AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

IRAN NUCLEAR AGREEMENT: THE ADMINISTRATION'S CASE

HEARING

BEFORE THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

JULY 28, 2015

Serial No. 114–93

Printed for the use of the Committee on Foreign Affairs

Available via the World Wide Web: http://www.foreignaffairs.house.gov/ or http://www.gpo.gov/fdsys/

U.S. GOVERNMENT PUBLISHING OFFICE

95–693PDF WASHINGTON : 2015

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

COMMITTEE ON FOREIGN AFFAIRS

EDWARD R. ROYCE, California, *Chairman*

CHRISTOPHER H. SMITH, New Jersey
ILEANA ROS-LEHTINEN, Florida
DANA ROHRABACHER, California
STEVE CHABOT, Ohio
JOE WILSON, South Carolina
MICHAEL T. MCCAUL, Texas
TED POE, Texas
MATT SALMON, Arizona
DARRELL E. ISSA, California
TOM MARINO, Pennsylvania
JEFF DUNCAN, South Carolina
MO BROOKS, Alabama
PAUL COOK, California
RANDY K. WEBER SR., Texas
SCOTT PERRY, Pennsylvania
RON DESANTIS, Florida
MARK MEADOWS, North Carolina
TED S. YOHO, Florida
CURT CLAWSON, Florida
SCOTT DESJARLAIS, Tennessee
REID J. RIBBLE, Wisconsin
DAVID A. TROTT, Michigan
LEE M. ZELDIN, New York
DANIEL DONOVAN, New York

ELIOT L. ENGEL, New York
BRAD SHERMAN, California
GREGORY W. MEEKS, New York
ALBIO SIRES, New Jersey
GERALD E. CONNOLLY, Virginia
THEODORE E. DEUTCH, Florida
BRIAN HIGGINS, New York
KAREN BASS, California
WILLIAM KEATING, Massachusetts
DAVID CICILLINE, Rhode Island
ALAN GRAYSON, Florida
AMI BERA, California
ALAN S. LOWENTHAL, California
GRACE MENG, New York
LOIS FRANKEL, Florida
TULSI GABBARD, Hawaii
JOAQUIN CASTRO, Texas
ROBIN L. KELLY, Illinois
BRENDAN F. BOYLE, Pennsylvania

AMY PORTER, *Chief of Staff* THOMAS SHEEHY, *Staff Director*
JASON STEINBAUM, *Democratic Staff Director*

CONTENTS

Page

WITNESSES

The Honorable John Kerry, Secretary of State, U.S. Department of State 4
The Honorable Ernest Moniz, Secretary of Energy, U.S. Department of Energy 12
The Honorable Jacob Lew, Secretary of the Treasury, U.S. Department of the Treasury 18

LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING

The Honorable John Kerry: Prepared statement 9
The Honorable Ernest Moniz: Prepared statement 14
The Honorable Jacob Lew: Prepared statement 21

APPENDIX

Hearing notice 90
Hearing minutes 91
The Honorable Gerald E. Connolly, a Representative in Congress from the Commonwealth of Virginia: Prepared statement 93
Written responses from the Honorable John Kerry to questions submitted for the record by:
- The Honorable Edward R. Royce, a Representative in Congress from the State of California, and chairman, Committee on Foreign Affairs 95
- The Honorable Eliot L. Engel, a Representative in Congress from the State of New York 102
- The Honorable Ileana Ros-Lehtinen, a Representative in Congress from the State of Florida 104
- The Honorable Ted Poe, a Representative in Congress from the State of Texas 109

Questions submitted for the record to the Honorable Ernest Moniz by:
- The Honorable Ileana Ros-Lehtinen 111
- The Honorable Joe Wilson 112

IRAN NUCLEAR AGREEMENT: THE ADMINISTRATION'S CASE

TUESDAY, JULY 28, 2015

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:08 a.m., in room 2172, Rayburn House Office Building, Hon. Ed Royce (chairman of the committee) presiding.

Chairman ROYCE. This hearing will come to order.

Today, we continue our review of the nuclear agreement the Obama administration reached with Iran. This is a critical hearing on one of the most sweeping diplomatic initiatives in years, some say decades, demanding the committee's thorough review.

The global threat from Iran has been a focus of this committee for as long as I can remember. Last Congress, we passed comprehensive sanctions legislation by a vote of 400 to 20. It would have given Iran's Supreme Leader a choice between its nuclear program or economic collapse, but the administration was successful in blocking that legislation.

So, instead of us considering a verifiable, enforceable, and accountable agreement, we are being asked to consider an agreement that gives Iran permanent sanctions relief for temporary nuclear restrictions. Should Iran be given this special deal?

In September, committee members will face the important decision of approving or disapproving this agreement. We will have that vote only because of the Iran Nuclear Agreement Review Act, passed in May, which the administration did not want. To be frank, the administration's preference has been to sideline America's representatives. So I was not entirely surprised when the administration went against bipartisan calls and gave Russia and China and others at the U.N. Security Council a vote on this agreement before the American public. That is backwards—and wrong.

We have heard serious concerns from experts about the substance of this agreement. First, Iran is not required to dismantle key bomb-making technology. Does that make the world safer? Second, it is permitted a vast enrichment capacity, reversing decades of bipartisan nonproliferation policy. Does that make the region more stable? And, third, Iran is allowed to continue its research and development to gain an industrial-scale nuclear program once this agreement begins to expire in as little as 10 years. Ten years. That is a flash in time, and then Iranian obligations start unwinding. Does that make the world more secure?

We appreciate President Obama's efforts to secure the most intrusive inspections in history, but it came up short. Instead, there is "managed access," with Iran, Russia, and China having a say in where international inspectors can and can't go. The deal's 24-day process is a far cry from "anywhere, anytime"—and this provision expires too. While the administration has professed absolute knowledge about Iran's program, it is a fact that we have been surprised by most every major nuclear development in Iran's history. And Iran has cheated on every agreement they have signed. So I ask, Mr. Secretary, has Iran earned the right to be trusted?

This deal guts the sanctions web that is putting intense pressure on Iran. Virtually all economic, financial, and energy sanctions disappear. And where does all that money go? To the largest terror network on Earth. Gone are the sanctions on Iran's nuclear program, but also on the bad banks that have supported Iran's terrorism and ballistic missile development. And, to our dismay, Iran won a late concession to remove international restrictions on its ballistic missile program and conventional arms, imperiling the security of the region and our homeland.

If this agreement goes through, Iran gets a cash bonanza, a boost to its international standing, and a lighted path toward nuclear weapons. With sweeping sanctions relief, we have lessened our ability to challenge Iran's conduct across the board. As Iran grows stronger, we will be weaker to respond.

Yes, the U.S. would roil the diplomatic waters if Congress rejects this deal, but the U.S. still wields the most powerful economic sanctions in the world—sanctions Iran desperately needs relief from—sanctions that would continue to deter countries and companies from investing in Iran. I understand the effort the administration has put into this agreement, but these are about as high stakes as it gets. So the committee must ask if we made the most of our pretty strong hand, or are we willing to bet, as the administration has, that this is the beginning of a changed Iran?

These are complex issues, and I look forward to what should be an extremely informative hearing.

And I now turn to the ranking member.

Mr. ENGEL. Mr. Chairman, thank you for convening this hearing.

Secretary Kerry, Secretary Lew, Secretary Moniz, welcome to the Foreign Affairs Committee. Thank you all for your dedicated service. No matter what side of the issue anybody is on, I don't think anyone here doubts your commitment to the United States and your good intentions on this deal. Thank you for the time you have taken over the last week to engage with Members of Congress on the proposed deal, and thank you for your testimony today.

Congress gave itself 60 days to renew this deal, and I sincerely hope my colleagues take full advantage of this time to study this agreement, to ask questions, and to make an informed decision when the time comes. We have had many months and many hearings to discuss the different aspects of a nuclear agreement with Iran, but, at this point, we no longer are dealing with hypotheticals. We have a specific deal on the table, and we have to decide if that deal advances the national security interests of the United States and our allies.

To answer that question, to be fair, we also need to ask ourselves what is the alternative. Absent this deal, would the international sanctions regime and the P5+1 coalition hold together? If this deal fails, how would we get the Iranians back to the table? Would new sanctions have to be coupled with military action?

As I continue to review the deal, though, there are a number of issues that I find troublesome. I hope the three of you will address them in your testimony and as you answer the committee's questions.

First, I continue to have concerns that international inspectors will not have immediate access to undeclared sites. Under the agreement, Iran has 14 days to grant access. If Iran refuses access after that time, then members of the Joint Commission could take another week to resolve the IAEA's concerns. After that, Iran has 3 more days to provide access.

So we are already nearly a month after inspectors first wanted access, but if Iran continues to say no, another month could go by while this dispute is resolved. That potential length of time gives me pause. I would like to know how we can be sure Iran cannot use these delays to sanitize sites and get away with breaking the rules.

Already, we are seeing Iran's leadership declare that military sites will be off limits to inspectors. If this is Iran's version of transparency during the implementation of the agreement, we are getting off to a bad start.

I am also troubled by reports about how the arrangement reached between Iran and the IAEA on how Parchin will be inspected.

Secondly, I have concerns about the sunset of the international sanctions on ballistic missiles and advanced conventional weapons. Now, my understanding was these weren't on the table during the talks. So I was disappointed to learn that after a maximum of 5 and 8 years, respectively, they will be terminated. I would like to understand why we allowed this to happen and what we can do to ensure that this doesn't make a terrible situation in the region get even worse.

I am also concerned about what Iran's leaders will do when sanctions are phased out and new resources come flowing in. We are talking about tens of billions of dollars. Of course, I would like to see Iran's leaders use this money to help the Iranian people, but, even with tough international sanctions in place, Iran has bolstered Hezbollah, Shia militias, Hamas, and the Assad regime. If this deal goes through, how would you propose to keep this newfound wealth out of the hands of terrorists and tyrants?

Next, while I am glad that Iran will be limited in its development of advanced centrifuges for 8 years, I worry what happens down the road. After the research and development ban expires, Iran could quickly move toward the next stage of its enrichment activities. I would like to know what other provisions in the deal, if any, will mitigate this risk.

Finally, I have a fundamental concern that 15 years from now Iran will essentially be off the hook. If they choose, Iran's leaders could produce weapons-grade highly enriched uranium without any limitation. They could use advanced centrifuges to speed this

progress even further. This amounts to Iran being a legitimized nuclear threshold state in the year 2030. My big question is this: What happens then? Are we back to square one? Is this deal just pushing the pause button for 15 years?

I must also say that I have trepidation; barely a week after the Iranians sign the deal with us, there was the Supreme Leader, the Ayatollah, chanting, "Death to America, death to Israel." You would think that after the agreement was signed with us there might be a modicum of goodwill, that perhaps they would keep quiet for a week or 2 or a month, but it went back to business as usual. How can we trust Iran when this type of thing happens? It is very disconcerting.

So I am looking forward to hearing from our distinguished witnesses on these issues. Again, I thank you for your service and hard work.

And I yield back to the chairman.

Chairman ROYCE. Thank you, Mr. Engel.

This morning, we are pleased to be joined by John Kerry, the Secretary of State; Ernie Moniz, the Secretary of Energy; and Jack Lew, the Secretary of the Treasury.

Prior to his appointment, Secretary Kerry served as a United States Senator from Massachusetts for 28 years. Before being appointed Secretary of Energy, Dr. Moniz was professor of physics and engineering at MIT, where he was a faculty member since 1973. From Director of the Office of Management and Budget to White House Chief of Staff, Secretary Lew now serves as the 76th Secretary of the Treasury.

Gentlemen, welcome.

And, without objection, the witnesses' full prepared statements will be made part of the record.

Members here will have 5 days to submit statements and questions and extraneous materials for the record.

And, before turning to the testimony, we have most of the members present here. I know we all recognize the gravity of this issue. We want everyone to have a chance to question the Secretaries. To accomplish that, I would ask everyone, members and witnesses, respect the time limit. And that means leaving an adequate amount of time for witnesses to answer your questions. And nothing requires full use of your time.

So we will begin with a summary of Secretary Kerry's testimony.

Mr. Secretary?

STATEMENT OF THE HONORABLE JOHN KERRY, SECRETARY OF STATE, U.S. DEPARTMENT OF STATE

Secretary KERRY. Well, Chairman Royce, Ranking Member Engel, and all the members of the committee, thank you very, very much.

We genuinely appreciate the opportunity to be here to, frankly, clear up a lot of misinterpretation, some element of public distortion that exists out there. I know there is one ad I have seen on TV, has at least three or four major absolutely, totally incorrect facts on which it bases the ad. And, with all respect to both the chairman and the ranking member, there are conclusions that have been drawn that just don't, in fact, match with the reality of what

this deal sets forth. And we happily—happily—look forward to clarifying that during the course of this hearing. That is what it is all about. And we welcome the opportunity.

We are convinced that the plan that we have developed with five other nations accomplishes the task that President Obama set out, which is to close off the four pathways to a bomb. And I think, as you listen to Ernie Moniz, particularly on the technical components, and see the whole deal, I really believe that that is a conclusion that everybody can come to. I am not saying they will, but can.

