world, it does not matter whether we have sanctions or not. These countries include not only those whose firms are supplying Iran directly, but countries who are serving as retransfer points, which brings us to Dubai.

For decades Dubai has served as one of the main, if not the main, nuclear smuggling hub in the world. India, Pakistan and Iran have all fueled their nuclear programs through Dubai, and this activity did not cease after September 11.

In October 2003, Emirates Customs officials, over United States protests, allowed 66 high-speed electrical switches ideal for detonating nuclear weapons to go to a Pakistani businessman with ties to the Pakistani military. I have an affidavit signed by a United States official in the Commerce Department, our Commerce Department, which shows that the Director of Customs in Dubai or in the Emirates refused to detain the shipment even despite a specific request by a U.S. Customs agent.

So when we think about the Dubai ports issue we may be focusing on the wrong aspect. I would say that the biggest threat to our security is not what might come through a United States port managed by a Dubai company. The real threat is what is flowing through Dubai's ports to countries that are making nuclear, chemical and biological weapons and missiles.

Once these countries or even a terrorist organization can get what it needs to Dubai and make a bomb with it, it is going to be too late to stop the bomb at our borders. The time to stop the bomb is before somebody can make it into a successful device that can be put into a container.

I would say that Dubai is a present security risk to the United States and that it will not be possible to curb the Iranian program even with sanctions unless Dubai cleans up its act. We need to tell the Government of Dubai that if it wants to be considered for important contracts in this country that it needs to stop being a hub for nuclear smugglers.

I would recommend to this Committee that it ask the State Department formally for a statement whether Dubai has an export record that we would expect a good United States ally to have. That is the question. Does Dubai's export so far justify confidence in that government as a good United States ally and a government we can trust?

The Russian deal has already been discussed. It is in my testimony. I will not go through it.

I would just like to conclude by saying that the overall goal of our policy has to be to persuade Iran that it would be better off without nuclear weapons than with them.

A number of other countries have come to that conclusion recently, so this is not an impossible task. Argentina, Brazil, Libya, Kazakhstan, South Africa, Ukraine and Belarus all decided that they would be better off without the bomb than with it. They decided that their relations with the rest of the world were more beneficial than the costs that they would incur by getting a nuclear weapon.

Everybody wants Iran to make the same decision, but that will not happen unless the cost to Iran is high. So how do we make it high? The answer is not just the United States, but lots of other countries are going to have to make sacrifices.

China and Russia in particular have large trade interests in Iran. We do not want to see higher oil prices throughout the world, but we can at least predict what the cost of such events would be. That is, we can predict to some extent at least the cost of these sanctions.

But who can predict or quantify the cost of an Iranian bomb? Who can tell whether a conflict between Iran and some other country might cause nuclear weapons and nuclear threats to fly back and forth? Who can tell whether Iran might supply a bomb to terrorists or help other countries make one, and who can tell what will happen to the Iranian arsenal if its unpopular government falls, as it probably will some day?

We seem to be faced with a choice between threats we think we can live with and ones we cannot, so if you look at it in this light I would say that sanctions, though expensive, appear to be our best alternative and that we should work hard to get them in place as soon as we can.

[The prepared statement of Mr. Milhollin follows:]

PREPARED STATEMENT OF MR. GARY MILHOLLIN, WISCONSIN PROJECT ON NUCLEAR ARMS CONTROL

I am grateful for the opportunity to appear today to discuss the steps the United States might take next to deal with Iran's nuclear violations.

As the committee knows, the Iranian nuclear dispute has reached a turning point. Iran has rejected efforts by Britain, France and Germany to resolve things diplomatically. It has not accepted Russia's offer to shift Iran's nuclear enrichment work to Russian soil. And it has rejected repeated calls by these four countries, by China, and by the International Atomic Energy Agency to suspend work on uranium enrichment. Instead, Iran resumed research in January that will enable it eventually to produce fuel for nuclear weapons. Iran also announced that it will start installing a cascade of 3,000 centrifuge machines at its commercial enrichment plant late this year. Once that many machines are operating successfully, Iran could enrich enough uranium for two or three bombs per year.

This week, the International Atomic Energy Agency's governing board is debating Iran's nuclear violations once again. Barring a last minute concession by Tehran, the meeting will end with a transfer of Iran's nuclear dossier to the U.N. Security Council. The board has already found Iran in "non-compliance" with its obligations. It is too early to know what the Council will do, but it is not too early to recommend what the United States should do.

I believe that the United States should start acting as if stopping the Iranian bomb were truly at the top of its foreign policy priority list. Putting Iran first would mean moving quickly to start the sanctions process at the United Nations; it would mean shelving the "strategic partnership" deal with India at least until the crisis with Iran is over; and it would mean telling the government of Dubai that it must stop allowing dangerous exports to go to countries like Iran and Pakistan if it wants to operate an American port.

Sanctions require time to work. As we look at a four- or five-year time frame for Iran to achieve weapon capability—which is what many estimates now conclude—sanctions must begin soon in order to have a chance. The process at the Security Council will be incremental. First, exhortations, then deadlines, then debates on what to do when the deadlines are not met. The United States hopes to close the circle in which Iran can move, and to do it slowly, inch by inch, making it tighter and tighter without losing international support, until a mood is created that will support tough sanctions. It will be necessary to show that all steps short of such sanctions have failed before the Council will impose them. This is a sound strategy, but the process must not drag out to the point where Iran is most of the way to the bomb before sanctions can begin to bite.

What sanctions should we ask for? Because Iran is in present violation of its treaty obligations concerning the peaceful use of nuclear energy—meaning that there is no assurance it is not seeking nuclear weapons—it is fair to ask all countries to suspend the sale of any nuclear item, including nuclear dual-use items, to Iran. This would reduce the chance that Iran could continue to fuel with imports what is now seen as an illicit weapon effort. It is also fair to ask all countries to suspend the sale of any military item, including military dual-use items, as well as any item that can be used to make chemical weapons, biological weapons, or missiles. These steps would be simple to implement. There is a direct precedent in the Council's dealings with Iraq. The Council adopted a "trigger list" of military and dual-use items that were controlled for sale to Iraq because of Iraq's treaty violations. That same list could be adopted for Iran. It still exists and can be found on any number of web sites, including my organization's www.IraqWatch.org.

This sanction would stall progress on Iran's Bushehr reactor by cutting off the training and assistance that Russia is now providing, and would stop shipments of Russian fuel to the reactor, which are planned for later this year. It would also cut off further imports of sensitive dual-use items needed to make nuclear weapons—such as those the International Atomic Energy Agency is still trying to track down in Iran. The Agency is asking what Iran did with high-vacuum equipment, electronic drive equipment, power supply equipment, laser equipment, balancing machines, mass spectrometers and fluorine handling equipment. All of these dual-use imports came from other members of the United Nations. All can be used to make nuclear weapons. Under this sanction, it would be illegal to sell such things, and the lack of them would slow down Iran's nuclear progress. It would also stymie Iran's general technological advance. Iran's officials would learn that the bomb has a real cost in valuable infrastructure. The sanction would send a strong signal, and would target what is of greatest concern: Iran's weapon effort.

But there is a hitch. These sensitive nuclear items are exactly what we, the United States, are hoping to sell India under our new nuclear agreement with New Delhi. Yes, strange as it may sound, in order to cut off further nuclear exports to Iran, our diplomats will have to convince the rest of the world to ignore the fact that the United States wants to sell the same things to India, a country that rejected the Nuclear Nonproliferation Treaty and developed nuclear weapons secretly under the guise of a civilian energy program. The details of how the India deal will affect Iran are contained in the findings of a roundtable that my organization conducted recently, which are available on www.IranWatch.org. I would ask that these findings be included in the record of the hearing.

In effect, the United States is asking other exporting countries to bend export rules that the United States sponsored, and that it has followed for decades, to make a special exception for a country—India—that America has now declared to be its friend. Other countries, like Russia and China, can easily ask the same treatment for Iran, which is their friend, and which is supplying them money, gas and oil. Even without the India deal it would have been a stiff challenge to get Russia and China to support meaningful sanctions. With it, the odds are reduced.

The U.S.-India deal also bolsters hardliners in Iran who favor nuclear weapons. This group believes that such weapons are in the country's interest, and that developing them would bring only limited, short-term penalties. They can argue now that the India deal proves them right. Once a country succeeds in getting the bomb, as India has done, the United States will give up on sanctions and pursue its interest in trade. This preference for trade over punishment is what Russia and China are now showing for Iran, and what the United States is trying to get these countries to change. The U.S. posture on India makes this task more difficult.

Thus, if stopping Iran is our first priority, we should shelve the India deal at least until the Iranian nuclear crisis is over. Iranian officials are citing the deal almost every day to argue that the United States cares less about proliferation than about using proliferation rules to support its friends and punish its adversaries. Shelving the deal would prove that this is not true.

I have said above that sanctions need time to work. But they also need to be implemented. If there are countries willing to flout them, it does not matter whether they are adopted or not. Such countries include not only those whose firms have supplied Iran directly, but those that serve as retransfer points.

For the past two decades, Dubai and other points in the United Arab Emirates have been the main hubs in the world for nuclear smuggling. In the 1980's, several shipments of heavy water, a nuclear reactor component, were smuggled from China, Norway and the Soviet Union through Dubai to India, so India could use its energy-producing reactors to create plutonium for nuclear weapons. In the 1990's, companies in Dubai willingly coordinated the notorious smuggling network of Pakistani scientist A. Q. Khan. Through Dubai to Iran were shipped two containers of gas cen-

trifuge parts from Mr. Khan's laboratories for about three million dollars worth of U.A.E. currency. Also in the 1990's, a Dubai company attempted to violate U.S. export control laws by shipping Iran a material useful for manufacturing ingredients for nerve gas, and the German government listed six firms in Dubai as front companies for Iranian efforts to import arms and nuclear technology.