I am joined by, obviously, two Cabinet Secretaries. Both Ernie and Jack were absolutely critical to our ability to do this. The Treasury Department's knowledge of the sanctions and application of the sanctions has been exemplary, and they helped us understand the implications of all of these sanctions.

And, as Jack will let you know, we are not talking about $150 billion. We are not talking about $100 billion. We are actually talking about $55 billion that will go to Iran. And we will go into that later.

But from the day that our negotiations began, Mr. Chairman, we were crystal-clear that we would not accept anything less than a good deal, one that would shut off all of those pathways toward fissile material for a nuclear weapon. And after 18 months of very intensive talks, the facts are pretty clear that the plan announced this month by six nations, in fact, accomplishes that.

I might remind everybody, all of those other nations have nuclear power or nuclear weapons, and all of them are extremely knowledgeable in this challenge of proliferation.

So, under the terms of this agreement, Iran has agreed to remove 98 percent of its stockpile of enriched uranium; dismantle two-thirds of its installed centrifuges; and destroy, by filling it with concrete, the existing core of its heavy-water plutonium reactor. Iran has agreed to refrain from producing or acquiring highly enriched uranium and weapons-grade plutonium for nuclear weapons forever.

Now, how do we enforce or verify so that that is more than words? And, particularly, to speak to the ranking member's question, what happens after 15 years, what happens is: Forever, we have an extremely rigorous inspection/verification regime, because Iran has agreed to accept and will ratify prior to the conclusion of the agreement—and, if they don't, it is a material breach of the agreement—to ratify the additional protocol, which requires extensive access as well as significant additional transparency measures, including cradle-to-grave accountability for the country's uranium, from mining to milling, through the centrifuge production, to the waste, for 25 years.

Bottom line, if Iran fails to comply with the terms of our agreement, our intel community, our Energy Department, which is responsible for nuclear weaponry, are absolutely clear that we will quickly know it, and we will be able to respond accordingly with every option available to us today.

And when it comes to verification and monitoring, there is absolutely no sunset in this agreement—not in 10 years, not in 15 years, not in 20 years, not in 25 years. No sunset ever.

Now, remember, 2 years ago, when we began these negotiations—and a lot of people are kind of forgetting conveniently, sort of, where we are today. People are sitting there saying, oh, my gosh, in 15 years, this is going to happen, or whatever; Iran is going to have the ability to be, you know, a capable nuclear power.

Folks, when we began our negotiations, we faced an Iran that was already enriching uranium up to 20 percent. They already had a facility, built in secret, underground in a mountain, that was rapidly stockpiling enriched uranium. When we began negotiations, they had enough enriched uranium for 10 to 12 bombs already. Already, they had installed as many as 19,000 nuclear centrifuges. And they had nearly finished building a heavy-water reactor that could produce weapons-grade plutonium as a rate of one to two bombs per year.

Experts put Iran's breakout time, when we began—which, remember, is not the old breakout time that we used to refer to in the context of arms control, which is the time to go have a weapon and be able to deploy it. Breakout time, as we have applied it, is extraordinarily conservative. It is the time it takes to have enough fissile material for one bomb, but for one potential bomb. It is not the amount of time to the bomb.

So, when we say they will have 1 year to a certain amount of fissile material, they still have to go design the bomb, test, do a whole bunch of other things. And I think you would agree, no nation is going to consider itself nuclear-capable with one bomb.

So, if this deal is rejected, folks—by the way, when we started negotiations, the existing breakout time was about 2 months. We are going to take it to 1 year, and then it tails down slowly. And I will explain how that provides us with guarantees.

But if this deal is rejected, we immediately go back to the reality I just described without any viable alternative, except that the unified diplomatic support that produced this agreement will disappear overnight.

Let me underscore: The alternative to the deal that we have reached is not some kind of unicorn fantasy that contemplate's Iran's complete capitulation. I have heard people talk about dismantling their program. That didn't happen under President Bush, when they had a policy of no enrichment and they had 163 centrifuges. They went up to the 19,000. Our intelligence community confirms—and I ask you all to sit with them. They will tell you that is not going to happen.

So, in the real world, we have two options. Either we move ahead with this agreement to ensure that Iran's nuclear program is limited, rigorously scrutinized, and wholly peaceful; or we have no agreement at all—no inspections, no restraints, no sanctions, no knowledge of what they are doing—and they start to enrich.

Now, to be clear, if Congress rejects what was agreed to in Vienna, you will not only be rejecting every one of the restrictions that we put in place—and, by the way, nobody is counting the 2 years that Iran has already complied with the Interim Agreement—and, by the way, complied completely and totally, so that we have already rolled their program back. We have reduced their 20-percent enriched uranium to zero. That has already been accomplished.

But if this is rejected, we go back to their ability to move down that road. You will not only be giving Iran a free pass to double the pace of its uranium enrichment, to build a heavy-water reactor, to install new and more efficient centrifuges, but they will do it all without the unprecedented inspection and transparency measures that we have secured. Everything that we have tried to prevent will now happen.

Now, what is worse? If we walk away, we walk away alone. Our partners are not going to be with us. Instead, they will walk away from the tough multilateral sanctions that brought Iran to the negotiating table in the first place, and we will have squandered the best chance that we have to solve this problem through peaceful means.

Now, make no mistake: From the very first day in office, President Obama has made it clear that he will never accept a nuclear-armed Iran. And he is the only President who has asked for and commissioned the design of a weapon that has the ability to take out the facilities and who has actually deployed that weapon.

But the fact is, Iran has already mastered the fuel cycle. They have mastered the ability to produce significant stockpiles of fissile material. And you have to have that to make a nuclear weapon. You can't bomb away that knowledge any more than you can sanction it away.

Now, I was chair of the Senate Foreign Relations Committee when a lot of us joined together and put most of the Iran sanctions in place. And I know well, as you do, that the whole point was to bring Iran to the negotiating table. Even the toughest sanctions, previously, did not stop Iran's program from growing from, what, 163 to 300 to 5,000 to more than 19,000 now, and it didn't stop Iran from accumulating a stockpile of enriched uranium.

Now, sanctions are not an end to themselves. They are a diplomatic tool that has enabled us to actually do what sanctions could not without the negotiation; and that is to rein in a nuclear program that was headed in a very dangerous direction and to put limits on it, to shine a spotlight on it, to watch it like no other nuclear program has ever been watched before. We have secured the ability to do things that exist in no other agreement.

Now, to those who are thinking about opposing this deal because of what might happen in year 15 or year 20, I ask you to simply focus on this: If you walk away, year 15 or 20 starts tomorrow and without any of the long-term access and verification safeguards that we have put in place.

What is the alternative? What are you going to do when Iran does start to enrich, which they will feel they have a right to if we walk away from the deal? What are you going to do when the sanctions aren't in place and can't be reconstituted because we walked away from a deal that our five fellow nations accepted?

Now, I have heard critics suggest that the Vienna agreement would somehow legitimize Iran's nuclear program. That is nonsense. Under the agreement, Iran's leaders are permanently barred from pursuing a nuclear weapon, and there are permanent restraints and access provisions and inspection provisions to guarantee that.

And I underscore: If they try to evade that obligation, we will know it, because a civil nuclear program requires full access 24/7, requires full documentation, and we will have the ability to track that as no other program before. The IAEA will be continuously monitoring their centrifuge production, so those centrifuges cannot be diverted to a covert facility. For the next 25 years, the IAEA will be continuously monitoring uranium from the point that it is produced all the way through production so that it cannot be diverted to another facility.

For the life of this agreement, however long Iran stays in the NPT and is living up to its obligations, they must live up to the Additional Protocol. And that Additional Protocol, as we can get into today, greatly expands the IAEA's capacity to have accountability.

So this agreement—and I will close by saying this agreement gives us a far stronger detection capability, more time to respond to any attempt to break out toward a bomb, and much more international support in stopping it than we would have without the deal.

If we walk away from this deal and then we decide to use military force, we are not going to have the United Nations or the other five nations that negotiated with us, because they will feel we walked away. And make no mistake, President Obama is committed to staying with the policy of stopping this bomb.

So, in the 28 years, a little more, that I was privileged to represent Massachusetts, I had a 100-percent voting record on every issue for Israel. I first traveled there in 1986; I have great friends there, members of my family, others who care enormously about Israel. I understand the fear. I understand the concerns that our friends in Israel have. But we believe that what we have laid out here is a way of making Israel and the region, in fact, safer.

And I emphasize, we do not lose any option in 15 years, 10 years, 20 years, 5 years that we have available to us today.

We will push back against Iran's other activities. We have laid out a very detailed policy for working with the Gulf states and others, and we look forward to working with Israel in the effort to do that. Our current security cooperation with Israel is at an unprecedented level, and it is why we have a robust military presence in the region, and it is why we are working so closely with the Gulf states.

So, Mr. Chairman, we will continue to push back against Iran on every front available, but the fact is, it is a lot easier to push back against an Iran that doesn't have a nuclear weapon rather than one that does. That has been our principal strategic objective: Deal with a nuclear weapon, and then you have an easier time dealing with the other issues too.

The outcome here is critical. We believe this deal makes our country and our allies safer. It will guarantee that Iran's program is under intense scrutiny. It will ensure that the world community is unified in backing this up. And, in the end, it will guarantee Iran's program has to be peaceful and, therefore, is a good deal for the world, a good deal for America, a good deal for our allies and our friends, and we believe it richly deserves your support.

[The prepared statement of Secretary Kerry follows:]

Secretary Kerry's Remarks
House Foreign Affairs Committee
Hearing on the Iran Nuclear Agreement
Tuesday, July 28, 2015

Chairman Royce, Ranking Member Engel, Members of the Committee, friends and former Colleagues – I appreciate the chance to discuss with you the comprehensive plan that we and our P5+1 partners have developed with Iran regarding the future of its nuclear program.

I am joined by the two Cabinet Secretaries whose help was invaluable in reaching this deal– Treasury Secretary Jack Lew and Energy Secretary Ernie Moniz.

I want to thank all of you for the role that Congress has played in getting us to this point and particularly for this committee's hard work in enacting sanctions that achieved their purpose -- by bringing about serious, productive negotiations with Iran.

From the day those talks began, we were crystal clear that we would not accept anything less than a good deal – a deal that shuts off all of Iran's pathways towards fissile material for a nuclear weapon and resolves the international community's concerns about Iran's nuclear program.

After 18 months of intense talks, the facts are also crystal clear: the plan announced last week in Vienna is the good deal we have sought.

Under its terms, Iran must get rid of 98 percent of its stockpile of enriched uranium, two-thirds of its installed centrifuges, and the existing core of its heavy-water reactor.

Iran will be barred from producing or acquiring both highly enriched uranium and weapons-grade plutonium for at least the next 15 years.

Iran will be subject to the most comprehensive and intrusive verification and transparency measures ever negotiated – so that if Iran cheats, we will know it quickly and be able to respond accordingly. And many of these measures will be in place not just for 10 or 15 or 20 years, but for the lifetime of Iran's nuclear program, which will enable us to verifiably ensure it remains exclusively peaceful.

Remember that, two years ago, when our negotiations began, we faced an Iran that was enriching uranium up to 20 percent at a facility built in secret and buried in a mountain, was rapidly stockpiling enriched uranium, had installed nearly 20,000 nuclear centrifuges, and was building a heavy water reactor that could produce weapons-grade plutonium at a rate of one to two bombs per year. Experts tabbed Iran's so-called breakout time – the interval required for it to have enough fissile material for a bomb – at two to three months.

This is the reality we would return to if this deal is rejected – except that the diplomatic support we have been steadily accumulating in recent years would disappear overnight.

Let me underscore – the alternative to the deal we've reached isn't a better deal – some sort of unicorn arrangement involving Iran's complete capitulation. That's a fantasy – plain and simple.

The choice we face is between a deal that will ensure Iran's nuclear program is limited, rigorously scrutinized, and wholly peaceful – or no deal at all.

If we walk away from what was agreed in Vienna, we will be walking away from every one of the restrictions we have negotiated, and giving Iran the green light to double the pace of its uranium enrichment, proceed full speed ahead with a heavy water reactor, install new and more efficient centrifuges, and do it all without the unprecedented inspection and transparency measures we've secured.

If we walk away, our partners will not walk away with us. Instead, they'll walk away from the tough multilateral sanctions regime they helped us to put in place. We will be left to go it alone and whatever limited economic pressure from sanctions would remain would certainly not compel Tehran to negotiate or to make any deeper concessions. They would instead push the program ahead potentially forcing military conflict. And we will have squandered the best chance we have to solve this problem through peaceful means.

Make no mistake: we will never accept a nuclear-armed Iran. But the fact is that Iran has extensive experience with nuclear fuel cycle technology. We can't bomb that knowledge away. Nor can we sanction that knowledge away. Remember that sanctions did not stop Iran's nuclear program from growing steadily, to the point it had accumulated enough low enriched uranium that, if further enriched, could be used to produce about 10 nuclear bombs.

The truth is that the Vienna plan will provide a stronger, more comprehensive, and more lasting means of limiting Iran's nuclear program than any realistic alternative.