This activity did not cease after September 11, 2001. In October 2003, Emirates customs officials, over U.S. protests, allowed 66 high-speed electrical switches ideal for detonating nuclear weapons to be sent to a Pakistani businessman with ties to the Pakistani military. An affidavit, signed by an official in the U.S. Department of Commerce, shows that the director of customs in the Emirates refused to detain the shipment despite a specific request by one of the Department's agents.

Dubai's export behavior reveals an important fact: we may be debating the wrong issue in the Dubai Ports World dispute. The biggest threat to our security is not what might come through a U.S. port managed by a Dubai company. The real threat is in what is flowing through Dubai's ports to countries that are making nuclear and other weapons of mass destruction. Once these countries, or even a terrorist organization, get what they need through Dubai and are able to make bombs, it will be too late to stop the bombs at our ports regardless of who is in charge. The time to stop the bomb is well before the point where someone can put it into a container.

Thus, Dubai is a security risk. Iran imports large quantities of goods through Dubai and Dubai is a revolving door. It will not be possible to curb Iran's nuclear imports unless Dubai cleans up its act. To encourage it to do so, its government should be told that before being allowed to manage an American port terminal, it needs to have effective export controls. I recommend that this committee request that Dubai's export control record be made part of the 45-day review, and I also recommend that the committee ask the U.S. State Department to state formally whether Dubai's export control record thus far has been satisfactory.

In addition to these points, it is worthwhile to say a few words about the latest Russian offer, which is to enrich uranium for Iran on Russian soil. The offer is stirring up debate this week in Vienna, and it is seen by some as a way out of the crisis. The key question about the offer is what it would allow Iran to do at home, not what it would allow Russia to do in Russia.

Under the deal, Russia would enrich in Russia all the uranium Iran will need for reactor fuel. Thus, Iran would not have to build a large uranium enrichment plant, which many fear could be converted to large-scale bomb making. Iran has insisted, however, that it be allowed to continue its nuclear "research." That research, which includes uranium enrichment on a small scale, will confer one day the ability to make a handful of nuclear weapons.

The Russians were saying "no" to the research until a few days ago, when they apparently decided to try at the last minute to rescue Iran from the Security Council. Now the Russians would allow Iran to continue the research, a cave-in that the United States opposes. Britain, France and Germany oppose it too. Waffling of this sort by Russia could shatter the coalition of states that is finally working together to restrain Iran. Countries are torn between the desire to escape a confrontation, and the fear that Iran would not be adequately contained.

The United States must hold out for a solution as near as possible to the one Libya accepted in 2003. Libya allowed everything useful for enriching uranium to be boxed up and carted out of the country. It also answered all questions about its nuclear past and revealed the names of its shady suppliers, allowing the West to counter the nuclear smuggling network run by A. Q. Khan. Only great pressure from the Security Council is likely to force Iran to accept a similar agreement.

The overall goal of our policy must be to persuade Iran that it will be better off without nuclear weapons than it will be with them. That is, that the cost of a weapon is greater than the benefit. A number of other countries have been so persuaded. They include, most recently, Argentina, Brazil, Libya, Kazakhstan, South Africa, Ukraine and Belarus. All of these countries decided that the cost to them in their relations with the rest of the world was greater than any benefit the bomb could confer. We want—virtually the whole world wants—Iran to make the same decision. But that won't happen unless the cost to Iran is made sufficiently high.

To make it high, other countries too will have to suffer. China is on the brink of signing an oil and natural gas deal with Iran worth tens of billions of dollars. Russia just agreed to sell Iran $700 million worth of surface-to-air missiles, which Iran says will protect its nuclear sites. This arms deal is in addition to Russia's work on the Bushehr reactor, now valued at $1 billion. When China and Russia vote on Iran sanctions, these economic stakes will weigh in the balance.

There is no doubt that sanctions will be costly. The entire world could see higher energy prices. But at least we can make a rough prediction of what the cost could be. Who, however, can quantify the cost of an Iranian bomb? Who can tell if a con-

flict between Iran and some other country might cause nuclear threats—or even nuclear weapons—to fly back and forth? Who can tell whether Iran might supply a bomb or the means to make one to a terrorist group? And who can tell what would happen to Iran's arsenal if its unpopular government falls, as it surely will one day?

We seem to be faced with a choice between the threats that we think we can live with, and the ones we think we can't. Seen in this light, sanctions, though expensive, appear to be the best alternative.

Mr. LEACH. Thank you, Mr. Milhollin.

Dr. Samii?

STATEMENT OF ABBAS WILLIAM SAMII, PH.D., RADIO FREE EUROPE/RADIO LIBERTY

Mr. SAMII. Thank you, sir, for giving me this opportunity to speak today. The views I express today are solely my own and not those of Radio Free Europe/Radio Liberty.

Coming after younger Iranian, hardliners dominated the 2003 municipal council elections and the 2004 Parliamentary contest. The victory of Mahmud Ahmadi-Nejad in the 2005 Presidential race represented a seemingly unstoppable political juggernaut, yet within weeks of Ahmadi-Nejad's inauguration the legislature demonstrated that it would not be a rubberstamp by rejecting four of his cabinet nominees.

In the following months, the legislature expressed its dissatisfaction with many of Ahmadi-Nejad's personnel appointments, his economic measures and his annual budget. Meanwhile, Tehran also finds itself dealing with ethnic disturbances in the northwest, the southwest and the southeast.

Ahmadi-Nejad's international political initiatives—his call for the destruction of Israel and the United States, his denial of the Holocaust and his administration's obstinency on the nuclear issue—also earned a great deal of criticism at home. These aspects of Iranian politics have implications that are relevant to our discussion today about United States policy, and they shed light on cleavages in the Iranian body politic that are open to exploitation.

Now, early on last summer Iranian officials held a meeting at which they tried to indicate that, regardless of who the President is, who is elected, they are all united on their nuclear policy, but the President's diplomatic gaffes have already caused concern at home, and as Iran faces isolation over the nuclear issue, some officials are suggesting that it is time to engage with the United States.

Iran's leading officials and political figures are united in the desire to master the peaceful use of nuclear energy, but there is much less unity over Tehran's diplomatic efforts. After the IAEA governing board voted to report Iran to the UN Security Council in early February, the Iranian Government issued an advisory saying the media must not portray it as unsuccessful or say that the country suffered a loss.

Warning against discouraging the Iranian people, the advisory called for stories that avoid stirring fear or worry and that in no way suggest diplomatic efforts had reached a dead end. That advisory was not very effective, and soon thereafter officials stepped up their criticism of the government's diplomatic efforts.

By early March, as the nuclear crisis worsened and negotiations with Russia and Europe fell through, more voices suggested that

it is time to engage directly with the United States. One member of Parliament said that Iran may as well get rid of the middlemen, i.e. the Europeans and Russia, and speak directly with Washington. He also explained that the Europeans and Russians are just exploiting the lack of negotiating alternatives.

Another member of the legislature, using the terminology that we are all quite familiar with, said, "It is better to negotiate with the great Satan than with little Satans." He explained that Moscow is acting as Washington's proxy anyway, so we may as well deal directly with Washington.

Now, there are a number of internal Iranian disputes taking place as well, and these also show the weaknesses that Ahmadi-Nejad has encountered. His new cabinet members had a great deal of trouble getting confirmed. His appointment of provincial officials has met opposition from the legislature and from local officials. His annual budget has met resistance for a variety of reasons, and then there are the ethnic cleavages and ethnic clashes that I mentioned earlier.

We are familiar with the bombings in southwestern Iran where most of the oil comes from. Ethnic groups there are demanding their constitutionally specified rights. Kurdish activists in the northwest have been rounded up and executed by the government. Others have been imprisoned. Demonstrators have been shot down by the security forces. These have led to complaints from actual members of Parliament who are Kurds asking President Ahmadi-Nejad to do something and provide answers.

Obviously there has been a lack of unity in the Iranian Government on the wisdom of engaging with the United States, and at times this issue has been used against people in sort of continuing political disputes.

Contact with the United States continues to be a sensitive topic. As Mr. Burns said earlier, there are channels for interaction—the Swiss channel, the Algerian channel—and then on country-specific issues the Embassies in Baghdad and Afghanistan.

Anything but the most overt hostility can create a backlash. I believe that if the current trend continues though with Iran's isolation increasing and with Mr. Ahmadi-Nejad's political position weakening, it may be Tehran that initiates the negotiations.

Thank you.

[The prepared statement of Mr. Samii follows:]

PREPARED STATEMENT OF ABBAS WILLIAM SAMII, PH.D., RADIO FREE EUROPE/RADIO LIBERTY

IRANIANS CONSIDER REACHING OUT TO U.S.

Coming after younger Iranian hardliners dominated the 2003 municipal council elections and the 2004 parliamentary contest, the victory of Mahmud Ahmadinejad in the 2005 presidential race represented a seemingly unstoppable political juggernaut. Yet within weeks of Ahmadinejad's inauguration, the legislature demonstrated that it would not be a rubberstamp by rejecting four of his cabinet nominees. In the following months, the legislature expressed its dissatisfaction with many of Ahmadinejad's personnel appointments, his economic measures, and his annual budget. Tehran also finds itself dealing with ethnic disturbances in the northwest and southwest. Ahmadinejad's international political initiatives—his call for the destruction of Israel and the United States, his denial of the Holocaust, and his administration's obstinacy on the nuclear issue—also earned a great deal of criticism at home. These aspects of Iranian politics have implications that are relevant

to our discussion today about U.S. policy, and they shed light on cleavages in the Iranian body politic.

A lack of diplomatic unity

Shortly before Ahmadinejad's inauguration, state news agencies made much of a meeting between the president-elect and his predecessors—Mohammad Khatami, Ali-Akbar Hashemi-Rafsanjani, Ali Khamenei, and Prime Minister Mir-Hussein Musavi—to discuss nuclear policy (*Sharq*, 27 July 2005). The purpose of this was to show that regardless of elections, the country remains united on this issue. In practical terms, furthermore, nuclear decision-making in Iran is a consensual matter with input from the regime's top officials, so the president cannot change policy unilaterally.

The president's diplomatic gaffes, however, have caused concern at home. And as Iran faces isolation over the nuclear issue, some officials are suggesting that it is time to engage with the United States. The chairman of the Expediency Council, Ayatollah Ali-Akbar Hashemi-Rafsanjani, said Iran should talk with its opponents—which he identified as "America, Europe, and others"—and achieve trust (Iranian state radio, 30 September 2005). "I would like to let the [Iranian] managers in this sector know that here you need diplomacy and not slogans," he said. Hashemi-Rafsanjani called for prudence, patience, and wisdom, while avoiding provocations. He said this issue must be resolved while protecting Iran's rights. The legislature's reformist minority met with Hashemi-Rafsanjani in late January and urged him to step in (*Sharq*, 1 February 2006).

Reformist legislator Mohammad Reza Tabesh said the Ahmadinejad government has failed to adequately conduct talks with the EU–3 (France, Germany, and the United Kingdom), and he urged the return of Iran's former negotiators (Radio Farda, 10 October 2005). Referring to the personnel brought in by Ahmadinejad, legislator Hussein Afarideh spoke out against the "mistaken measure" of a "hasty" reshuffle of the negotiating team (Radio Farda, 10 October 2005). The reformist *Sharq* newspaper commented that Ahmadinejad's eastward-oriented foreign policy has proven to be ineffective, and it recommended the creation of a "crisis-diplomacy team" (2 October 2005). The hardline *Resalat* daily called for the creation of a foreign-policy think tank to find a way out for Iran (29 September 2005).

Or a diplomatic crisis?

Iran's leading officials and political figures are united in the desire to master the peaceful use of nuclear energy, but there is much less unity over Tehran's diplomatic efforts. After the International Atomic Energy Agency's governing board voted to report Iran to the United Nations Security Council in early February, the Iranian government issued an advisory saying the media must not portray it as unsuccessful or say that the country suffered a loss. Warning against discouraging the Iranian people, the advisory called for stories that avoid stirring fear or worry, and that in no way suggest diplomatic efforts had reached a dead end. The advisory did not have much of an effect.

Hojatoleslam Hassan Rohani, who was secretary of the Supreme National Security Council for 16 years and who still serves on the council as a representative of Supreme Leader Ayatollah Ali Khamenei, was for some time Iran's top nuclear negotiator. He made it clear at a speech in Tehran that he is unimpressed. "Shouting alone will not help us to achieve our goals," he said (Iranian Students News Agency, 9 February 2006). "To stand up to our enemies, we need a multidimensional, proactive and dynamic strategy." Rohani recommended widening Iran's "circle of consultants"—in other words, bringing in people with better experience, diplomatic skills, and negotiating abilities.

An earlier speech by Rohani to a governmental body, in which he described the nuclear program and related negotiations in great detail, recently has been interpreted by some experts as a questioning of the value of the nuclear program (*Rahbord*, 30 September 2005). In light of Rohani's close and lengthy involvement with the issue and the forum in which the speech was made, as well as the content of the actual speech, this seems unlikely.

Other commentators recommended the involvement of seasoned politicians who inspire greater confidence internationally, such as Hashemi-Rafsanjani, Khatami, Rohani, and former parliamentary speaker Mehdi Karrubi.

By early March, as the nuclear crisis worsened and negotiations with Russia and Europe fell through, more voices suggested that it is time to engage directly with the United States. Kazem Jalali, rapporteur of the legislature's National Security and Foreign Policy Committee, said Iran might as well eliminate the intermediaries and negotiate directly with the U.S. (*Aftab-i Yazd*, 2 March 2006). He explained that both the Europeans and the Russians appear to be acting in line with U.S. desires,

and furthermore, they are taking advantage of the lack of alternatives to improve their negotiating position.

"It is better to negotiate with the Great Satan than with little Satans," National Security and Foreign Policy Committee member Ali Zadsar said (*Aftab-i Yazd*, 5 March 2006). He explained that Moscow is acting as Washington's proxy, and history has proven that the Russians are more treacherous than the Americans.

Creating a new elite

Internal Iranian disputes over the conduct of foreign affairs see little exposure in the West. Instead, one hears the rhetoric of angry clerics and enraged politicians as they fume about imagined Western efforts to retard the country's development and deny them their rights. The Iranian government strives to portray a united facade on all issues. In reality, President Ahmadinejad was in office for less than a month when he ran into his first serious roadblock, and the pressure has never really subsided.

Ahmadinejad chaired the first session of his new cabinet in the northeastern city of Mashhad at the shrine of Imam Reza, saying "We have come to such a holy place to be inspired before rendering services to the nation" (Islamic Republic News Agency, 25 August 2005). It seemed a good time for inspiration, because one day earlier the legislature had rejected four of the 21 people he had nominated for cabinet seats.

During his campaign Ahmadinejad promised to bring new faces into the country's leadership, and it was obvious when he introduced his cabinet that a new generation of Iranians was taking the reins. Ahmadinejad was 48, and the average age of the proposed ministers was 48 1/2. Moreover, five ministers served with the Islamic Revolution Guards Corps, and several others were veterans of the 1980–88 Iran-Iraq War. The clerics in his cabinet had extremely hardline backgrounds.

Yet conflicts over the cabinet choices surfaced among the conservative political parties even before the early-August inauguration. The initial conflicts related mainly to younger and more radical conservatives versus older and more traditional ones, and the direction they believed the government should take. There also were disputes within the group that backed Ahmadinejad's presidential bid, and these mainly related to the desire for cabinet positions. When the nominees were debated, legislators expressed concern over their lack of qualifications, and even among those who were approved there were objections to their backgrounds in security institutions. Three ministers were approved the next month, but it was not until December that the petroleum ministry nominee was approved.

Ahmadinejad also vowed to decentralize government operations and give greater power to the provinces, and he pledged to appoint provincial officials only after consulting with legislators and local Friday Prayer leaders. It later became clear that such consultations were only token efforts, and he mostly appointed individuals with backgrounds in the intelligence and security institutions. Other appointees were presidential cronies with shared professional links or an affinity for unorthodox religious beliefs. Several legislators submitted their resignations over this matter in September, and there was renewed controversy in February, when it was announced that all but one of the country's provincial governors-general had been replaced.

Political calculation and strategy has as much to do with these appointments as cronyism does. The new officials could stay in place for at least eight years—the length of two presidential terms. The new officials could have a profound influence on voting for members of the Assembly of Experts (2006 and 2014), legislature (2008 and 2012), executive branch (2009 and 2013), and municipal councils (2007 and 2011). Moreover, officials with a background in the Revolutionary Guards are more likely to use force to deal with civil unrest, and they would be more willing to implement martial law should there be a crisis. Another implication is that the appointments are a payoff for the support the Guards Corp and the Basij militia gave Ahmadinejad during the election.

The annual budget—which was introduced in mid-January—is another area in which Ahmadinejad has encountered resistance from right-wing and left-wing parliamentarians. They are critical of the attention given to religious institutions that fit the president's conservative preferences. Another concern relates to excessive dependence on oil as the only source of revenue—something that they say could have an inflationary effect. Some also argue that the government is basing its figures on an unreasonably high price for oil—$40 a barrel. This latter figure was adjusted downward, and on 2 March the general outline of the budget won approval

When he introduced the budget, Ahmadinejad said spending in the provinces would increase by 180 percent, adding that he is trying to move jobs from the center to the periphery, and he emphasized rural development. However, several parliamentarians complained about inattention to real needs, such as poverty-reduction

projects and infrastructure, and more than 100 parliamentarians threatened to hold a sit-in (*Sharq*, 18 January 2006). A legislator from Gilan Province in the north complained that insufficient funds have been allocated to build dams and water-supply projects, and 6,000 families do not have access to running water, electricity, or good roads (Iraj Nadimi, cited by *Gilan-i Imruz*, 21 January 2006).

Ethnic cleavages

Iran's population of roughly 69 million people includes sizable minority groups—Azeris (24 percent), Kurds (7 percent), Arabs (3 percent), Baluchis (2 percent), and Turkmen (2 percent). There are almost 100 independent tribes throughout the country, according to a 1987 census, and a 1998 census says there are 1.3 million tribesmen. There is greater religious homogeneity—the state religion is Shia Islam and is practiced by 89 percent of the population, 9 percent of the population practices Sunni Islam, and the remaining 2 percent of the population is Bahai, Christian, Jewish, and Zoroastrian. There is some overlap between ethnic and religious minority status. Iran's northwestern provinces are heavily populated by Kurds, 75 percent of whom are Sunni, and the southeast is heavily populated by Baluchis, most of whom are Sunni.

In the last year there have been numerous ethnic clashes. None of these incidents threaten the unity of the state or Iran's territorial integrity, and for the most part, ethnic activists mostly call for the realization of constitutionally guaranteed rights rather than separatism. Nevertheless, they are a continuing irritant to the regime.

There have been several bombings in the oil-rich Khuzestan Province in the southwest. Tehran has pinned the blame on the United Kingdom, and on 2 March 2006 two alleged bombers were executed after their confessions were broadcast on state television. Ethnic Arabs cited by local newspapers often complain that although much of the country's oil wealth comes from this area, they do not benefit from it, and they note underdevelopment, discrimination in securing jobs, and poor educational opportunities

Kurdish activists in the northwest reportedly have encountered greater difficulties. Two were executed in September, three Kurdish journalists were imprisoned in October, and the killing of a young Kurd in Mahabad in November led to a riot (Radio Farda, 6 September 2005; ILNA, 3 October 2005; Radio Farda, 20 November 2005). Security forces killed some eight people when they shot at Kurdish demonstrators in Maku in February, prompting a demonstration in Tehran (ILNA, 21 February 2006). Nine Kurdish parliamentarians protested to President Mahmud Ahmadinejad about this last incident (ILNA, 4 March 2006). The legislators' letter said vigilantes attacked the demonstrators, killing and injuring 35 of them. Many others were arrested and are imprisoned. Who is responsible for "these crimes," the letter asked, and what government agency authorized such actions? "Why must some people use government resources and equipment to settle ethnic scores and to subject the Kurdish inhabitants of the town to such a merciless killing?"