And to those who are thinking about opposing the deal because of what might happen in year 15 or 16 – remember that, if we walk away, year 15 starts tomorrow – and without any of the long-term verification or transparency safeguards that we have put in place to ensure that we prevent Iran from acquiring a nuclear weapon.

Over the past week, I've spoken at length about what, exactly, this deal is. But I also want to make clear what this deal was never expected or intended to be.

This plan was designed to address the nuclear issue alone, not to reform Iran's regime, or end its support for terrorism, or its contributions to sectarian violence in the Middle East. Those are all issues about which we remain deeply concerned and will continue take real steps, which is why we are upholding our unprecedented levels of security cooperation with Israel; why we are working so closely with the Gulf States and continue to maintain a robust military presence in the region and countering Iran's destabilizing activities; why we will keep striving to prevent terrorist groups – including Hamas and Hezbollah – from acquiring weapons; and why U.S. sanctions related to human rights, terrorism, and ballistic missiles will remain in place. It is also why we will continue to press Iran for information about the missing and for the immediate release of Americans who have been unjustly detained.

The fact is, there is not a challenge in the entire region that wouldn't become much worse if Iran had a nuclear weapon – and that's exactly why this deal is so important. Its provisions will help us to address the full range of regional challenges without the looming threat of a nuclear-armed Iran.

That outcome cannot be guaranteed either by sanctions alone or – on an enduring basis – by military action. The only viable option is a comprehensive diplomatic resolution of the type reached in Vienna. That deal will make our country and our allies safer. It will ensure that Iran's nuclear program remains under intense scrutiny. And it will ensure that the world community is united in ensuring that Iran's nuclear activities are and remain wholly peaceful. It is a good deal for the world – a good deal for America – and it richly deserves your support. Thank you.

###

Chairman ROYCE. Dr. Moniz?

Thank you, Secretary Kerry.

Secretary Kerry has been very thorough. Dr. Moniz, if you could be brief, and we will get back on time. And we will recognize you at this point.

STATEMENT OF THE HONORABLE ERNEST MONIZ, SECRETARY OF ENERGY, U.S. DEPARTMENT OF ENERGY

Secretary MONIZ. Thank you, Chairman Royce, Ranking Member Engel, and members of the committee. Thanks for the opportunity to discuss the nuclear dimensions of the Iran agreement, JCPOA, reached between the E3/EU+3.

The JCPOA prevents Iran from getting a nuclear weapon, provides strong verification measures to give us time to respond if they violate its terms, and takes none of our options off the table.

I want to stress that I was backed up in the negotiations by the nuclear competency built up over decades at DOE and supported by this Congress. America's leading nuclear experts at DOE labs and sites were engaged throughout the negotiations. Nine labs and sites in seven States took part in supporting our negotiating position. These experts, again, were essential, and, as a result of their work, I am very confident that the technical underpinnings of this deal are solid and that the Department of Energy stands ready to assist in its implementation.

The JCPOA will extend, for at least 10 years, the time it would take for Iran to produce enough fissile material for a first explosive device to at least 1 year. That is the fissile material being reduced from 12,000 to 300 kilograms; stringent constraints on Iran's enriched uranium stockpile, as I said, for 15 years; strong containment and surveillance measures on all centrifuge manufacturing and the uranium supply chain for 20 and 25 years.

Verification that Iran is following the agreement is forever stronger than it would be without the agreement. The Arak reactor will be redesigned so it is not a plutonium factory; and, furthermore, its plutonium-bearing irradiated fuel sent out of the country for the entire life of the reactor.

Thus, the Lausanne parameters are maintained, and all paths to a bomb's worth of nuclear weapons material are addressed. In fact, Lausanne is materially strengthened in the P5+1 Vienna agreement.

One important area, and only one, of that strengthening is that Iran will not engage in several activities that could contribute to the development of a nuclear explosive device, including explosively driven neutron sources and multiple-point detonation systems. These commitments are indefinite. In addition, Iran will not pursue plutonium or uranium or uranium alloy metallurgy for 15 years.

Weaponization requirements, especially for missile launch, add to the breakout timeline.

Mr. Chairman, I cannot agree that the agreement does not dismantle Iran's technology efforts of relevance to nuclear weapons. In fact, every aspect is rolled back.

Returning to verification, the IAEA will be permitted to use advanced technologies such as enrichment monitoring and electronic

seals—technologies that DOE National Laboratories have, in fact, developed.

Much has been made about a 24-day process for ensuring IAEA inspectors getting access to undeclared sites. In fact, the IAEA can request access to any suspicious location with 24 hours' notice under the Additional Protocol, which Iran will implement under this deal. The deal does not change that baseline.

The JCPOA goes beyond that baseline, recognizing that disputes could arise regarding IAEA access, and provides a crucial new tool for resolving such disputes within a reasonably short period of time. So the IAEA gets the access it needs within 24 days. Again, this is the first time that there actually is a cutoff in time.

But, of course, most importantly, to complement that, environmental sampling provides extremely sensitive measurements of microscopic traces of nuclear materials even after attempts are made to remove the material. And the 2003 example found undeclared nuclear material even after Iran delayed access for 6 months.

The combination of the agreements, technical measures, and the coherence of the P5+1 dramatically increase the risk to Iran for any attempt to move to nuclear weapons capability. For example, any attempt to enrich to HEU, to high-enriched uranium, at any time must earn a sharp response by all necessary means. In fact, a steep response must be clear from the start for any violation of the agreement.

Blocking the covert path, I should emphasize, will always rely, of course, on the work of the American intelligence community and those of our friends and allies.

The deal is based on science and analysis because of its deep grounding in exhaustive technical analysis, carried out largely, again, by our highly capable DOE scientists and engineers.

I am confident that this is a good deal for America, for our allies, and for our global security. This is nicely summarized in the recent letter to congressional leadership by seven former U.S. Ambassadors to Israel and Under Secretaries of State—individuals dedicated to strengthening the bonds between Israel and the United States.

And I quote, briefly,

> "This landmark agreement removed a threat that a nuclear-armed Iran would pose to the region and to Israel specifically. We see no fatal flaws that should call for the rejection of this agreement and have not heard any viable alternatives from those who oppose the implementation of the JCPOA."

As has been stated by many thoughtful analysts, the big gamble would come in turning away from the agreement rather than in implementing the agreement.

So thank you for this opportunity to be here. I look forward to our discussion.

[The prepared statement of Secretary Moniz follows:]

Secretary Ernest Moniz
Testimony before the House Committee on Foreign Affairs
Washington, DC
July 28, 2015

Chairman Royce, Ranking Member Engel and Members of the Committee, thank you for the opportunity to discuss the historic Joint Comprehensive Plan of Action (JCPOA) reached between the E3/EU+3 (China, France, Germany, Russia, the United Kingdom, the European Union, and the United States) and Iran.

The JCPOA prevents Iran from getting a nuclear weapon, provides strong verification measures that give us ample time to respond if Iran chooses to violate its terms, and takes none of our options off the table

America's leading nuclear experts at the Department of Energy were involved throughout these negotiations. The list of labs and sites that provided support is long, including Argonne National Laboratory, Lawrence Livermore National Laboratory, Los Alamos National Laboratory, Oak Ridge National Laboratory, Pacific Northwest National Laboratory, Sandia National Laboratory, Savannah River National Laboratory, the Y-12 National Security Complex, and the Kansas City Plant.

These nuclear experts were essential to evaluating and developing technical proposals in support of the U.S. delegation. As a result of their work, I am confident that the technical underpinnings of this deal are solid and the Department of Energy stands ready to assist in its implementation.

This deal clearly meets the President's objectives: verification of an Iranian nuclear program that is exclusively peaceful and sufficient lead time to respond if it proves otherwise. The JCPOA will extend for at least ten years the time it would take for Iran to produce enough fissile material for a first nuclear explosive device to at least one year from the current breakout time of just two to three months.

Let me take a moment to walk through how the JCPOA blocks each of Iran's pathways to the fissile material for a nuclear weapon: the high enriched uranium pathways through the Natanz and Fordow enrichment facilities, the plutonium pathway at the Arak reactor, and the covert pathway.

Iran will reduce its stockpile of up-to-5 percent enriched uranium hexafluoride, which is equivalent now to almost 12,000 kg, by nearly 98 percent to only 300 kilograms of low (3.67 percent) enriched uranium hexafluoride, and will not exceed this level for fifteen years. In particular, Iran will be required to get rid of its 20 percent enriched uranium that is not fabricated into fuel for the Tehran Research Reactor. This is important because excess 20 percent enriched uranium could be converted into feed for centrifuges, which would be about 90 percent of the way to bomb material.

Iran's installed centrifuges will be reduced by two thirds, leaving it with just over 5,000 operating centrifuges at Natanz – its only enrichment facility – under continuous IAEA monitoring. For the next 10 years, only the oldest and least capable centrifuges, the IR-1, will be allowed to operate.

Iran has an established R&D program for a number of advanced centrifuges (IR-2, IR-5, IR-6, IR-8). This pace of the program will be slowed substantially and will be carried out only at Natanz for 15 years, under close International Atomic Energy Agency (IAEA) monitoring. Iran will not pursue other approaches to uranium enrichment.

The underground uranium enrichment facility at Fordow will be converted to a nuclear, physics, and technology center where specific projects such as stable isotope production are undertaken. There will be no uranium enrichment, no uranium enrichment research and development, and no nuclear material at the site at all for 15 years. In cooperation with Russia, Iran will pursue a limited program for production of stable isotopes, such as those used for medical applications. And the IAEA will have a right to daily access at Fordow as well.

All of these reasons taken together establish the one year breakout timeline for accumulating high enriched uranium.

In addition, Iran will have no source of weapons-grade plutonium. The Arak reactor, which according to its original design could have been a source of plutonium for a nuclear weapon, will be transformed to produce far less plutonium overall and no weapons-grade plutonium when operated normally. All spent fuel from the reactor that could be reprocessed to recover plutonium will be sent out of the country, and all of this will be under a rigorous IAEA inspection regime.

This deal goes beyond the parameters established in Lausanne in a very important area. Under this deal, Iran will not engage in several activities that could

contribute to the development of a nuclear explosive device, including multiple point explosive systems. These commitments are indefinite. In addition, Iran will not pursue plutonium or uranium (or its alloys) metallurgy for fifteen years. Because Iran will not engage in activities needed to use weapons grade material for an explosive device, an additional period can be added to the breakout timeline.

To be clear, this deal is not built on trust. It is built on hard-nosed requirements that will limit Iran's activities and ensure inspections, transparency, and verification. To preclude cheating, international inspectors will be given unprecedented access to all of Iran's declared nuclear facilities and any other sites of concern, as well as the entire nuclear supply chain, from uranium supply to centrifuge manufacturing and operation. And this access to the uranium supply chain comes with a 25 year commitment.

The IAEA will be permitted to use advanced technologies, such as enrichment monitoring devices and electronic seals. DOE national laboratories have developed many such technologies.

If the international community suspects that Iran is trying to cheat, the IAEA can request access to any suspicious location. Much has been made about a 24 day process for ensuring that IAEA inspectors can get access to undeclared nuclear sites. In fact, the IAEA can request access to any suspicious location with 24 hours' notice under the Additional Protocol, which Iran will implement under this deal. This deal does not change that baseline. The JCPOA goes beyond that baseline, recognizing that disputes could arise regarding IAEA access to sensitive facilities, and provides a crucial new tool for resolving such disputes within a short period of time so that the IAEA gets the access it needs in a timely fashion — within 24 days. Most important, environmental sampling can detect microscopic traces of nuclear materials even after attempts are made to remove the nuclear material.

In fact, Iran's history provides a good example. In February 2003, the IAEA requested access to a suspicious facility in Tehran suspected of undeclared nuclear activities. Negotiations over access to the site dragged on for six months, but even after that long delay, environmental samples taken by the IAEA revealed nuclear activity even though Iran had made a substantial effort to remove and cover up the evidence. This deal dramatically shortens the period over which Iran could drag out an access dispute.

The JCPOA will be implemented in phases — with some provisions in place for 10 years, others for 15 and others for 20 or 25 years. Even after 25 years, key transparency measures, such as the legal obligations Iran will assume under the Additional Protocol, remain in place indefinitely as part of its adherence to the Nuclear Nonproliferation Treaty regime.

In closing, I want to acknowledge the tireless work of the negotiating team, led by Secretary Kerry. The U.S. multi-agency delegation worked together collegially and seamlessly, and the E3/EU+3 displayed remarkable cooperation and cohesion throughout this complex endeavor. The continued cooperation among leading nations, in particular the permanent members of the U.N. Security Council and the EU, is crucial to ensuring that Iran complies with the JCPOA so as to avoid the re-imposition of a major international sanctions regime.

This deal is based on science and analysis. Because of its deep grounding in exhaustive technical analysis, carried out largely by highly capable DOE scientists and engineers, I am confident that this is a good deal for America, for our allies, and for our global security.

Thank you for the opportunity to be here. I look forward to answering your questions.

Chairman ROYCE. Thank you.

We go to Secretary of the Treasury, Secretary Lew.