An opening borne of weakness

There has long been an absence of unity in government circles regarding relations with the U.S. In 1979, there were disagreements pitting revolutionary leader Ayatollah Ruhollah Khomeini and his Islamist entourage against secular nationalists connected with the National Front and the Liberation Movement of Iran. Contacts with the U.S., however, led to the downfall of the Provisional Government of Mehdi Bazargan. The Islamists and the student activists who seized the U.S. Embassy in 1979, furthermore, used evidence of such contacts against their political adversaries.

Contacts with the U.S. continue to be a sensitive topic in Iranian politics. Such contacts start out in secret, but with some inevitability they see the light of day and are then wielded as a weapon against one's opponents. The exposure of secret Iran-U.S. contacts led to the Iran-Contra affair in the late 1980s, for example, and in the early part of this decade alleged contacts between Iranian and American representatives on Cyprus led to a political uproar.

Anything but the most overt hostility can engender a backlash. When then-President Mohammad Khatami expressed regret over the hostage crisis and invited Americans for cultural and educational exchanges in January 1998, the hardline media criticized him heavily. It is fairly certain that Khatami would not have made such comments without the Supreme Leader's approval beforehand, but Khamenei was forced to say that he still sees the U.S. as "the enemy of the Islamic Republic."

This may explain the statement by Foreign Ministry spokesman Hamid Reza Assefi two days ago, when he described the circumstances under which Iran will consider negotiations with the U.S. He said, "What we are saying is that if America abandons its threats and creates a positive atmosphere in which it does not seek

to influence the process of negotiations by imposing preconditions, then there will be no impediment to negotiations" (*Farhang-i Ashti*, 6 March 2006).

If current trends continue, with Iran's isolation increasing and with its hardline president getting weaker, it may be Tehran that initiates the negotiations.

Mr. LEACH. Thank you very much.

Mr. Hyde, do you wish to speak or ask any questions?

[No response.]

Mr. LEACH. Okay. Mr. Royce?

Mr. ROYCE. Thank you. I would like to ask a question, Dr. Samii, of you and of Dr. Ledeen.

What it goes to is the fact that after the Cold War was over many of us were interested in how people were weaned off of a belief in a totalitarian system and brought to the belief that democracy and freedom represented an answer.

In listening to speeches by Baklov Havlov and Lech Walesa, they laid out how this happened in Eastern Europe. By debriefing former enthusiasts for a totalitarian system, we found out the thought process that went through their minds as they listened to Radio Free Europe/Radio Liberty about what was actually going on inside their country, about the repression, but then as they were also introduced to concepts foreign alien maybe to the teachings of their youth—tolerance, political pluralism, the very concepts of freedom, market economy—I wonder how much of this kind of education goes on in Iran.

Given the fact that upwards of 70 some percent of the youth already seem to feel the oppressiveness of being under the control of the mullahs and not having the freedom, not even having the opportunity, and I think this is key, the opportunity to go out and find gainful employment because of the command/control economy, because of the nature in which the licensing is all done through those who are well connected. There is not a market there that gives people the ability.

If we were to look at the lessons learned in Russia and in the East Bloc, what type of programming would we be doing, and what types of support would we be giving? You say the ingenious ways in which the Reagan Administration was able to give support in the East Bloc to groups that wanted freedom from solidarity throughout. How would we be going about this, if I could ask you both?

Mr. SAMII. I have to be sort of careful what I say about broadcast activities per se, but——

Mr. ROYCE. If you would like to defer on that point I could have Dr. Ledeen or others answer that.

Mr. SAMII. No. I can go to it. First of all, the regime controls most of the educational system, and there is no private media in Iran.

The Iranian people do not buy everything the regime tells them. They therefore go to the Internet. The listen to radio. Radio Farda is very popular. It is one of the most trusted news sources for Iranians, and of course there is the popularity of satellite TV. These are venues that can be used, should be used, and it is things that people trust and listen to.

Clearly they do not buy everything the regime tells them, but when the regime is able to monopolize to a great extent the infor-

mation sources it will continue to hold a great sway over public attitudes.

Mr. ROYCE. Dr. Ledeen?

Mr. LEDEEN. Thank you, Congressman Royce. In terms of what kind of support we need to get to them, I tried to indicate that in my summary. It is at somewhat greater length in my prepared testimony.

I like very much your model of the Cold War. I view Iran in that context. I was involved in designing policy for getting help to dissident groups in the Soviet empire during the Cold War. It turned out to be much easier than anybody thought it would be, as it turned out to be much easier than anybody thought it would be to bring down that regime.

I mean, we need to remind ourselves constantly. People are unduly pessimistic about the great revolutionary force of the American example and of American action. When America moves, the entire world shakes. What is important is that we move successfully and rationally and that we time our motions to our policies.

In terms of broadcasting, I think that in many ways Farda has been an improvement from what we had before. Iranians do tend to like it. It is still not clear to me how many of them actually get to listen to it.

I am alarmed when I hear stories from time to time that people want to do more television and less radio because I think to watch television is dangerous for an Iranian, whereas to listen to the radio is easy. You can have a portable radio with you almost any place. To get satellite television you have to put a dish on your roof, and they will know it and they can come after you.

I think basically Iran is a place where the revolution of the spirit against this kind of theocratic fascism has already taken place.

Mr. ROYCE. Thank you.

Mr. LEDEEN. They do not like it. They want to be free. It is a country which has a long tradition of self-government and constitution writing and a long tradition of revolutions. They had three revolutions in the 20th century alone.

Mr. ROYCE. Thank you, Dr. Ledeen. Thank you, Dr. Samii. Thank you, panel.

Mr. LEACH. Mr. Berman?

Mr. BERMAN. Thank you, Mr. Chairman.

Dr. Ledeen, am I correct in assuming that your analysis of Iran and the Islamic Republic of Iran would have been the same if Khatami were still the President in terms of its resolve to take on the United States, the West?

The change in the office of President is not what has forced or compelled your analysis?

Mr. LEDEEN. Right. I think it has been like this for 27 years with whatever President.

Mr. BERMAN. Right. I mean, I am struck by your notion that sanctions, all this other stuff, is less important than focusing on fundamentally inspiring, in your words, a nonviolent democratic revolution in Iran, and part of your central argument for why that can work is look what happened to the Soviet Union.

There is something about what happened in the Soviet Union, and not anybody except maybe Daniel Moynahan and you predicted

it, but what happened in the Soviet Union was a country whose leaders had a certain level of rationality. While Marxism may have been a religion, it did not lead to suicide bombings and sort of what matters in this life is not that important.

It had a change of leaders that opened up the space a little more. It had people who stood on tanks and sort of kept the military from using its force to keep the old guard in power.

Why is it going to happen like that in Iran? I hear about Ahmadi-Nejad and the Republic Guard. We know about the sort of religious nature of how they see the United States in the west. Why is the brute force of an authoritarian state not going to come down on the forces that would create this democratic revolution so viciously that it will be aborted in its tracks?

Before my time expires, I am curious. After you answer that, Dr. Hulsman spun out how every option was bad, but he did not address your option particularly as opposed to the option that involves force or strikes and all that would happen in terms of democracy promotion, potential toppling of neighboring regimes, the total mess and chaos that might follow from that. You did not address this focus on internal democratic nonviolent revolution and how that would play in the larger area.

Thank you both. Dr. Ledeen?

Mr. LEDEEN. Thank you, Congressman. Obviously we could spend days discussing your question. It is not an easy question and the answer may be complicated, but I think it can be reduced to a very short answer and that is that at the end of the day if you put a million Iranians in the public square of Tehran, Ifsahan, Tapris and Shiraz chanting out, out, out, the revolutionary guards and the regular army are not going to open fire on a million of their own sisters and brothers.

The regime knows that, and we can prove that by looking at the way the regime behaves. Look at what they did in Husistan. There are many other cases. They are afraid because they do not trust even the revolutionary guards who are supposed to be the most fanatic and the most loyal or even the besiege, for example. They do not use them. They use them less and less for these purposes, and that is because they do not trust them.

They know that every time some normal citizen walks down the main street in Tehran and looks up at a lamppost they are asking themselves how many mullahs could I hang from this lamppost. They know that people with turbans in the streets of the major cities, in order to get a taxicab, have to take off their religious garments and pretend to be a normal person because otherwise the taxi is not going to pick them up. They know their people hate them. They know the clock is ticking. That is why they are shipping out all these billions of dollars.

There is Dubai again. If you want to see just how insecure that regime is just ask our friends in Dubai how much money has come in in the last couple years. They know they are coming down. In many ways I think some of them are surprised they are still there.

It is the same sort of thing. They know they are illegitimate. They know their people have contempt for them, and that at the end of the day is what brought down the Soviet Union, but the Soviet Union was catalyzed by a great Western leader, by many great

Western leaders, who spoke to them and said do not be afraid. Bring it down.

We have not said that to the Iranians. If you were listening to Secretary Burns and Joseph this morning you will notice that they get right up to it, and they say well, you know, we want the Iranian people to be free. Why do you not just say we want regime change in Iran?

Why are they so afraid to say it? Why is it that for all these years, all these years people have been afraid to come to grips with Iran, which has been all along the central issue in the Middle East. You cannot get at any of the so-called important questions in the Middle East today without going through Iran.

You cannot solve the Israeli Arab question without going through Iran because Iran runs the terrorists. You cannot deal with the security of Iraq. We can never win a defensive war in Iraq as long as the mullahs are in power in Tehran. They cannot let it. They cannot permit that. They have to go all out to drive us out.

Anyway, I do not want to have the multi-day discussion. This is not the right format, but I thank you for your terrific question, and I hope that helps.

Mr. HULSMAN. Yes. Thank you, Congressman Berman. I am writing a book with Anatol Lieven about your one question, and Random House will be delighted that you picked it up. I will send you a copy, but I will get into this on democracy.

I am dubious of all silver bullets. I am dubious of all forms of utopianism. This is what this is to believe this. Russeau ended up in an insane asylum for a reason. I am dubious of the French Revolution which led to Robespierre and the Russian one.

One size does not fit all. Finding one mode of force of history, which surely democracy is, does not mean you solved all the other problems that go with it, and Iran is a great example.

Let me try to go into this. I was listening too to Ambassador Burns and kept wondering if maybe he was going to mention that Iranian polling is totally imprecise. You can find a poll of what you want. You know, let us be honest about that, but they do like their nuclear program.

There is no doubt that in all semi-official polls around 60 to 65 percent of the people favor a nuclear program. Does that mean nuclear weapons? It is not clear, but they surely believe around 80 percent of those polled say they were opposed to halting nuclear activities even if the West or the international community did so, and they still hate the regime.

Mr. BERMAN. But is Iran with a new regime India?

Mr. HULSMAN. They see that, and the comment made by Mr. Milhollin is right to the extent that the Iranians I meet in Europe when I have been doing this Track II thing say we will be India. You will come around. We will have a bad decade, but we will get there in the end. We are a major country. We are a 4,000-year-old civilization.

I have a Classics degree, and people say Themosticles, John, the Athenians. That was us. We will be here, and you will change your mind. I think that is a very important point.

Your democratic point, the primary issue is Persian Nationalism. They are a great power. They are surrounded by American satra-

pies from their point of view. They are surrounded, and I thought Ambassador Burns did a very good job in 3 hours of testimony, but there was one thing he said that was I think patently wrong. Iraq and Afghanistan, if you are a Persian National, are a problem.

You are surrounded by American satrapies. America has made you the dominant power in the Gulf. That was not our intention. Undoubtedly Iran is the dominant power in the Gulf. The Saudis, there are not enough of them. They have their own problems internally. We know the problems with Iraq.

Indeed, who is running Iraq? Jafari, who probably will be the new prime minister, though he is wobbling? Why did he win the Shi'a vote block by one vote? Who put him over the top? The followers of Muqtada Sadr. That is not victory. That is not a democratic outcome I am happy with in any kind of way.

To assume that this is simple, this is easy, one more push and we are there, given what just has happened when Chalabi went around town fooling everyone when he was last in Iraq when the Dodgers played baseball in Brooklyn. I think we have to be a little bit more cunning about this. It is 4,000 years old, and Iranians say, if upstarts like North Korea and Pakistan can have a bomb, why can we not as a significant civilization?

They know that they are part of the axis of evil. They know that we talk that way about them. They know they are on the list, and they are surrounded by American satrapies. You do not have to be a mullah to rationally say, "Gee, if I have a nuclear weapon like Russia you can lecture us and we can do what we want. On the other hand, if you are Saddam, if you are Milosevic, you go to The Hague." That is the lesson of the 1990s. That is a nondemocratic answer to what goes on.

I am not saying democracy promotion does not matter, but it takes longer. It is more complicated than what goes on, and we need to have a tiny bit of humility.

Mr. LEACH. Thank you. That was an extraordinary question and extraordinary answers.

Mr. Delahunt?

Mr. DELAHUNT. It was an extraordinary answer, and I have to say to Dr. Hulsman I thought it was brilliant and I agree with him. Maybe that is why I think it is brilliant because there is no silver bullet. You expressed in your statement the concerns that I have.

Have any of you been to Iran or Tehran? Just you, Dr. Samii?

Mr. SAMII. I lived there for a year when I was a little boy.

Mr. DELAHUNT. The three of you have been there in the last decade?

You know, when I travel and go to a nation, one that particularly has strained relations with the United States, what I hear here and what I see there are just so disparate. It is really good to kick the bricks occasionally.

Dr. Ledeen, I have great respect for you. I am aware of your reputation. I wish it was that easy.

I just think that, Dr. Hulsman, you are correct. I have grave concerns.

Dr. Samii, I really appreciate your testimony. I mean, I was unaware that there is at least some dissent in Iran within the official

organs of that state that there is some unhappiness, if you will, with this President.

I thought what was interesting, and you might have heard what I said earlier on the CRS. You know, the Supreme Leader said it just kind of reeks, that they are getting concerned with this guy. They think he is a wacko out there running around the world, causing them problems. Clearly he has within Iran some support, and I presume his base is very strong and very disciplined.

What I do not want to do here in this Congress is I do not want to unify them because of that Persian nationalism that you refer to. I would like to try to take advantage of the differences that in reality exist within Iran and see our Government design a policy that is not a parlor game.

I do not think that the Secretary was just dismissing it. I am hoping that something is going on where there is considerable thought going through to a strategy that utilizes the kind of distinctions and the realities that you point out, Dr. Samii.

The last thing we need is another Chalabi leading us down the road. You know, a colleague of mine on this side of the aisle said we ought to be grateful to the MEK. I mean, I am reading our own State Department review of this terrorist organization. It mixes Marxism and Islam. It conducted anti-Western attacks prior to the Islamic regime. They supported the takeover.

I mean, there is nothing there that tells me it is anything more than a cult. I mean, we really have to be careful who we get into bed with. The reality is that there is a growing anti-American sentiment. We have all referred, and I think it was you, Mr. Milhollin, about India and Iran. It appears to the rest of the world that we are being hypocritical.

We go into Iraq, and I voted against that because I think it was a significant mistake, but then we end up in bed with Islam Karimov from Uzbekistan and Turkmenbashi from Turkmenistan. You know, how do you reconcile all that in terms of how we generally want to bring the benefits of freedom and liberty and democracy to the rest of the world.

We just send out these messages, and we wonder why the polling data not just in the Middle East, but Latin America and elsewhere, is disturbingly, profoundly disturbingly, bad when it comes to anti-American sentiment that impacts us whether we believe it or not.

Anyone care to comment on my observations?

Mr. LEDEEN. I would like to just say one thing about the notion that I am advocating a silver bullet. I must say that I am profoundly disturbed to hear so many people declare democratic revolution, which is the process by which this country came into existence, and the central instrument of American success in the world in the 20th century as some kind of lunatic strategy.

That is in essence what you are saying, sir, and it is in essence what Dr. Hulsman is saying. It is suggesting that people who advocate it have oversimplified a complicated world and are suggesting a simple solution to complicated questions that cannot be resolved that way.

That is just what you said, Dr. Hulsman. I think those were your words.

I believe in human complexity as much as the next person. I also believe I am an historian, and there are certain moments where certain strategies work and moments where they do not work. I think we are still living through a moment of global democratic revolution where this strategy has been proven exceedingly effective on almost every continent in the world.

It also bothers me morally that we seem very happy to advocate the support for democratic revolutions in countries from Kazakhstan to Georgia to the Ukraine to Lebanon to the Ivory Coast and yet not in Iran where somehow it seems singularly inappropriate and yet in all those countries Iran is the one where empirically you can show the greatest force for it, people ready for it.

Furthermore, the various problems, real problems about the vents of democracy in countries that have never had it, have not experienced it, lack centuries of self-government, Iran is different. Iran has centuries of self-government. Iran has an exemplary constitution from the beginning of the 20th century. Iran does have experience in revolutionary change.

It just seems to me I do not get it. I do not understand it, plus I really do not see what Ahmed Chalabi has to do with any of this. I mean, he is not Iranian. He is not involved. Maybe he played for the Brooklyn Dodgers. I do not know. I mean, nobody is holding up any person as the solution to this kind of thing.

Mr. DELAHUNT. No. I am not talking about him as a solution, although he has had ties with the Iranian regime. According to newspaper reports, there was a question about whether he was providing the Iranians with information that had the potential to impact American military in Iraq. I do not know whatever happened to that, but it was reported.

Mr. LEDEEN. Well, it was false, so that is why you did not hear any more.

Mr. DELAHUNT. Okay.

Mr. LEACH. The gentleman's time has expired.

Mr. MILHOLLIN. Mr. Delahunt, I have a comment if you would like to hear it, but if not that is okay.

Mr. LEACH. Mr. Milhollin, if you can do it in 1 minute. We have a problem. Another hearing was to begin 7 minutes ago here, so if we could go quickly that would be fine.

Mr. MILHOLLIN. Yes. I just have one point to make and that is you asked about silver bullets, international support and that sort of thing.

I think that we have to present to the rest of the world an image of a country that knows what it is doing and has a consistent, coherent overall strategy. We have not done that, and I do not think we are doing it now so that is why I think that we have to see the limits on Iran's programs through export control. We have to deal with India as a detriment to that, and we have to be willing to suffer ourselves from losing sales. We have to ask other people to do that.

There is no way to exert economic or political pressure on Iran without collateral damage to the population. We have to take that risk. We seem not to be able to make a decision on these things, and we present an image of a country that is confused and is stumbling around.

As I said before, I think the clock is ticking. The Iranians are closer probably than we think. There is a lot we do not know about their program and so I just hope that we become focused and effective in the time we have remaining.

Mr. LEACH. Thank you very much.

The gentleman from California, Mr. Royce?

Mr. ROYCE. Mr. Chairman, I will be very brief, but this is just to answer one question.

There is one major United States polling firm that has done an exhaustive poll inside Iran, plus or minus 3.6 on the margin of error. A plurality of adults, 42 percent, says that the Islamic Republic's access to nuclear weapons would add to their anxiety. Only 37 percent of adults indicated that it would not. The rest were unsure or would not respond.

Anxiety over nuclear weapons in the hands of the Islamic Republic increases among younger adults going to 50 percent among 16- to 24-year-olds. It seems to me that if we could effectively communicate one message with public diplomacy it would be to sell the Iranian people on why developing a full nuclear cycle and nuclear weapons is a bad idea. It is expensive, takes away from education dollars.

It is rejected by the world. It would set off a regional arms race. It is environmentally dangerous. Like South Africa is giving it up, it goes against the grain of history. There are themes here.

Lastly, in the poll they asked, as you know, since September 11 the international community has been very worried about the prospects of terrorists obtaining weapons of mass destruction. Do you feel that worry is real? Sixty percent of Iranians say, "Yes, it is."