STATEMENT OF THE HONORABLE JACOB LEW, SECRETARY OF THE TREASURY, U.S. DEPARTMENT OF THE TREASURY

Secretary LEW. Thank you, Mr. Chairman, Ranking Member Engel, members of the committee, for the opportunity to be here. This is an important issue, one where I think the full discussion that we are having will make it clear that this will strengthen our national security and that of our allies.

The powerful array of U.S. and international sanctions on Iran constitutes the most effective sanctions regime in history. These measures have clearly demonstrated to Iran's leaders the costs of flouting international law, cutting them off from world markets and crippling their economy. Today, Iran's economy is about 20 percent smaller than it would have been had it remained on its pre-2012 growth path.

The United States Government stood at the forefront of this effort across two administrations and with the bipartisan support of Congress. Together, we established a web of far-reaching U.S. and international sanctions that ultimately persuaded Iran's leadership, after years of intransigence, to come to the table prepared to roll back its international program.

International consensus and cooperation to achieve this pressure was vital. The world's major powers have been and remain united in preventing a nuclear-armed Iran. That unity of purpose produced four tough U.N. Security Council resolutions and national-level sanctions in many countries and secured adherence to U.S. sanctions by countries around the world.

The point of these sanctions was always to change Iran's nuclear behavior, while holding out the prospect of relief if the world's concerns were addressed. Accordingly, once the IAEA verifies that Iran has completed key steps to roll back its nuclear program and extend its breakout time to at least 1 year, phased sanctions relief will come into effect.

There is no signing bonus in this agreement. To be clear, there will be no immediate changes to U.N., EU, or U.S. sanctions. Only if Iran fulfills the necessary nuclear conditions will the U.S. begin suspending nuclear-related secondary sanctions on a phased-in basis—sanctions that target third-country parties doing business with Iran.

Of course, we must guard against the possibility that Iran does not uphold its side of the deal. That is why, if Iran violates its commitments once we have suspended sanctions, we will be able to promptly snap back both U.S. and U.N. sanctions. And since preventing the U.N. snapback requires an affirmative vote from the U.N. Security Council, the United States has the ability to effectively force the reimposition of those sanctions.

Even as we phase in nuclear-related sanctions relief, we will maintain significant sanctions that fall outside the scope of the deal, including our primary U.S. trade embargo and other measures. With very little exception, Iran will continue to be denied access to the world's largest market, and we will maintain powerful sanctions targeting Iran's support for terrorist groups such as

Hezbollah, its destabilizing role in Yemen, its backing of the Assad regime, its missile program, and its human rights abuses at home. Just this week, Treasury sanctioned several Hezbollah leaders, building on designations last month targeting the group's front companies and facilitators. And we will not be relieving sanctions on Iran's Revolutionary Guard Corps, its Quds Force, any of their subsidiaries, or their senior officials.

Some argue the sanctions relief is premature until Iran ceases these activities and that funds Iran recovers could be diverted for malign purposes, and I understand that concern. But Iran's ties to terrorist groups are exactly why we must keep it from ever obtaining a nuclear weapon. The combination of those two threats would raise a nightmare scenario. A nuclear-armed Iran would be far more menacing.

If we cannot solve both concerns at once, we need to address them in turn. JCPOA will address the nuclear danger, freeing us and our allies to check Iran's regional activities more aggressively. By contrast, walking away from this deal would leave the world's leading sponsor of terrorism with a short and decreasing nuclear breakout time.

We must also be measured and realistic in understanding what sanctions relief will really mean to Iran. Iran's $100 billion in restricted reserves, which many fear will be directed for nefarious purposes, constitute the country's long-term savings, not its annual budget. We estimate that after sanctions relief Iran will only be able to freely access around half of these resources, or just over $50 billion. That is because over $20 billion is committed to projects with China, where it cannot be spent. And tens of billions in additional funds are in nonperforming loans to Iran's energy and banking sector.

As a matter of financial reality, Iran can't simply spend the usable resources, as they will likely be needed to meet international payment obligations such as financing for imports and external debt. Moreover, President Rouhani was elected on a platform of economic revitalization and faces a political imperative to start meeting those unfulfilled promises. He faces over $½ trillion in pressing investment requirements and government obligations. Iran is in a massive economic hole from which it will take years to climb out.

Meanwhile, we will aggressively target any attempts by Iran to finance Hezbollah or use funds gained from sanctions relief to support militant proxies, including by enhancing our cooperation with Israel and our partners in the Gulf.

Backing away from this deal to escalate the economic pressure and try to obtain a broader capitulation from Iran would be a mistake. Even if one believed that extending sanctions pressure was a better course than resolving the threat of Iran's nuclear program, that choice is simply not available. Our partners agreed to impose costly sanctions on Iran for one reason: To put a stop on its illicit nuclear program. If we change our terms now and insist that these countries now escalate those sanctions and apply them to all of Iran's objectionable activities, they just wouldn't do it. They would balk, and we would be left with neither a nuclear deal nor effective sanctions.

So it is unrealistic to think that additional sanctions pressure would force Iran to totally capitulate and impractical to believe we could marshal a global coalition of partners to impose such pressure after turning down a deal our partners believe is a good one.

The Joint Comprehensive Plan of Action is a strong deal. With phased relief after Iran fulfills its commitments to roll back its nuclear program and a powerful snapback built in if later on they break the deal, its terms achieve the objective they were meant to achieve: Blocking Iran's paths to a nuclear bomb. That is the overriding national security priority, and it should not be put at risk, not when the prospect of an unconstrained Iranian nuclear program presents such a threat to America and the world.

Thank you again, and we look forward to answering your questions.

[The prepared statement of Secretary Lew follows:]

EMBARGOED UNTIL DELIVERY

Written Testimony of Jacob J. Lew, Secretary of the Treasury
United States House of Representatives Committee on Foreign Affairs
July 28, 2015

Chairman Royce, Ranking Member Engel, thank you for the opportunity to speak today about the Joint Comprehensive Plan of Action (JCPOA) between the P5+1 and Iran, a historic deal that will ensure that Iran's nuclear program will be exclusively peaceful. A foreign policy decision of such significance deserves careful, detailed, and public analysis and hearings like this one are central to that review. I am confident that a full and fair debate on the merits will make it clear that this deal will strengthen our national security and that of our allies.

Secretary Kerry and Secretary Moniz have detailed how the deal effectively cuts off all of Iran's pathways to a nuclear weapon and ensures the inspections and transparency necessary to verify that Iran is complying. I will focus on describing how the international sanctions coalition that the United States and our partners built over a nearly a decade — combined with hard-nosed diplomacy and a credible military deterrent — allowed us to secure far-reaching and unprecedented nuclear concessions from Iran. I will also discuss the nature of the sanctions relief contained in this deal, and how the JCPOA is structured to maintain pressure on Iran to fulfill its commitments. Finally, I want to describe the powerful sanctions that will remain in place to counter a range of malign Iranian activity outside of the nuclear sphere – most notably its active support for terrorism, its ballistic missiles program, destabilizing regional activities, and human rights abuses. The Administration will continue to wield these measures in a strategic and aggressive manner and will work with our allies in the region to coordinate and intensify the impact of these tools.

The Impact of Sanctions on Iran's Economy

Iran would not have come to the negotiating table were it not for the powerful array of U.S. and international sanctions. These sanctions made tangible for Iran's leaders the costs of flouting international law, cutting them off from world markets and crippling their economy. The U.S. government — Congress and the Executive Branch — stood at the forefront of this effort across two administrations, successfully pushing for four tough UN Security Council resolutions and deploying a web of new and far-reaching U.S. sanctions that ultimately persuaded the Iranian leadership, after years of intransigence, to come to the table prepared to roll back its nuclear program.

To see the impact of these sanctions, consider that Iran's economy today is around 20 percent smaller than it would have been had Iran remained on its pre-2012 growth trajectory. This means that even if Iran returns to that pre-2012 growth rate, it would take until 2020 for Iran's GDP to reach the level it would have been last year absent sanctions.

Our sanctions have cost Iran more than $160 billion since 2012 in oil revenue alone. Iran's oil exports were cut by 60 percent, and have been held at those reduced levels for the past two years. And Iran's designated banks, as well as its Central Bank, were cut off from the world. Since 2012, Iran's currency, the rial, has declined by more than 50 percent. Its inflation rate reached as high as 40 percent, and remains one of the highest in the world.

We have maintained this pressure throughout the last eighteen months of negotiations. During the negotiation period alone, our oil sanctions deprived Iran of $70 billion in oil revenue. And Iran's total trade with the rest of the world remained virtually flat.

The international consensus and cooperation to achieve this sanctions pressure was vital. While views on Iran's sponsorship of groups like Hizballah and its interventions in places like Yemen and Syria differ markedly around the world, the world's major powers have been — and remain — united that Iran cannot be allowed to pursue a nuclear weapons capability. That unity of purpose produced the UN Security Council resolutions and national-level sanctions in Japan, Australia, Switzerland, Canada, and many other jurisdictions. In all of these cases, the sanctions aimed to deliver a change in Iran's nuclear behavior, while holding out the prospect of relief if Iran addressed the world's concerns about its nuclear program.

Sanctions Relief under the JCPOA

As you have heard from Secretaries Kerry and Moniz, the JCPOA closes off all of Iran's pathways to nuclear weapons capability and, critically, gives us the access to ensure compliance and the leverage to re-impose sanctions if Iran breaches the deal. Should Iran fully comply with the terms of the JCPOA, and should the IAEA verify this compliance, phased sanctions relief will come into effect.

To be clear, about 90 days from now when the JCPOA goes into effect, there will be no immediate changes to UN, EU or U.S. sanctions. Iran will not receive any new relief until it fulfills all of the key nuclear-related commitments specified in the deal, thereby pushing back its breakout time to at least one year. Until Iran does so, we will simply extend the limited JPOA relief that has been in place for the last year and a half.

Should Iran fulfill all of the necessary conditions, we will have reached what it is known as "Implementation Day," and phased relief will begin. At that time, the United States will suspend nuclear-related secondary sanctions. These are the sanctions that primarily target third-country parties conducting business with Iran — including in the oil, banking, and shipping sectors. Relief from these restrictions will be significant, to be sure. But a number of key sanctions will remain in place. Our primary trade embargo will continue to prohibit U.S. persons from investing in Iran, importing or exporting most goods and services, or otherwise dealing with most Iranian persons and companies. For example, Iranian banks will not be able to clear U.S. dollars through New York, hold correspondent account relationships with U.S. financial institutions, or enter into financing arrangements with U.S. banks. Iran, in other words, will continue to be denied access to the world's largest financial and commercial market.

The JCPOA makes only minor allowances to this broad prohibition. These include allowing for the import of foodstuffs and carpets from Iran; the export on a case-by-case basis of commercial passenger aircraft and parts to Iran — which has one of the world's worst aviation safety records — for civilian uses only; and the licensing of U.S.-owned or controlled foreign entities to engage in activities with Iran consistent with the JCPOA and U.S. laws.

The United States will also maintain powerful sanctions targeting Iran's support for terrorist groups such as Hizballah and its sponsors in Iran's Islamic Revolutionary Guard Corps–Quds Force; its destabilizing support to the Houthis in Yemen; its backing of Assad's brutal regime; its missile program; and its human rights abuses at home. Just this week, Treasury sanctioned several Hizballah leaders, building on designations last month that targeted the group's front companies and facilitators. We will not be providing any sanctions relief to any of these lines of activity and will not be delisting from sanctions the IRGC, the Quds Force, or any of their subsidiaries or senior officials.

I also want to emphasize that secondary sanctions imposed by Congress will continue to attach to these designations, providing additional deterrence internationally. For example, a foreign bank that conducts or facilitates a significant financial transaction with Iran's Mahan Air or Bank Saderat will risk losing its access to the U.S. financial system. These sanctions will continue to be in place and enforced; they are not covered by the JCPOA.

Snapback

While our focus is on successfully implementing this deal, we must guard against the possibility that Iran does not uphold its side of the deal. That is why, should Iran violate its commitments once we have suspended sanctions, we have the mechanisms ready to snap them back into place. For U.S. sanctions, this can be done in a matter of days. Multilateral sanctions at the UN also can be re-imposed quickly, through a mechanism that does not allow any one country or any group of countries to prevent the reinstitution of the current UN Security Council sanctions if Iran violates the deal. So, even as Iran attempts to reintegrate into the global economy, it will remain subject to sanctions leverage.

Countering Iran's Malign Activities

As noted above, Iran's malign activities continue to present a real danger to U.S. interests and our allies in the region, beyond the nuclear file. I have heard some argue that, until Iran ceases these activities, sanctions relief is premature, and that funds that Iran recovers could be diverted to these malign activities. I understand the concern well — no one wants to see the world's foremost sponsor of terrorism receive any respite from sanctions. But it is Iran's relationships with terrorist groups that make it so essential for us to deprive it of any possibility of obtaining a nuclear weapon. The combination of those two threats would raise the specter of what national security experts have termed the ultimate nightmare. If we cannot solve both concerns at once, we need to address them in turn. The JCPOA will address the danger of Iran's nuclear program — lowering the overall threat posture and freeing us and our allies to check Iran's regional activities more aggressively, while keeping our sanctions on support for terrorist activity in place. By contrast, walking away from this deal and seeking to extend sanctions would leave the world's leading sponsor of terrorism with a short and decreasing nuclear breakout time.