Those are some of the objective polling data that I just thought I would share, Mr. Chairman. Thank you.

Mr. LEACH. I appreciate that very much.

Mr. Hyde, do you want to make any concluding comments?

Chairman HYDE. I want to thank the panel for their endurance, their patience, but mostly for their scholarship. They have made a serious contribution to a terribly serious problem, and we are just beginning to plunge into it.

I am very grateful for your assistance. Unfortunately for you, we shall meet again. Thank you.

Mr. LEACH. I want to second Mr. Hyde's concluding remarks and simply say as someone who is an advocate of the power of culture, I take quite seriously several of your comments about the need for certain clarity of a purpose as well, and I think they are compelling observations.

Thank you all very much. This has been a very enlightening panel. Thank you.

The hearing is adjourned. In several minutes we will convene a Subcommittee. Thank you.

[Whereupon, at 2:13 p.m. the Committee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE

Mr. Chairman, thank you for convening this important and timely hearing to highlight the ever growing danger posed by the Islamic extremist regime in Iran.

The actions and policies of the Iranian regime, including its support for international terrorism, its efforts to undermine Middle East peace, and its nuclear ambitions, continue to pose a dangerous and immediate threat to the region as well as to the national security, foreign policy, and economy of the United States. Even as alarming, in a statement meant for delivery at the International Atomic Energy Agency's (IAEA) meeting this week, Iran stated ". . . the United States is also susceptible to harm and pain. So if that is the path that the U.S. wishes to choose, let the ball roll."

As we already know, Tehran historically has been emboldened in its efforts to assert its political and military influence with the clear objective to destabilize the Persian Gulf and export Islamic extremism around the world. The mullahs have sought to do this before the democratic forces within Iran, inspired by the example of a free and democratic Iraq, move to liberate themselves from their dictatorship. So that the Iranian citizens can empower themselves in the pursuits of political liberty, freedom of speech, respect for human rights, and economic well-being, the U.S. State Department has invested more than $4 million in Iran. It is important that Iranian political dissidents, human rights activists, and reformers have a forum and network of support to promote their unalienable rights; along with international NGOs, our Department of State is working on developing that network—a network for the free exchange of ideas.

With time running out, pressured by both internal and external factors, Iran's regime has sharpened its confrontational posture towards its neighbors and the West. Iran is significantly involved in the funding of groups whose main goals are to undermine the Middle East peace process and ultimately threaten violent opposition to Israel. The Islamic Republic of Iran has also sought to use covert action to undermine the emerging democracy in Iraq. Furthermore, besides funding the Palestinian Islamic Jihad and Hezbollah, Iran has been linked to al-Qaeda and other fundamentalist groups dedicated to the disruption of democracy throughout the Middle East and elsewhere.

Furthermore, as Chairman of the Western Hemisphere Subcommittee, I closely monitored the recent visit of an Iranian delegation to our hemisphere. I am deeply concerned by the prospect of an alliance comprised of Venezuela, Cuba and a nuclear Iran. Together those countries have only one thing in common: their pure, unadulterated hatred of the United States and the freedom that we represent. An Iran armed with nuclear weapons cozying up to the enemies in our own backyard is indeed a frightening prospect; one which I think is unacceptable.

Under normal circumstances, these aggressive actions by Iran would be disturbing, but in light of Iran's accelerated development of its nuclear capability, in addition to the WMDs it already possesses, these developments should be viewed by the entire international community with extreme alarm.

With seven percent of the world's proven oil reserves and the second largest natural gas reserves on the planet, Iran has absolutely no need for civilian nuclear power. The only reason to pursue civilian nuclear power is to use it as a shield for an illicit nuclear weapons program. And, as the IAEA discovered, over the last 19 years the Iranian regime has been pursuing just that.

The mullahs in Iran need to think very, very strongly about what they are doing. Besides developing weapons of mass destruction, Iran engages in torture, capital punishment for political and religious crimes, and myriad other systematic violations of the fundamental standards of human rights. The civilized world must not and will not allow a terrorist state like Iran to continue with their nuclear weapons programs, and we need to do whatever is necessary to stop them. In order to work out a successful negotiated solution, Iran has to live up to its international obligations and be in compliance with the NPT. We must send a clear message to Iran, and to all other potential proliferators and exporters of terror, that we will not tolerate this behavior, and we will not sit idly by as Iran threatens our Nation, our Allies, our interests, and global security.

As we know, there is no easy way out of the Iranian nuclear dilemma. As we witnessed this past Friday, the EU-led diplomacy has failed once again to persuade Iran to forego its nuclear fuel cycle ambitions; I am hopeful that—within the coming days—the IAEA's 35-nation board will come to a decision that addresses the Iran's ambitions. Terrorist regimes cannot be appeased, so they must be confronted. Congress and the Administration must work together in a spirit of bipartisanship to bring Iran into compliance. It should be the firm policy of the United States, and the world, to restore freedom to the Iranian people.

Once again, Mr. Chairman, I appreciate you convening this hearing, and I look forward to hearing the thoughts and suggestions of our distinguished witnesses.

PREPARED STATEMENT OF THE HONORABLE ILEANA ROS-LEHTINEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

I would like to start by expressing support for the Administration's policy of providing assistance to human rights dissidents and pro-democracy advocates in Iran.

However, merely providing assistance without also taking steps to weaken the regime will fail in achieving U.S. goals of democratic change in Iran.

This means we must undertake the necessary steps to deny the regime the technological, political and economic resources to pursue its threatening policies.

We have seen the consequences of inaction and the results of following a course that relies solely on diplomatic overtures.

Recently, *Jane's Defense Weekly* reports that Iran, with assistance from North Korea, has been pursuing a clandestine program costing hundreds of millions of dollars, to construct underground tunnels to conceal and protect elements of its nuclear program.

Just in the last few months, Iran:

- resumed its nuclear efforts, removing the IAEA seals on uranium conversion plants;
- announced it could successfully use biotechnology for its nuclear program, thereby improving its capacity to build nuclear weapons;
- announced it would provide nuclear technology to other Islamic states;
- called for Israel to be wiped off the map; and
- its Defense Minister said that it is "Iran's absolute right to have access to nuclear arms . . ."

Just this week, in a speech to a meeting of leading Islamic clerics and academics, Iran's former nuclear negotiator boasted:

> "When we were negotiating with the Europeans in Tehran we were still installing some of the equipment at the Isfahan site . . . In reality, by creating a same situation, we could finish Isfahan."

Yet, our policy does not clearly require Iran to permanently and verifiably dismantle and disarm its unconventional weapons program—not just its nuclear pursuits but its biological and chemical weapons efforts as well.

I would like to turn to Iran's state-sponsorship of terror.

This is not a new reality.

It is not limited to recent reports that Iranian-backed terrorists and Iranian-backed weapons are coming into Iraq to kill Americans. General Pace, Chairman of the Joint Chiefs of Staff confirmed yesterday: "There have been some improvised explosive devices and some weapons that are traceable back to Iran."

Iranian attacks against Americans and U.S. interests began over 25 years ago when radicals stormed the U.S. embassy in Tehran, took Americans hostage and held them for 444 days.

Some of these brave Americans are in the audience today and I would like to have them stand to be recognized for their courage.

Yet, to this day, Iran has not paid for this crime.

Failure to do so only served to embolden the enemy to continue its destructive path. We are facing a similar situation with Iran's nuclear pursuits.

It is time to hold Iran accountable for policies that threaten U.S. national security, our interests and our allies.

The legislation I introduced with the distinguished Ranking Member of the Committee, Tom Lantos, and which currently enjoys the support of 345 Members of the House, including over 3/4 of the Members of this Committee seeks to address all of the issues I have mentioned.

I look forward to having it brought before the Committee next Thursday, March 16th, for mark-up and ask for the Administration's cooperation in this endeavor.

PREPARED STATEMENT OF THE HONORABLE MICHAEL MCCAUL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

There is no greater regional or global threat today that the Iranian Nuclear Program. Iran's hard line government has openly defied the international community and moved ahead with its nuclear program. Nuclear non-proliferation is essential to the safety and security of the entire world, and it is especially important to keep nuclear weapons out of the hands of those people that are not afraid to use them.

Since taking office last year, Iran's president has denied that the holocaust ever happened, has sworn to wipe Israel off the face of the earth and promised to attack American citizens all over the world. Iran has continued to improve its ballistic missile program. They have now successfully tested a new generation of the Shihab missile capable of reaching half of Europe. We should not believe that because we are outside the range of Iranian missiles that an Iranian nuclear bomb is not a threat to U.S. soil.

Since the fundamentalist Islamic takeover of Iran, their government has been supporting and building a vast worldwide terrorist network. They have funded the expansion of groups like Hamas and Hezbollah who do not only operate in the Middle East, but also in South America, Central America, and there are even agents within the United States.

In this day and age, when technology exists that can put a bomb in a suitcase; we must be ever more vigilant to protect ourselves from rogue regimes such as Iran. We will use every option available to us at the international level to ensure that the Iranian Mullahs do not complete a nuclear weapon.

MATERIAL SUBMITTED FOR THE RECORD BY MR. GARY MILHOLLIN, WISCONSIN PROJECT ON NUCLEAR ARMS CONTROL

The Impact of U.S.-India Nuclear and Space Cooperation on Iran

Panelists:
John Larrabee
William Lowell
Richard Speier
Sharon Squassoni
Leonard Weiss

Moderators:
Valerie Lincy
Gary Milhollin
Lora Saalman

Introduction

In July 2005, the Bush administration announced an agreement for full civil nuclear cooperation with India, which would have the effect of recognizing India as a de facto nuclear weapon state. The deal, which would also include sharing U.S. space technology with India, is perceived by some as harmful to the battle against the proliferation of mass destruction weapons and long-range missiles. Critics of the deal see it as rewarding a country that developed nuclear weapons secretly by using its civilian energy program as a cover. They worry that the world's ongoing effort to prevent Iran from doing the same will suffer as a result. The timing of the agreement—which comes as the U.N. Security Council prepares to act on Iran's nuclear violations—naturally raises questions about consequences for Iran.