None of this is to say that we view the sanctions relief Iran will receive if it complies with the JCPOA with indifference. As the agency with primary responsibility for sanctions against Iran over the last three decades, we are keenly aware of its nefarious activities in the region and have invested years in devising and implementing sanctions to frustrate its objectives.

That said, in gauging the impact of lifting these restrictions, we should be measured and realistic. These funds represent the bulk of Iran's foreign reserves — they are the country's long-term savings, not its annual budgetary allowance, and as a matter of financial management, Iran cannot simply spend them. Of the portion that Iran spends, we assess that Iran will use the vast majority to attempt to redress its stark economic needs. President Rouhani was elected on a platform of economic revitalization and faces a political imperative to meet those unfulfilled promises. Iran's needs are vast — President Rouhani faces well over half a trillion dollars in pressing investment requirements and government obligations. And Iran's economy continues to suffer from immense challenges — including perennial budget deficits, rampant corruption, and one of the worst business environments in the world. Put simply, Iran is in a massive hole from which it will take years to climb out.

In any event, we will aggressively target any attempts by Iran to use funds gained from sanctions relief to support militant proxies, including by continuing to enhance our cooperation with Israel and our partners in the Gulf.

Conclusion

The JCPOA is a strong deal — with phased relief in exchange for Iranian compliance and a powerful snap-back built in. Backing away from this deal, on the notion that it would be feasible and preferable to escalate the economic pressure and somehow obtain a capitulation — whether on the nuclear, regional, terrorism, or human rights fronts — would be a mistake. Even if one believed that continuing sanctions pressure was a better course than resolving the threat of Iran's nuclear program, that choice is not available.

The UN Security Council and our partners around the world agreed to impose costly sanctions against Iran for one reason — to put a stop to its illicit nuclear program. If we changed our terms now and insisted that these countries continue to impose those sanctions on Iran, despite the availability of a diplomatic solution to its nuclear program, they would balk. And we would be left with neither a nuclear deal nor effective sanctions. It is unrealistic to think that additional sanctions pressure would force Iran to totally capitulate — and impractical to believe that we could marshal a global coalition of partners to impose such pressure, after turning down a deal that our partners believe is a good one.

The terms of this deal achieve the purpose they were meant to achieve: blocking Iran's paths to a nuclear bomb. That is an overriding national security priority, and its achievement should not be put at risk — not when the prospect of an unconstrained Iranian nuclear program presents such a threat to America and the world.

Chairman ROYCE. Thank you, Secretary Lew.

To get back to a point that was made, as I read it, the 24-day suspect site process does expire in 15 years. The IAEA Additional Protocol alone wouldn't deter Iran, based on our past experience with their noncompliance with the IAEA. So I think that point stands.

The other question I just would like to ask Secretary Kerry relates to what the Secretary of Defense said. In his testimony about the "I" in "ICBM," he said it stands for "intercontinental," which means going from Iran to the United States. Simply, countries develop ICBMs to deliver a nuclear warhead. And these will be aimed at us, not at Moscow.

And at the same time that these missile restrictions are coming off, sanctions on the Iranian scientists involved in their bomb work are also coming off.

So how is that making us safer? It seems to me the winner here is Russia, which demanded and won on the lifting, on Iran's behalf, of these ICBM sanctions. Why did we concede on that?

Secretary KERRY. Well, we didn't concede on that, Mr. Chairman.

In fact, we won a victory because the—we have seven nations negotiating. Three of the seven thought that the sanctions ought to be lifted immediately—Iran, Russia, and China. Four of them—Germany, France, Britain, the United States—thought they shouldn't.

And what we succeeded in doing was keeping both the arms embargo and the missile component—the missiles for 8 years, the arms for 5 years—notwithstanding the fact that Iran has a very legitimate argument, which they were making, that the U.N. Resolution 1929, which is what created the sanctions and the structure we were negotiating under, said that if Iran comes to the table and negotiates all the sanctions would be lifted.

Now, they didn't just come to the table to negotiate; they made a deal. They signed an agreement. They came to an overall agreement. So they felt that they were in compliance with the U.N. resolution. And we felt, on the other hand, that their behavior in the region was such that it would be unconscionable, notwithstanding, to lift. So the compromise was the 5 and 8.

But we don't feel we lost anything whatsoever in that, Mr. Chairman, for the following reasons: The UNSCR, U.N. Resolution 1929, is a nuclear resolution. Susan Rice put the—she was then at the U.N.—she put the arms piece in at the last minute. It was a sort of throw-in at the last moment into this nuclear resolution.

And the nuclear resolution always contemplated that if the IAEA came to what is known as its broad conclusion that Iran was not engaged in any illicit activities in its declared or undeclared activities, then all the sanctions are lifted.

So, no matter what was going to happen here, we were going to lose both the missile and the arms under the U.N. component. But here is what we have done in the meantime that we believe actually takes care of this issue:

First of all——

Chairman ROYCE. Mr. Secretary, I have followed the arguments that you have made about the laws that we have to defend against

Iran's missile program, and I understand the steps that you took here.

I am just saying, big picture, big picture, when we end up with a bottom line where in 8 years they get the missile, it doesn't look like a victory to me. It looks like——

Secretary KERRY. But they don't.

Chairman ROYCE. They may not get the missile at the time, but they can buy the technology at that time. The embargo is lifted at that time.

Secretary KERRY. No. Actually, they can't, Mr. Chairman, because we have, happily—we have several other protocols which prevent that from happening. Specifically, the missile control technology regime prevents that from taking place. We have an Executive order by the President of the United States that, in fact, prevents the transfer of——

Chairman ROYCE. I would just point out there is a reason why Russia pushed it. There is a reason we did not want——

Secretary KERRY. Because Russia they didn't want the U.N. component of this. But they know that we have separate capacities and we will apply them.

Chairman ROYCE. I would hope that we could strengthen our hand in this as we go along, but the bottom line is Iran is getting a financial windfall. It increases its support for terrorist proxies. They have announced that recently. It reintegrates into the global economy. It upgrades its conventional weapons. I think it upgrades its ballistic missile program in this, over the time of this agreement. It has an industrial-size nuclear program in 10 years. And that is the timeframe only if they don't cheat.

So, when I look at this and I see that Iran's neighbors, who know it the best, trust it the least, I just ask—we are presuming Iran is going to change its behavior——

Secretary KERRY. No, we are not.

Chairman ROYCE [continuing]. And that behavior did not change last weekend, when they were chanting, again, "Death to America."

Secretary KERRY. Mr. Chairman, please, with all due respect, we are not presuming any such thing. There is no presumption in here about what Iran will or will not do. There is one objective: Make sure they can't get a nuclear weapon. And on the back side of that, we have a very robust initiative that will push back against Iran's other activities.

But let me be very specific. Executive——

Chairman ROYCE. Well, my time has expired.

Secretary KERRY [continuing]. Order 12938 authorizes U.S. Sanctions on foreign persons that materially contribute to the proliferation of missiles, including efforts to manufacture, acquire, develop, and transfer them, by any person or foreign country of proliferation concern.

That is just one——

Chairman ROYCE. Okay.

Secretary KERRY [continuing]. Of about four or five——

Chairman ROYCE. My time has expired, Mr. Secretary. I am going to go to Mr. Engel, but thank you very much.

Mr. ENGEL. Thank you, Mr. Chairman.

And thank all of you for testifying.

I still want to get back to 15 years, because, frankly, it is the thing that disturbs me the most. The truth is that after 15 years Iran is a nuclear threshold state. They are legitimized in this agreement as being a nuclear threshold state, which means they can produce weapons-grade highly enriched uranium without limitation.

I know you can make the argument and say, well, they are already at that point now. But why would we not try to negotiate a deal where they couldn't have those things in 15 years?

I also want to mention that a nuclear agreement doesn't whitewash the fact that Iran continues to remain a destabilizing actor in the region and continues to fuel terrorism around the globe.

Our friends in Israel, rightfully, are concerned that Iranian funding of terrorism would continue to affect them in an existential way. One of the issues I have had with this agreement is that from day one it only focused on—it limits to Iran's nuclear program. With this agreement, the way I look at it, Iran's financing of terrorism will continue and could become much worse. The Iranian Revolutionary Guard Corps would take advantage of any sanctions relief that results from an agreement between P5+1 and Iran because, simply put, money is fungible.

So I would like to know how, specifically, will we work with our allies to minimize the potential windfall to terrorist organizations and protect our allies like Israel.

And the other issue I want to raise is that the lifting of the arms embargo and the sanctions—the chairman mentioned some of this—and the sanctions around Iran's ballistic missile program further destabilizes the region.

I was very disappointed that these sanctions will eventually be lifted. We had been told that Iranian weapons transfers and their ballistic missile program were outside of the scope of the negotiation. So, in my opinion, the changes to these sanctions should have been outside the scope, as well.

So that means, when the arms embargo expires, Iran will be able to legally ship weapons to President Assad so he can continue to torture and kill his own people.

So how will U.S. sanctions work to address this issue? Would the administration be open to further congressional consideration of new sanctions on Iran's arms activity and ballistic missile program?

And, finally, because the arms embargo and ballistic missile sanctions are not specifically mentioned in the JCPOA, only the U.N. Security Council resolution governing the JCPOA, would violations of the arms embargo be considered violations of the JCPOA? Does the snapback of sanctions apply to violations of the arms and missile embargoes? If Iran were to continue to ship weapons to Hezbollah before the arms embargo expires, would they be in violation of the JCPOA?

Secretary KERRY. Well, Congressman, there are so many questions in there. Obviously, we are very happy to come back to you on the record. I want to answer every single one of them. But let me try to take on the biggest ones first of all.

Let me just call to everybody's attention here, the IRGC opposes this agreement. So they are not sitting there thinking they are

going to get the whole world and be able to go and do what they want to do. And one of the reasons they oppose this agreement—and I invite you to talk to the intel community about that, they will document it—is that they see themselves losing the cover of the nuclear umbrella that they had hoped to have for their nefarious activities.

Now, there is nothing here to prevent us from pushing back against the IRGC and others going forward, Congressman. Congress and others, we are all free to work together to build the pushback against the destabilizing activities.

But let me ask you a simple question: Is Iran empowered more destabilizing the region with a nuclear weapon or stripped of that ability with an international agreement it has to live up to and then us coming in underneath with a whole set of other security arrangements and pushback? I think the answer to that is crystal clear.

Now, you asked the question of what happens with respect to year 15. Folks, under the additional protocol and the Modified 3.1 Code, please focus on what happens. There is not some sudden break-off at the end of 15 years. They are under remarkable restraint.

Specifically, the comprehensive safeguards agreement that they have to negotiate with the IAEA, which goes on forever, provides the IAEA with the right and obligation to provide safeguards on all source and special fissionable material in Iran to ensure the material is not diverted to nuclear weapons. All non-nuclear-weapon states parties under the Nonproliferation Treaty have to bring this into agreement.

The comprehensive safeguard agreement requires Iran to maintain detailed accounting records on all material that is subject to the safeguards, operating records on all facilities subject to the safeguards. All public facilities in their program are subject to the safeguards.

It provides for a range of IAEA inspections, including verifying the location, the identity, the quantity, the composition of all nuclear materials subject to the safeguards, the design of nuclear facilities. It requires the Board of Governors to "take action without delay"—that is a quote—in a situation where it is essential and urgent and provides consequences for a finding of noncompliance.

That is just on the side of the declared facilities. There are a whole set of requirements for access and inspection and accountability on the undeclared facilities.

So, Congressman, they are forever under enormous constraints here with respect to inspections and accountability. They have to provide accountability for all the nuclear research and development activities not involving nuclear material, manufacturing and production of sensitive technology, centrifuge rotor components, construction of hot cells usable for plutonium separation, uranium mines, concentration plants, nuclear waste, all kinds of things.

Now, let me let Ernie——

Chairman ROYCE. Well, may I suggest this, Mr. Secretary? We can respond for the record, Mr. Secretary, to the ranking member's questions. But if we could go now to Ileana Ros-Lehtinen. The time has expired here. And we will just get that for the record later.

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

Last week, the LA Times reported that Iran's Foreign Minister told the Iranian Parliament that under the deal Iran can deny inspectors access to military sites. Iran's Defense Minister has also stated that he would not allow international inspectors to enter Iran's military sites. Yet President Obama stated:

> "Inspectors will also be able to access any suspicious location. Put simply, the organization responsible for the inspection, the IAEA, will have access where necessary, when necessary."

Can the IAEA really have access to any and all military sites suspected of housing nuclear activity? Does the agency need preapproval from Iran to access these sites?

And the whole point of sanctions, Mr. Secretary, was not to bring Iran to the negotiation table, and dismantling Iran's nuclear infrastructure used to be the administration's goal. The administration repeatedly told us that it would focus sanctions only on its nuclear portfolio. Yet, in the deal we have over 60 pages of individuals, companies, vessels that will be delisted, specifically mentioned. Many of these sanctions are not nuclear-related.