To judge the impact of the U.S.-India agreement on Iran, the Wisconsin Project on Nuclear Arms Control hosted a roundtable discussion in Washington, D.C. on November 30, 2005. Five panelists took up the following questions:

- Could U.S. cooperation with India, a state that has rejected the Nuclear Non-Proliferation Treaty (NPT), undermine efforts to restrain Iran's nuclear program through diplomacy? Could it influence the way Iran perceives the West's commitment to enforcing nonproliferation rules?
- Will U.S. efforts to exempt India from international export controls weaken those controls?
- If so, will Iran have an easier time procuring what it needs to make mass destruction weapons?
- Could the U.S.-India deal be altered so as to mitigate damage to the world's nonproliferation efforts?

The panelists judged that U.S. willingness to change longstanding policy in order to allow nuclear and space cooperation with India weakens nonproliferation norms and export controls at a critical time—as the world attempts to reinforce both vis-à-vis Iran. Such a change in policy is likely to make it easier for Iran to resist international pressure to limit its nuclear effort, and easier for it to import what it needs to improve both its missile and nuclear programs. The risk is high that bending international rules in order to make an exception for India will prompt other countries to seek their own exceptions for countries like Iran. In order to avoid these negative consequences, the panelists judged that the United States should shelve the India deal, at least for now. The panelists also found that there are many ways in which the United States can deepen its relationship with India without sharing sensitive nuclear and space technology.

The five panelists were chosen on the basis of their long experience with export controls and nonproliferation policy. They are John Larrabee, who led missile inspections in Iraq and is a specialist on ballistic missile technology, William Lowell, former director of the U.S. State Department's Office of Defense Trade Controls, who currently works on nonproliferation and export controls for the House International Relations Committee, Richard Speier, an expert in missile technology controls who served more than 20 years in the U.S. government, Sharon Squassoni, a specialist in national defense at the Congressional Research Service, who worked previously as an expert in nuclear proliferation at the Arms Control and Disarmament Agency, and Leonard Weiss, former Democratic staff director of the Senate Committee on Governmental Affairs, who was the principal architect of the Nuclear Nonproliferation Act of 1978.

The following findings are the moderators' summary of the discussion. The findings are a composite of the panelists' individual views; no finding should be attributed to any single panelist, or be seen as an official statement of policy of any government.

- **Finding 1: The U.S.-India deal makes it more difficult to restrain Iran through diplomacy: it weakens the Nuclear Non-Proliferation Treaty, strengthens the hand of those in Iran who support nuclear weapons, and hurts U.S. efforts to punish Iran for its nuclear transgressions.**

The panelists found that by granting India "full nuclear cooperation," the United States will undermine the basic bargain offered to non-weapon states by the Nuclear Non-Proliferation Treaty: only states that sign the Treaty, agree to forgo nuclear weapons and accept international inspection receive nuclear assistance. Under the India deal, however, the United States will be treating a country outside the NPT—India—as if it had joined the Treaty. India has developed nuclear weapons secretly and is one of only three states, along with Israel and Pakistan, never to have signed the NPT. Despite this rejectionist posture, India will be allowed to maintain, and even to expand its nuclear arsenal, while receiving nuclear cooperation, lucrative trade deals and military assistance from the United States.

The lesson will not be lost on Iran. Indeed, India is a natural model for Iran. Both are large, culturally significant countries with resources important to the world; both have felt ostracized by the international community; both see themselves as victims of political discrimination; and

both have major geostrategic rivals. For these reasons, Iran can look to India as a model for its own behavior.

If the India deal goes through, that model will teach an unfortunate lesson. It is that the United States will eventually tire of punishment and seek engagement, even with a determined proliferator. Once a country succeeds in getting the bomb, the United States will give up on diplomatic isolation and sanctions and instead pursue its interest in trade. This preference for trade over punishment is precisely the preference that Russia and China are showing with respect to Iran, and the preference the United States is trying to get these countries to change. The U.S. posture on India makes this task more difficult.

The U.S.-India deal also bolsters hardliners in Iran who favor nuclear weapons. This group believes that such weapons are in the country's interest, and that developing them would have only limited, short-term penalties. They can argue that the India deal proves them right.

The deal will also stir Iranian nationalism. In rewarding one proliferant country (India) while seeking to punish another (Iran), the United States is reinforcing the conviction in Iran that the United States is seeking to punish the Iranian regime selectively, and not simply trying to enforce global nonproliferation rules. This claim of being the victim of discrimination increases popular support for the expansion of Iran's civilian nuclear program, if not for nuclear weapons.

The timing of the deal's announcement, in July 2005, has further increased its negative impact. The announcement came just as debate was escalating in the IAEA over referring Iran to the U.N. Security Council. With the United States blessing India's nuclear conduct, other countries are less inclined to view Iran's behavior as grounds for punishment. In particular, countries in the non-aligned movement, already sympathetic to Iran's call not to be discriminated against, will be more willing to support Iran's claim that it has a right to produce its own nuclear fuel.

The loosening of U.S. export controls toward India also comes as the United States is asking the rest of the world to strengthen its own controls in order to combat proliferation. Giving India a free pass for proliferation is bound to dilute the impact of U.N. Security Council resolution 1540, which requires states to enact and enforce effective export control laws. It could also weaken the U.S.-led Proliferation Security Initiative, aimed at interdicting shipments of mass destruction weapon technology. With the United States busily trading with India, a country that has declined to join the Initiative, other countries will be less likely to cooperate in thwarting Iran's nuclear and missile procurement.

- **Finding 2: The U.S.-India deal will weaken international restraints on the sale of sensitive technology to countries like Iran.**

The panelists found that U.S.-India nuclear and space cooperation will undermine the relevant nonproliferation regimes—at a time when strong regimes are needed to slow Iran's nuclear and missile progress. Countries that participate in these regimes are likely to follow the U.S. example and loosen their own export controls.

The primary international restraint on Iran's missile effort has been—and still is—the Missile Technology Control Regime (MTCR). The regime is a voluntary pact among supplier countries to restrict the sale of missiles, their components, and the equipment needed to make them. Similarly, the Nuclear Suppliers Group (NSG) is a pact in which supplier countries agree to control nuclear exports—an arrangement that has helped prevent Iran from obtaining nuclear technology. Unfortunately, the U.S.-India deal may weaken both of these regimes.

A cardinal principle of both the MTCR and the NSG is that they are non-discriminatory, or "country neutral." The MTCR uses objective criteria to target "projects of concern," rather than specific countries. The NSG requires all countries importing items that it designates "especially designed or prepared for nuclear use" to accept comprehensive inspections. Under such inspections, all critical nuclear material must be accounted for. In this way, the regimes have avoided making politically-motivated decisions. However, in seeking a specific NSG exception for India, which has not accepted such comprehensive inspections, and in selectively lifting trade restrictions on Indian entities involved in missile work, the United States is overturning this principle. The United States will be easing restraints for a "friend," and doing so only for subjective, political reasons. If the United States is willing to put aside the rules for its friend, countries that supply Iran will want a similar exception. The India deal will thus function as a template for carving out exceptions within multilateral regimes that have long sought to operate beyond the political agendas of member countries.

International regimes also rely on coordination and consensus for effective operation. The United States, however, acted unilaterally in making its deal with India. There was no reported notification or coordination with members of the MTCR or the NSG before the deal was concluded. This affront will be made more grievous if the United States goes forward with the India deal without NSG approval. By violating the consensus norm of these regimes, the United States will invite other supplier countries to act unilaterally as well, and to make deals with Iran without first consulting the United States or other regime members.

Another strength of the regimes has been enforcement. Countries that belong to the regimes go to considerable lengths to investigate and shut down unauthorized exports by their own companies. Since the attacks of September 11, 2001, the United States has been asking many countries to do even more. After the U.S.-India deal, however, regime members are going to question whether they should continue to expend their resources to thwart illicit exports to Iran if those exports cannot be distinguished from licit exports to India. The same kind of technology will be going to the same kind of projects. In light of Iran's able use of illicit supplier networks to fuel nuclear and missile efforts, this possibility is particularly worrisome.

Regime cohesion could erode quickly. The panelists observed that the United States has always set the standard for nonproliferation rules. Although it has usually taken a long time for countries to follow the United States when it has strengthened these rules, it has taken only an instant to follow any loosening of them. Russia, France and Britain, for example, have already expressed interest in nuclear cooperation with India. In a political climate where rules are being loosened for a proliferant country like India, the easing of exports to other proliferators such as Iran is likely to follow.

Finally, the U.S.-India deal ignores the lesson of India's 1974 "peaceful" nuclear explosion: that nuclear technology transferred for peaceful purposes can easily be used for weapons in the absence of comprehensive inspections. Ironically, the United States has long championed the necessity of such inspections. By allowing India to separate its civilian and military facilities, with only the former submitting to inspection, the deal gives credence to the false notion that partial inspections are sufficient to prevent proliferation.

The panelists believe that such a separation, whether in India or elsewhere, is essentially meaningless, because infrastructure, materials and expertise used in peaceful nuclear and space work can also help make warheads and missiles. History teaches that it will be impossible to verify that U.S. nuclear and space technology will not be used in India's nuclear weapon or missile programs. The availability of new fuel imports for India's civil nuclear sector, for example, could allow India to turn more of its indigenous productive capacity to making fuel for bombs—an outcome that is particularly troubling in the absence of any Indian commitment to stop producing such fuel. In fact, it will be easier to detect a diversion of nuclear material in Iran than in India, for the simple reason that all of Iran's nuclear material is subject to inspection, while only some of India's will be. Countries wishing to sell to Iran may cite this difference in defense of their sales.

- **Finding 3: The weakening of export controls will make it easier for Iran to acquire the means to make mass destruction weapons, particularly missiles.**

In July, President George W. Bush and Indian Prime Minister Manmohan Singh agreed to cooperate in "space exploration," including "satellite navigation and launch." This language, unfortunately, is broad enough to allow missile-useable components and related technical assistance to be exported to India under the label of space cooperation. The United States, in fact, appears ready to authorize such sales. The U.S. Commerce Department recently dropped legal restraints on American exports of missile-useable equipment to three subsidiaries of the Indian Space Research Organization, despite the fact that all three are active in Indian missile development. This appears to be only the first step in a general loosening of U.S. missile controls for India.