The administration has always stated that all provisions within this agreement have to be agreed upon by all parties, which includes allowing the EU to list sanctions on the Quds Force, including its leader Soleimani. What do you say, Mr. Secretary, to the families of Americans who were killed or wounded as a result of Soleimani's actions in Iraq? And please explain to them why as part of the nuclear negotiations the U.S. agreed that the IRGC Quds Force that is responsible for countless deaths around the globe are going to get their designations lifted and will be getting billions of dollars to support their acts of terror throughout Europe. And I am glad that it is only $50 billion. I feel better already.

Secretary Kerry, you will be in Cuba soon. I remain extremely worried about allowing Cuba to open an Embassy here in DC, giving the regime a license to spy against our Nation. Will U.S. law enforcement vet every Cuban official, so-called diplomat, who wants to come to Washington, and will we reject any Cuban official who wishes to be posted in DC if our law enforcement officials have information related to their espionage apparatus?

And finally, Secretary Kerry, when announcing the deal, President Obama said—the Iranian deal: "We will continue our unprecedented efforts to strengthen Israel's security." Will you guarantee that the U.S. will veto any measure at the U.N. Security Council on Palestinian statehood that calls for anything but a two-state solution through direct bilateral negotiations between Israel and the Palestinians and nothing else?

Secretary KERRY. So, Madam Chair, let me come back to you on the record on a bunch of those, because, again, they are more than we can answer in the time we have. And I appreciate your effort to get a lot of questions, and we will answer them all.

Let me just clarify a couple of important things. I want Ernie and Jack to get in here on two things, one on the money and the other on the highly enriched uranium.

But just very quickly, there is a confusion here between the dismantling of the nuclear weapons program versus the nuclear pro-

gram. It was never the goal of this administration—and by the way, not even the Bush administration. The Bush administration in 2008 offered——

Ms. ROS-LEHTINEN. Mr. Secretary, with all due respect, perhaps if you could answer about the Soleimani, the lifting of sanctions of the EU, which we agreed to.

Secretary KERRY. Well, I just want to be very clear, though, I want to be very clear that we are achieving what we set out to do, which is dismantling their capacity to make a nuclear weapon.

With respect to the military sites, yes, they will have, providing that is part of the inspection of an undeclared suspicious facility. And if it is, we will have access.

Ms. ROS-LEHTINEN. We will have access to the military sites?

Secretary KERRY. If they don't provide it, they will be in material breach of this agreement and the sanctions will snap back.

Ms. ROS-LEHTINEN. And we consult with Iran before we get access?

Secretary KERRY. Well, there is a process, there is a procedure in place, but it doesn't rely on Iran or Russia or China saying yes.

Ms. ROS-LEHTINEN. So Iran is wrong when they say that we won't have access to military sites?

Secretary KERRY. No. They are taking care of a domestic constituency in the way that they feel they need to. They understand that under this agreement——

Ms. ROS-LEHTINEN. Thank you.

Secretary KERRY [continuing]. What they say is not as important as what they do.

Ms. ROS-LEHTINEN. Thank you. My time is up.

Chairman ROYCE. I am going to remind the members we have 5 minutes. So ask the question. Give enough time for response. Then with a second question. And what we are going to do is we are going to have the response for the record. But I am going to encourage the members.

We are going to go now to Mr. Brad Sherman of California.

Mr. SHERMAN. We have got to remember that this is not a binding deal. This is not a treaty. This is not binding on Iran. This is not binding on the United States. It is not even an Executive legislative agreement. And these gentlemen here aren't even asking for Congress to approve the deal. I think they would appreciate it if we didn't pass a formal resolution of disapproval. It might be at most morally binding on this administration.

So what may be important for us is to look to see whether it is a good deal in the next couple of years, because I think the administration has plans to follow it, unless we prohibit that, and also try to see whether we will have Congresses and administrations in the future that will take the actions in the future necessitated by our national interest.

One quick observation. The IRGC may publicly oppose this deal because that is the best thing the Iranian Government can do to persuade us here in Congress to support the deal, or maybe they genuinely oppose it.

But I want to focus, Secretary Kerry, on your remarks about dealing with Iran's non-nuclear behavior. And you say we will be in a stronger position to deal with that, and we have to deal with

it. They are holding four American hostages. Assad is killing 5,000 people a month at least, and the blood is on the hands of men in Tehran. And they are supporting Hamas, Hezbollah, and the Houthi, and those are just the organizations that begin with the letter H.

You are not going to be able to persuade them to change just by charm, although you bring a considerable amount of that. You are going to need to threaten them with new sanctions, unless they change their behavior. And we have seen, sanctions cause Iran to change its behavior even on things very important to Iran.

Now, I am not asking you whether you think new sanctions are a good idea, bad idea, whether Europe will follow, whether they won't follow. I am only going to focus on what is legal under this agreement.

You were asked about this in the Senate, and you said, "We will not violate the agreement if we use our authorities to impose sanctions on Iran for terrorism, human rights, missiles, or other nonnuclear reasons." But you then also noted that there is this provision in paragraph 26 that commits the United States to refrain from reintroducing or reimposing the sanctions specified in annex 2, which of course are the very best sanctions we have got, although we can probably come up with new ones if you tell us that the old ones are forbidden.

So you were also asked: If we reimpose sanctions on the Central Bank of Iran to deter terrorism, would that violate the agreement? And you said no. But I would like you to clarify, is Congress and the United States free under this agreement to adopt new sanctions legislation that will remain in force as long as Iran holds our hostages and supports Assad?

Secretary KERRY. We are free to adopt additional sanctions as long as they are not a phony excuse for just taking the whole pot of the past ones and putting them back. We can put them in place.

Let me let Jack——

Mr. SHERMAN. Secretary Kerry, it is my time, and I have got a lot of other questions.

Now, we have got a number of entities listed for their nuclear activities that deserve to be listed for their terrorist activities. It is just you haven't had time to put them on that second list. Will you be putting entities who are on the list of sanctions for their nuclear activity on the terrorist list if they deserve it, and can you get that job done before this agreement becomes effective?

Secretary KERRY. Well, we have terrorism sanctions in place right now.

Mr. SHERMAN. But we have got to list additional entities.

Secretary KERRY. We are free to add, and we have added.

Mr. SHERMAN. And we are free to add those who——

Secretary KERRY. By the way, we added some 60 entities during the course of these negotiations.

Mr. SHERMAN. Let me get to one other question. You strongly do not want us to override a Presidential veto, but if we do, that triggers certain American laws. I would like to give you an opportunity. You don't want us to do it. You think it is terrible policy. You think the rest of the world would be against us.

But let's say Congress doesn't take your advice. We override a veto. And the law that is triggered then imposes certain sanctions. Will you follow the law even though you think it violates this agreement clearly and even if you think it is absolutely terrible policy?

Secretary KERRY. I can't begin to answer that at this point without consulting with the President and determining what the circumstances are——

Mr. SHERMAN. So you are not committed to following the law if you think it is a bad law?

Secretary KERRY. No, I said I am not going to deal with a hypothetical, that is all. I would like the Secretary of the Treasury to respond on the sanctions.

Chairman ROYCE. We are out of time. We are going to have to go to Mr. Chris Smith of New Jersey. But for the record, Mr. Secretary, please put it in the record and we will have it.

Secretary LEW. Mr. Chairman, on the financial issues and on the sanctions issues, there is a lot of responses to the questions that are being asked, and if we got a minute or 2 to respond, it might actually be helpful to those who want to understand the agreement.

Chairman ROYCE. Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

Welcome to the committee, gentleman.

Numerous reports of Iranian collaboration with North Korea, including articles written by Assistant Secretary of State Douglas Frantz way back in 2003, make it clear that North Korea is collaborating with Iran. One first question, what happens under the agreement if North Korea conveys nuclear weapons to Iran and other capabilities that they certainly have at their disposal?

The issue of the arms race is real. I think this incentivizes Saudi Arabia and others, Egypt, to acquire a bomb. That means the Middle East becomes even more of a powder keg.

Saeed Abedini, Hekmati, Rezaian, Levinson, when are they going to be free, if you can speak to that, Mr. Secretary?

In your opening you said even if they break out, they still have to go design the bomb. But that is the problem with this agreement. It once again kicks the issue of the past military dimensions of Iran's program down the road.

Iran has been stonewalling the IAEA on this point for years. Inspectors have long been denied access to the Parchin military site, where it is believed that Iran tested detonators for nuclear warheads. Iran has refused inspectors access to the Parchin site for years. In 2013, there were even images showing bulldozing of buildings and removing of roads.

Is the IAEA being pressured to accept terms that fail to provide inspectors full access and disclosure?

And the last point, Mr. Secretary, yesterday at the TIP Report release you spoke eloquently and boldly about combating modern day slavery. I deeply respect your personal commitment to ending sex and labor trafficking. But while the report is accurate, I am concerned that the designations for several countries miss the mark, and a number of countries got absolutely unmerited upgrades, including Malaysia, Cuba and Uzbekistan.

I went back and read the reports from last year and the year before. In China, there were 35 convictions of trafficking, and that is now a Watch List country. Cuba, 13 convictions for sex trafficking. The narrative gets it right. None for labor trafficking. They say there is no labor trafficking, it doesn't exist, which is nuts. A year ago there were 10 convictions. So we are talking about absolutely minimal.

Thailand, by contrast, had 151 convictions. They are still Tier 3. And Malaysia had three convictions for sex and labor trafficking, a decrease from nine from last year, and they were Tier 3.

The narratives get it right. The designations miss it by a mile.

Secretary KERRY. Well, I am going to deal with the TIP. I would be happy to sit down with you and talk that through. Since time is so precious here, I want to stay on Iran, and I want my colleague to be able to address a couple key issues.

Secretary LEW. Mr. Chairman, if I could just respond to a couple of the issues that have been raised. Congressman Engel asked about the money——

Mr. SMITH. If the gentleman would yield. This is my time. I would really like to know about the questions.

Chairman ROYCE. Mr. Smith, we will get answers here to everything. Let's let the witness.

Secretary LEW. On the question of the flow of money to Iran, there have been a range of estimates as to how much money Iran has locked up. Let's remember why the money is locked up. It is locked up because our international partners worked with us to take Iran's money and not let Iran get it.

At the highest number that we see, there is $115 billion that is theoretically available. In reality, $58 billion to $59 billion of that is unavailable, roughly $20 billion is tied up in contracts like China, and the balance is things like nonperforming loans.

Now, I am not going to say that $56 billion is not a lot of money, but it is not $150 billion, and it cannot all be used because they need to keep some foreign reserves just to run their economy. If you look at the demands in Iran's economy for the use of that money, we see at least $500 billion of competing demands for that $50 billion.

So in any kind of an allocation of that resource, you look at what they have done under sanctions, they have managed with sanctions in place to put several million dollars a year toward malign purposes. We can't say that there won't be any more money going to malign purposes.

But I think the order of magnitude is way, way smaller, and it is in line with the kinds of spending they have been doing anyway. You compare that to an Iran with a nuclear weapon, the bigger threat to us and our friends in the region is Iran with a nuclear weapon having the same kinds of objectives.

On Congresswoman Ros-Lehtinen's questions about the IRGC and Soleimani, Soleimani is not delisted. We have not delisted the major entities of the IRGC. There are a few entities whose identity has changed over time, whose leadership has changed over time. Privately, we are happy to go through the individual cases. But we have kept in place our sanctions regime on terrorism.

Chairman ROYCE. Thank you, Mr. Secretary.

Now, we have got three questions that were asked by the gentleman from New Jersey. If we can just have a succinct answer to those.

Secretary KERRY. Congressman, the greatest incentive for an arms race in the region, for Egypt or Saudi Arabia or one of the other countries to try to get a bomb, will be if this agreement is rejected. And the reason will be that Iran will go back to enriching, we will not have inspection, we will not have insight, and they will say: Oh, my God, now they are going for a bomb, now we have a reason to have to get one. They have, in fact, told us, these countries, that they are not going to chase a bomb providing the implementation of this agreement continues and providing that we are working with them on the other pushback issues for the region.

With respect to the issue of Parchin, yes, there will be access as appropriate under the agreement between the IAEA and Iran, and that is an agreement which is normally entered into confidentially between those countries.

Mr. SMITH. Again, that is the problem.

Americans held captive and North Korea gets the bomb, or conveys a bomb to Iran, what happens there?

Secretary MONIZ. May I comment? I believe I heard you say, Congressman, that Iran set off a nuclear explosive at Parchin. That is incorrect.

Mr. SMITH. I didn't say that. I didn't say that at all.

Chairman ROYCE. Those weren't his remarks, if I could just interject.

Mr. SMITH. Really, at least get that right.

Secretary KERRY. But there will be appropriate access.

Mr. SMITH. But appropriate, how is that defined?

But, again, on the Americans held captive and on the issue of North Korea conveying bombs to Iran, what happens under the agreement?

Secretary KERRY. My last conversation with Foreign Minister Zarif and with the brother of the President was regarding the four people being held, the four American citizens. And we have followed up on that conversation since then. We are in direct conversations. That is all I am going to say here today. But I hope that they will be returned to be with their families.

Mr. SMITH. North Korea and a bomb, they convey bombs to Iran, what happens under the agreement, anything?

Secretary KERRY. If North Korea what?

Mr. SMITH. If North Korea were to provide weapons, nuclear weapons to Iran, what happens?

Secretary KERRY. Well, they can't do that, and both Iran and North Korea would be in gross violation of the Nonproliferation Treaty, and we would take action.

Mr. SMITH. North Korea seems not to care.

Secretary KERRY. And Iran would be in violation of this agreement.

Chairman ROYCE. All right. So we have Albio Sires from New Jersey.

Mr. SIRES. Thank you Mr. Chairman.

Thank you for being here.

There are deep divisions in Iran, evidenced by the comments made by the hardliners and the Prime Minister and the Foreign Minister and the Supreme Leader. Are these divisions likely to resurface during the implementation of this agreement? And what are the consequences of these divisions for the implementation? Because I keep reading that they are constantly going back and forth. And I am concerned that we get an agreement and the hardliners——

Secretary KERRY. So, Congressman, it is a very, very good question and appropriate to understanding the dynamic here.

We saw the exact same divisions of things that were being said regarding the interim agreement, if you recall. And what we have learned is it is not as important what they say, it is important what they do, and make sure that their actions are held accountable. Every aspect of the interim agreement has been lived up to, notwithstanding denials that came out publicly from certain politicians or from certain leaders.

We have seen the same thing here. We heard that X or Y or Z was a red line, it wouldn't be able to do it, et cetera. But the agreement is the agreement. That is why we have been so clear, Mr. Chairman, that nothing in this agreement is based on trust. Nothing is based on an expectation of some change of behavior. This agreement is 100 and whatever pages, 9 pages, because it is specific with its annexes in declaring what is expected of whom and when. And that precision is what gives us confidence we will be able to hold them accountable.

Mr. SIRES. Thank you. And, Secretary, you said there is only $56 billion for them to really——

Secretary LEW. That is accessible.

Mr. SIRES. Accessible. But really, they do not need a lot of money for some of these groups to start up again. I mean, they don't need billions, they can't absorb billions, some of these groups. So, I mean, there is enough money there to stir a lot of problems.

Secretary LEW. I mean, the problem is that even with all of the sanctions in place, they are finding the relatively small sums of money that it takes to do terrible acts of regional destabilization and support of terrorism. So they are doing that now with the sanctions in place. And what I am saying is I don't think you are going to see the shape of that support change. Though there will be some more resources available, it will on the margin, and it will be along the lines of what they are already doing, which puts the burden on us and our allies in the region to shut down the flow of money and the flow of materiel to malign forces.

Frankly, one of the issues we discussed with our Gulf allies when we met with them at Camp David was how to work more effectively together to shut down some of those flows of money, things that are happening today, with the sanctions in place. So I think the problem exists today, with or without an agreement.

And the challenge on this money that is Iran's money locked up overseas is it is not in the United States. A lot of the money is in China. A lot of the money is in India. It is in other places. If the P5+1 agreement is rejected by the United States, I don't think we can rely on those other countries keeping that money locked up. So

you could end up with Iran getting access to that money without the benefit of an agreement, which would be a very bad outcome.

So I think that we have to keep it in perspective. It is a serious issue. We have made the commitment to continue designating, like we did last week, additional Hezbollah actors. We will continue to do that. We have sanctions and secondary sanctions in place. We will double and redouble our efforts on that. We need to get our allies to be part of it. But that is not a reason not to have an agreement to make sure that Iran doesn't get a nuclear weapon.

Secretary KERRY. Also, Congressman, I would just underscore, if you look at their activities, they are not capital intensive, what they have been doing with the Houthi, what they have done over the years.

So I think that our objective here was to make sure they can't have a nuclear weapon, and, secondly, to work with our allies and friends in the region in order to do a greater job, a much better job of pushing back against those activities. And I am going, at the end of this week, I will be meeting in Doha with the Gulf states. We are laying out with them the very specific steps with respect to that pushback and what we will be engaged in, in order to increase the security and push back against these activities you are talking about.

But it is impossible to do them all in one pot at one time. First step nuclear weapon. Now we have the opportunity to press for the changes that we want.

Mr. SIRES. Thank you.

Chairman ROYCE. Thank you.

We go to Mr. Dana Rohrabacher of California.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman. And, again, thank you and Ranking Member Engel for providing such leadership on this issue. We have had many hearings about it.

And, Mr. Secretary, let me note that while you are receiving quite a grueling today, let us note that we appreciate the hard work that you and others in the administration are making. We know that you sincerely are looking to make this a more peaceful world. But some of us realize that in the past we have seen people who are very sincere in seeking peace creating a—unfortunately, setting things off in a direction that led to war and led to more repression and didn't create a more peaceful world.

One of the efforts that I noted when I was part of this is how Ronald Reagan succeeded in ending the Cold War, and during that time period we reached weapons agreements with the Soviet Union.

But let me note, while we were making those agreements with the Soviet Union to put a lid on nuclear weapons in Europe, et cetera, we ratcheted up our support for the democratic elements who were struggling against Soviet domination in various parts of the world. Whether it was in the Soviet Union or in Nicaragua or Afghanistan, we were actually increasing our efforts to support those people. We also denied them hard currency, much less had any agreement that would have bolstered the Soviet economy. And because we had that approach, the Soviet Union fell apart, and in the long run that is what made a more peaceful world, the elimination of that regime.

And I am afraid that—without fighting, by the way, we eliminated it—I am afraid that this treaty that you are talking about today and you are promoting will do just the opposite then what we saw succeeded, and that it is it will actually empower the mullahs. Rather than making it a more peaceful regime and make peace more likely, empowering the mullahs in the long run will create more chaos, more likelihood of war, because they are the main proponents and supporters of terrorism and, of course, hatred toward the West that we have seen coming from their regime.

Now, what I would like to ask you is that we all know in this body, we have been aware, for example, of the repression and the brutal treatment of people within Iran, like the MEK, who are suffering, and you have noted this in the past yourself, the brutality that these people who oppose the regime have had to face.

Did you confer in any way with the people, the democratic elements in Iran, or these other people who are struggling for a free Iran and how this agreement will affect their long-term goal for a democratic Iran and thus a more peaceful world?

Secretary KERRY. Well, as you know, this was a nuclear negotiation. But I have on many occasions met with and had discussions with folks representing different interests and aspirations within Iran.

What I would say to you, Congressman, and you have to make sort of a hard judgment here about where Iran is, President Rouhani and Foreign Minister Zarif are both individuals who have expressed a very different point of view from the past leadership of Iran.

Mr. ROHRABACHER. I have a limited amount of time. So your answer is, no, that you did not confer with the democratic elements——

Secretary KERRY. No, that is not what I said. I said I have had plenty——

Mr. ROHRABACHER [continuing]. But you have been conferring—but you are conferring with their oppressors instead. The fact is that——

Secretary KERRY. No, I didn't say that. I don't think I said that at all, Congressman.

Mr. ROHRABACHER. And during the Reagan years, Mr. Secretary, during the Reagan years—we talk about only $55 billion. Well, okay, we will figure out whether it is $150 billion that the mullahs are going to have or whether it is $50 billion. But the fact is, part of the effort that worked under Reagan was supporting the democratic element and undermining the economy of the Soviet Union.

In the long run what will bring peace to this part of the world is not for us to have short-term arms deals with the mullah regimes and the other people who hate the West and are supporting terrorism, but to try to support those elements in those societies that want peace with the West and aren't preparing some sort of holy war against us.

I am sorry, Mr. Secretary, I appreciate your sincerity and what you guys are trying to do, but I believe this treaty will empower the mullahs and make conflict more likely.

Chairman ROYCE. Mr. Gerry Connolly of Virginia.

Mr. CONNOLLY. I thank the chairman.

And I find, my friend from California, I find his words ironic, because Ronald Reagan was nothing if not a pragmatist and was quite capable of compartmentalizing relationships for the sake of a greater good. His relations with the Soviet Union were the quintessence of that kind of pragmatism, exactly what is in front of us today. Something is overriding: Nuclear capability in the region. Shall we deal with it or not?

Samuel Taylor Coleridge described fiction as the willing suspension of disbelief. I must say I find a lot of fiction involved, the willing suspension of disbelief, in some of the criticism of this agreement. It is not perfect. It will hurt Israel. It will give them a nuclear capability some day. It doesn't do enough. It doesn't deal with ancillary and horrendous behavior. Well, who said it would?

And here is the bottom line. Valid though many of those criticisms may be, imperfections we can find by the score, what is your program? And you know what I have heard in a series of hearings here? Let's just go back to the P5+1 and Iran and say we just couldn't sell it, let's start over. That is one of the most monumentally naive statements I have ever heard, and it came from a former Member of Congress who knows better. It is not true. It won't happen.

At least let's stick to the facts. But, no, the willing suspension of disbelief is at work, it is alive and well here, including the issue of the existential threat to Israel. Walking away from this agreement, you need to take responsibility for the consequences to Israel, whether you are Bibi Netanyahu or you are a Member of Congress, and you have got to weigh it really carefully. What will happen? What risks am I willing to take before I cast that vote on behalf of our country and our allies like Israel?

Mr. Secretary, I think it is an extraordinary job you have done, and I would like to give you the opportunity to talk about two problems. And you, too, Mr. Secretary, Secretary Moniz. If we walk away from this agreement, what in your analysis is likely to happen?

And secondly, Secretary Moniz, to me one of the real vulnerabilities in this agreement is that 24-day problem. All of us have reason to be concerned about that. That is not quite the robust inspection we had hoped for.

Secretary KERRY. So I am going to be very quick, because I want Ernie to get in here.

But it is not speculation, it is clear, if Congress rejects this, Iran goes back to its enrichment, the Ayatollah will not come back to the table. Anybody who makes that judgment has not talked to the intel community. And there is no way, given his feelings already about the West and his mistrust of us and his reluctance to even have engaged in this discussion, that he is suddenly going to reenter if we reject this.

Moreover, the sanctions regime completely falls apart. The folks we relied on to provide a united front here, France, Germany, Britain, China, Russia, go off, and we will have set ourselves back, folks. I don't know how I would go out to another country if that happens and say: Hey, you ought to negotiate with us, or you ought to talk to us about any issue, whatever it is, with the reliance that we can actually deliver. Because they will sit there and say: Well,

you have got 535 Secretaries of State in the United States, we don't know who we are negotiating with, and whatever deal we make always risks being overturned.

That is not the traditional relationship that has existed between the Executive and the Congress.

And finally, Iran will say: We are free. We can go back to our program. And what I said earlier about bringing year 15 to today, it happens, year 20, whatever it is. They will take their 19,000 centrifuges, they have the ability to enrich, and they will feel we have backed off.

Ernie, would you address the——

Secretary MONIZ. Yeah.

First, let me just add that from my 5 months at the negotiating table, I doubt our P5+1 partners would be any more interested in going back to the table than Iran.

On the 24 days, again, let me emphasize that all the regular access—well, for declared sites—is constant. The 24 days is a new tool in the sense that there has never been any limit at all. And so the key is in getting enough of a compressed process where we feel confident in being able to detect any use of nuclear materials, number one, over that time period. And in a classified environment we could provide even more evidence than I have already discussed today.

Chairman ROYCE. Thank you, Mr. Secretary.

We go to Steve Chabot of Ohio.

Mr. CHABOT. Thank you, Mr. Chairman.

Thank you for being here, Mr. Secretary.

This administration, the President specifically called ISIS, famously, the JV team. That clearly wasn't true. This administration cited Yemen as the model approach to U.S. counterterrorism, and that was shortly before Yemen's near total collapse into chaos. So that wasn't true either. President Obama declared al-Qaeda to be "decimated," "on the run," "broken apart," "on their heels," "very weak," and those are all quotes, by the way. Now, that may be wishful thinking, but it certainly wasn't true and isn't true.

Why should the American people trust the administration now on this deal?

Secretary KERRY. We are not asking them to trust. We are asking them to read the deal and look at the components. As I have said many times, nothing in this deal is built on trust. Nothing. It is on very specific steps that have to be taken. For instance, Iran gets zero relief from the sanctions until Iran has implemented the 1-year breakout time by destroying the calandria, taking out their centrifuges, undoing their electrical, undoing the piping. They have to do all of that——

Mr. CHABOT. As you know, I have got limited time, so I am going to move on to my next question.

Secretary KERRY. All I am saying is they have to take specific steps.

Mr. CHABOT. But when you say that that doesn't depend on trust, that just strains credibility, I think, to say there isn't trust on both sides involved in this. There has to be or there is no deal.

Sticking with this theme on trust, let me ask you this: Relative to anywhere, anytime inspections, you said, and I quote:

> "This is a term that, honestly, I never heard in the 4 years that we were negotiating."

Now, in fact, in April this year Deputy Secretary Advisor Ben Rhodes had said that the International Atomic Energy Agency would have immediate access—immediate access—to any site that the agency wanted to inspect. Now, immediate access sure sounds like anytime to me.