Once American firms begin to sell such items to India, eager companies in Russia, China and Europe may consider that it is safe to sell the same things to Iran. Iran recently announced plans to expand its infant satellite and space programs, both of which will need imports. Those imports, by their nature, may be useful for making missiles.

Iran is now trying to boost the range and refine the accuracy of its Shahab-3 missile, which flies approximately 1,300 km and is big enough to carry a nuclear warhead. To do so, Iran needs high-technology materials such as carbon composites and specialty steels, as well as high-performance machine tools for component manufacture. Iran's missile effort would also benefit from help with rocket guidance, weight efficient engineering, radiation hardening, ruggedizing, tracking and telemetry, and thrust vectoring and flight simulation software. All of these items, and the technical know-how that goes with them, can be obtained under the guise of space exploration and all of them will be easier for Iran to acquire in the wake of the U.S.-India deal.

Iran could also use its increased access to satellite technology to improve its response to Israeli and U.S. missile defenses.

Once space cooperation begins, and aerospace suppliers enter a country, there is a natural tendency to make expensive satellite and space projects succeed, even if that means supplying information, advice, or assistance officially banned from the original deal. It is difficult to erect a wall between the civilian and military benefits of a single export project. And it is difficult to separate civilian from military facilities. For example, India can use the same sites, equipment and personnel to track both satellite and ballistic missile launches. India, ironically, was the first country to develop a ballistic missile from a civilian space-launch program. The Agni missile tested in 1989 was adapted from U.S. and German space launch technology. It will not be possible for the United States to help India improve its space launch vehicles without helping it improve its missiles. The same will be true when other countries help Iran.

The scope of space cooperation being discussed for India is particularly worrisome given the history of U.S.-China space cooperation in the 1990s. The panelists note that China was able to obtain crucial technical assistance and data from the United States under the rubric of satellite launch cooperation, which helped China resolve problems of missile design, guidance, launch operations and payload integration. Meanwhile, Chinese companies have freely helped Iran's missile effort—and the United States has sanctioned them repeatedly for doing so.

The India deal will also make it more difficult to convince countries like Russia not to sell nuclear items to Iran. This will be especially true of dual-use equipment and of items imported for nuclear safety. Neither will be caught by an NSG export ban triggered by Iran's failure to comply with inspections. However, the panelists found it likely that such an export ban would prevent Iran from receiving other new nuclear assistance until it has answered the IAEA's outstanding questions.

It is also reasonable to worry that U.S. technology sent to India might ultimately make its way to Iran. Such technology, delivered today, may be impossible to control or recall in the future. Although India has enacted export control laws, implementation has been poor because of the lack of corresponding regulations. Though India recently passed a new law to implement U.N. Security Council resolution 1540, assertions that its national export control system is stringent—even after these reforms—are dubious. In September 2004, two Indian nuclear scientists, both former senior officials of the Indian government's Nuclear Power Corporation, were caught helping Iran and sanctioned by the U.S. government under the Iran Nonproliferation Act. And as recently as December 30, 2005, the United States sanctioned two Indian chemical firms for dangerous transfers to Iran.

Iran and India continue to have friendly relations. In 2003 they signed a memorandum of understanding on defense cooperation. India is also proceeding with a $7 billion gas pipeline project with Iran—despite strong U.S. objections—which will give Iran hard currency that could help fuel its nuclear and missile programs. And although India voted in favor of the February 2006 IAEA resolution reporting Iran to the U.N. Security Council, India publicly supports Iran's claim that it has a right to conduct peaceful nuclear work.

- **Finding 4: The proposal in its current form should not be pursued. There are ways for the United States to deepen relations with India that do not have negative consequences for proliferation to Iran.**

Although the India deal could be improved, the panelists judged that it is not in the United States' best interest to pursue it. The deal could be improved if India agreed to stop producing fuel for nuclear weapons, agreed to a stronger nuclear test moratorium, agreed to place all its civilian nuclear plants under inspection, and agreed to strengthen its enforcement of export controls. But such changes would only reduce rather than eliminate the damage to global nonproliferation efforts. India would still be exempt from rules that NPT members like Iran are being asked to obey.

The panelists see no reason to provide India with nuclear technology for the production of electricity, when it would be more economical and safer to help India generate electricity in other ways. Helping India build nuclear reactors only reinforces the perceived prestige of nuclear technology for developing countries—a point of view that the world is currently trying to persuade Iran to abandon.

The panelists also believe that there are better ways than the proposed deal to support India's space effort—ways that would not boost its missile work. For instance, the United States could offer to launch Indian astronauts and satellites and to share satellite observation data with Indian analysts. It is both unnecessary and dangerous to provide India with technology that can be converted to missilery.

At a minimum, the United States should not pursue the deal with India at the present time, just as the U.N. Security Council prepares to debate Iran's nuclear violations. If the deal moves forward now, it will undermine the credibility of the U.S. position on Iran. The deal is often cited by Iran and by those sympathetic to Iran's position when arguing that the United States cares less about proliferation than about using proliferation rules to support its friends and punish its adversaries. Shelving the deal would send a message to Iran, and to the world, that this is not so.

RESPONSES FROM THE HONORABLE NICHOLAS BURNS, UNDER SECRETARY FOR POLITICAL AFFAIRS, U.S. DEPARTMENT OF STATE, TO QUESTIONS SUBMITTED FOR THE RECORD BY THE HONORABLE THOMAS G. TANCREDO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO

Question:

The Congress appropriated $75 million in the FY 2006 supplemental to help support pro-Democracy groups both within Iran and those in exile. It is my understanding that the administration is asking for an additional $10 million in FY 2007 for the same purposes.

It is obvious from your testimony before the committee today that given our appropriate lack of diplomatic representation, the United States has few assets in Iran that can accurately report on the activities of the regime.

Therefore, given the fact that we have appropriated a fair amount of money in the support of Iranian exile groups, I am curious to know as to whether or not the administration is using these groups to our advantage?

As you may know, I have been a vocal supporter of removing the Mujahedin-e Khalq from the State Department's FTO list for the purposes of using the group to help destabilize the Iranian regime. Mr. Secretary, fact of the matter is, it does not matter to me which exile groups that we assist as long as they are working to help the Iranian people and they are friendly to American interests. So again, my question, are we using the various groups to our advantage and of those groups which ones would you consider to be viable alternatives to the current Iranian regime?

Response:

The U.S. government is prohibited by law from having dealings with any group designated as a Foreign Terrorist Organization. The Mujahedin-e Khalq (MEK) is a designated FTO. Further, we do not view the MEK as a viable opposition movement: it is despised in Iran, and its cult-like organizational structure belies its claim to be a vehicle for democratic change. As the Secretary publicly stated in mid-February, there are opposition groups and individuals in Iran that are not associated with terrorism, and "we have an obligation to give voice to that opposition."

To that end, we plan to use the $10 million in funds that Congress has already appropriated—and $75 million additional from the supplemental, if approved—to empower Iranian democracy, civil society, and human rights activists. Our programs are intended to support and strengthen civil society, help Iranians acquire the skills of citizenry and advocacy, support alternative political centers of gravity, improve justice and accountability, further human rights, and increase tolerance and freedom of speech, assembly, and other basic rights for the Iranian people. These are conditions that we judge are necessary to support the growth of a democracy movement in Iran.

Our projects focus on supporting influential democratic actors and groups, including labor, women, and students. The Middle East Partnership Initiative and the Bureau of Democracy, Human Rights, and Labor are accepting concept papers for over $10 million in grants to accelerate the work of Iranian reformers and human rights and democracy activists.

THE FOLLOWING QUESTIONS WERE SUBMITTED BY THE COMMITTEE ON INTERNATIONAL RELATIONS TO THE U.S. STATE DEPARTMENT. AS OF THE TIME OF PRINTING, NO RESPONSES HAD BEEN RECEIVED BY THE COMMITTEE

1. Coalition talks aimed at getting Iran to renounce its nuclear program have failed. Iran has openly begun uranium enrichment, despite international warnings that doing so would lead to Security Council action. The IAEA has declared Iran in breach of the Nuclear Non-Proliferation Treaty, to which Iran is a signatory.

   (Submitted by Representative McCaul to Ambassador Burns & Mr. Joseph)

2. The process of moving this issue to the United Nations Security Council seems to be moving forward at a painfully slow pace. Why is this not moving faster? When do you think it will be too late? What actions can the Security Council take, and which action do you see as being most effective?

   (Submitted by Representative McCaul to Ambassador Burns & Mr. Joseph)

3. We are often told that the Iranian Public is not only more moderate than the government, but actually pro-America. Money has been appropriated to support democratic movements in Iran. Has this money been effective? How likely is it that the Iranian public will force an internal regime change? What could the global community do to encourage the democratic reform movement in Iran?

   (Submitted by Representative McCaul to Ambassador Burns & Mr. Joseph)

4. What is the current status for the Iranian Nuclear Program? (If this information is classified and a briefing is possible Congressman McCaul would be interested in such a meeting.)
   (Submitted by Representative McCaul to Ambassador Burns & Mr. Joseph)

5. If UN sanctions fail, whether due to Russian or Chinese opposition, what other international groups have mechanisms through which we can impose sanctions? NATO? Joint US/EU sanctions? What position is India in to affect such sanctions? What would a coalition like the one Mr. Hulsman suggested in his testimony look like?
   (Submitted by Representative McCaul to Ambassador Burns & Mr. Joseph)

6. The State Department's 2004 Human Rights Report for Iran described significant harassment of internet users. Are American companies directly or indirectly involved in any internet censorship activities in Iran, or in selling surveillance or blocking equipment to the government of Iran?
   (Submitted by Representative Smith of NJ to Ambassador Nick Burns)