And also, in April, Energy Secretary Moniz, who is the gentleman sitting next to you there, he said, and I quote:

> "We expect to have anywhere, anytime access to places that are suspected of out-of-bounds activities."

There is that anywhere, anytime once again.

So, again, why should the American people trust what they are being told by this administration about this deal?

Secretary MONIZ. May I say, my quotes have anytime, anywhere in the sense of a well-defined process and a well-defined timescale, and that is what we have.

Mr. CHABOT. Okay.

Secretary KERRY. But let me go further than that. I have been negotiating——

Mr. CHABOT. That really clears things up, Mr. Secretary. So thank you.

Go ahead, Mr. Secretary.

Secretary KERRY. We never had a discussion in the context of these negotiations that talked about anywhere, anytime. Nowhere on the planet Earth does any country anywhere under the NPT have anything called anywhere, anytime. What we have is called managed access, and it is a process by which we get in.

Mr. Chabot. With this 24 days, okay, I mean, that came out to 24 days.

Secretary KERRY. Please let me answer, let me answer the question.

Mr. CHABOT. And we know that that is longer. That is months actually.

Secretary KERRY. Twenty-four days is an outside period of time during which time, and for 24 years or longer, 2,400 years, they would not be able to hide the remnants of nuclear activity, of fissile material, and Ernie Moniz will tell you that.

But leaving that aside, the 24 days——

Mr. CHABOT. Mr. Secretary, as you know, I have only got 5 minutes, and I have got several more questions. Let me ask you this.

Secretary KERRY. Congressman, you love asking questions and having no answers.

Mr. CHABOT. If this is such a good deal, why is Israel so opposed to it?

Secretary KERRY. First of all, I understand when you say Israel, there are people in Israel who support it.

Mr. CHABOT. And the Prime Minister, okay, he is the representative, just like President Obama is the representative of our country on these types of things.

Secretary KERRY. I understand, and you will agree that President Obama always talks for everybody in the country, right?

Mr. CHABOT. Well, he is sure speaking for us in this agreement, and he seems bound and determined to go forward with this thing whether the elected representatives of the American people, the majority of us at least, are for it or not.

Secretary KERRY. Let me speak to your question, because it is a serious question and it is important. As I said earlier, we fully understand, every Israeli has concerns, has fears. There are concerns about the region they live in, about the nature of the rhetoric that is used, death to Israel, death to America. Everybody is concerned. Which is why this is not based on some element of a dream they are going to change or some element of trust.

But I will tell you there are people in Israel who——

Mr. CHABOT. You are going to name a couple of people. The Prime Minister is against it. And I am almost out of time.

This is one of the main reasons, as a representative of the American people, I am so concerned, because Israel could be directly affected, but with these ICBMs and the technology that could be coming, it could make American cities at risk.

Chairman ROYCE. Excuse me, Mr. Chabot. We have got to go to Mr. Ted Deutch of Florida.

Mr. DEUTCH. Thank you. Thank you, Mr. Chairman. And thanks to our witnesses for being here.

Secretary Kerry, thank you as well on behalf of my constituent's family, Robert Levinson, for continuing to raise his plight and that of the three other Americans who are held. And I agree with you that it is time for them to come home.

I want to talk specifically about PMD, because if we don't address PMD, the military dimensions of the program, then it is impossible for us to believe that the IAEA will have the credibility it needs going forward.

Under the terms of the agreement, the nuclear-related activities that are set forth that need to be satisfied in order for there to be sanctions relief refer to the road map, the IAEA-Iran road map, except they leave out the most important point, which is the one that the IAEA has to have final resolution of PMD.

So I have two questions. The first question is, will we have access, will the IAEA have access to Parchin? The second question is, am I right, because I don't see any other way to read the agreement, that satisfaction of PMD will not be a prerequisite to Iran getting sanctions relief?

Secretary KERRY. It is. It is a prerequisite. If they haven't complied with the IAEA and lived up to the dates that are laid out in the program, August and October, they will not get relief.

Mr. DEUTCH. Mr. Secretary, I acknowledge that. But by October 15, they have to have activities, they need to set out what they are going to do. But it is December 15 by which the Director General and the Board of Governors will assess whether or not they have complied, and that is not a condition under the deal.

Secretary KERRY. Actually it is. They would be in material breach if they don't do this. We have told them that and they understand that. Moreover——

Mr. DEUTCH. I understand. I would just point out it is specifically omitted in the list of past and present concerns. It is not a requirement.

Secretary KERRY. Well, the outcome. If you are talking about the outcome, it is not dependent on the outcome because the outcome, we have no way of knowing which way obviously that goes.

Mr. DEUTCH. But that is the issue, Mr. Secretary.

Secretary KERRY. No, it is whether they comply or not. We know what they were doing. We have already drawn our conclusion about 2003. We know they were engaged in trying to make a weapon.

Mr. DEUTCH. So that is my point.

Secretary KERRY. So it is not the outcome that determines——

Mr. DEUTCH. This is important. So you are saying that even——

Secretary KERRY. It is compliance.

Mr. DEUTCH. Right. So if they comply with the IAEA, but the IAEA ultimately concludes that they are not satisfied on PMD, either because they don't have access, because they didn't get access to the site——

Secretary KERRY. Then they are not in compliance.

Mr. DEUTCH [continuing]. Because they didn't get access to the scientists?

Secretary KERRY. That would be a breach. We would not do sanctions relief. They know that.

Mr. DEUTCH. Then I would respectfully suggest that it is not at all clear in the agreement. We could talk about that.

I would like to move on to the issue of specifically the sanctions. This has been brought up by a number of my colleagues. The annex 2 that lists lots and lots of individuals and entities that are getting sanctions relief under this deal, many of them are listed, are involved in not just proliferation activities, but they are also involved in terrorism, support for terrorism. They are involved in human rights abuses. They went on this list because it was easier to get our European allies to go along with the proliferation sanctions.

And I have a very specific question. Secretary Lew, I appreciate that we are going to continue to sanction Hezbollah. But what I really want to know is, will we be able to and are we going through the process now of scouring this list, not just for individuals, but for banks and shipping lines and state-owned companies, to reimpose sanctions if they are subject to sanctions for terrorism?

Secretary LEW. Well, Congressman, first, we have not listed for relief many entities. The IRGC——

Mr. DEUTCH. I understand. But I am asking about this——

Secretary LEW. There are institutions that were designated for their acts of terrorism or regional destabilization that have not been relieved.

Mr. DEUTCH. Mr. Secretary, I understand that. I have a very specific question. Will we be able under this agreement to reimpose sanctions on all of these individuals and entities if we find they should be because of their terrorism?

Secretary LEW. Congressman, we have retained all of our rights to designate firms and individuals under terrorism sanctions——

Mr. DEUTCH. Including everyone listed in this annex?

Secretary LEW—including entities who are on the list. What we cannot do—and this is what Secretary Kerry was saying a few minutes ago—we cannot just put in place the nuclear sanctions——

Mr. DEUTCH. I understand. No, no, I understand.

Secretary LEW. We have given up no ability to target individuals or entities.

Mr. DEUTCH. Including, I hope we are going through the list and scouring it right now. I only have a few seconds left. And I would just ask for some acknowledgement that when we say that Iran is engaged in all these terrible activities now and it doesn't cost much money, I would suggest that it has been reported that $200 million a year is the amount that they use to fund Hezbollah. So if only $1 billion of the $56 billion were to go to Hezbollah, we would double the amount of support for 5 years, at which time the arms embargo comes off and they are considerably more dangerous. We have to at least acknowledge that that could occur.

Secretary KERRY. Congressman, we can put the arms—there are plenty of opportunities to deal with the arms.

Chairman ROYCE. Joe Wilson of South Carolina.

Secretary KERRY. There is a U.N. resolution preventing them from taking weapons to Hezbollah. There is a resolution preventing them from sending weapons to Iraq, preventing them from sending weapons to——

Chairman ROYCE. At this time we have got to go to Joe Wilson of South Carolina. Thank you.

Mr. WILSON. Thank you, Chairman Ed Royce and Ranking Member Eliot Engel, for hosting this hearing, and I appreciate the panel being here today.

Secretary Kerry, I share the concerns of an op-ed by David Horovitz of The Times of Israel where he presents 16 reasons the nuke deal is a catastrophe for the Western world. I will present these as questions for the record for you to answer during the coming month. We need this as a response for the American people so that as we vote in September, the American people will know, as you stated a few minutes ago, the correct facts.

One, was the Iranian regime required to disclose the previous military dimensions of its nuclear program in order both to ensure effective inspections of all relevant facilities? No.

Two, has the Iranian regime been required to halt all uranium enrichment, including thousands of centrifuges spinning at the main Natanz enrichment facility? No.

Has the Iranian regime been required to shut down and dismantle the Arak heavy water reactor and plutonium production plant? No.

Four, has the Iranian regime been required to shut down and dismantle the underground uranium enrichment facility it is building at Fordow? No.

Five, has the Iranian regime been required to halt its ongoing missile development? No.

Six, has the Iranian regime been required to halt research and development of the faster centrifuges, which will enable it to break out the bomb far more rapidly than is currently the case? No.

Seven, has the Iranian regime been required to submit to anywhere, anytime inspections of any and all facilities suspected of engaging in rogue nuclear-related activity? No.

Eight, has the international community established procedures setting out how it will respond to different classes of Iranian viola-

tions to ensure that the international community can act with sufficient speed and efficiency to thwart a breakout of the bomb? No.

Eight, has the Iranian regime been required to halt its arming, financing, and training of Hezbollah terrorist army in south Lebanon? No.

Ten, has the Iranian regime been required to surrender for trial the members of the leadership placed on an Interpol watch list for the alleged involvement in the bombing by the Hezbollah suicide bomber of the AMIA Jewish Community Center in Buenos Aires, Argentina, in 1994, and resulting in the deaths of 835 people? No.

Eleven, has the Iranian regime undertaken to close its 80 estimated cultural centers in South America from which it allegedly fosters terrorist networks? No.

Twelve, has the Iranian leadership agreed to stop inciting hatred among its people against Israel and the United States and stop its relentless calls for the annihilation of Israel? No.

Thirteen, has the Iranian regime agreed to halt executions currently running at an average of some three a day, the highest rate in 20 years? No.

Fourteen, does the nuclear deal shatter the painstakingly constructed sanctions regime that forced Iran to the negotiating table? Yes.

Fifteen, will the deal usher in a new era of global commercial interaction with Iran, reviving the Iranian economy and releasing financial resources that Iran will use to bolster its military forces in terrorist networks? Yes.

Sixteen, does the nuclear deal further cement Iran's repressive and ideologically rapacious regime in power? Yes.

I am going to be submitting these for the record, and I look forward to receiving them during the next month. In the meantime, the American people need to know there is bipartisan opposition to this deal. I was really grateful, 2 weeks ago we had Senator Joe Lieberman here who addressed my concern, and that is that the Secretary of State designated Iran a state sponsor of terrorism over 30 years ago in response to the hundreds of Marines who were killed at the Marine barracks. And I asked Senator Lieberman, has there been a change in course? His quote directly:

> "This regime, the Iranian Government, the Islamic Republic of Iran, has the blood of a lot of Americans on its hands, the Marines at the barracks in Beirut, the soldiers of Khobar Tower, and I would go on. Incidentally, hundreds of American soldiers were killed in Iraq by Shia militias that were trained and run by the IRGC. Sir, your question is a good one: Has the government changed? There is no evidence of change."

Mr. Secretary, has there been evidence of change?

Secretary KERRY. Yes, in that the President of Iran sent his Foreign Minister to negotiate an agreement to which I could pose you a lot of questions that I can give you the answer to that are "yes" too. Does Iran have to give up two-thirds of its centrifuges for 10 years? Yes. Does Iran have to annihilate its——

Mr. WILSON. And, Mr. Secretary, those are words——

Chairman ROYCE. If the gentleman will suspend. Your time has expired. I have suggested to the members, ask the questions and leave time for a response.

We are going to Brian Higgins of New York.

Mr. Higgins.

Mr. HIGGINS. Thank you, Mr. Chairman.

The snap-back provisions in this agreement are real and powerful, and I think are born out of a deep distrust of Iran. The snap-back provisions, as I understand them, allow for any of the six powers to the deal to flag what it considers a violation. That concern would be submitted to a dispute resolution panel. If those concerns remain unresolved, the sanctions would resume or snap back after 30 days. Preventing a resumption of sanctions would require a vote of the Security Council, from which the United States and its Western allies would have veto power. It is unprecedented and I think very, very powerful and speaks volumes to this deal.

Under this deal, uranium would be cut by 98 percent. The level of enrichment for what remains is 3.67 percent, a long way from the 90 percent enrichment that would need to occur to achieve a weapons-grade or fissile material. Centrifuges would be reduced from 19,000 to a little over 6,100 for 10 years. There would be no enrichment at Fordow, and the only centrifuges permitted for use would be older, first-generation centrifuges. Plutonium. The Arak facility would be reconstituted so it cannot make weapons-grade material, and materials that do exist there today would be sent out of the country entirely.

Number four, Iran may try to build a nuclear weapon in secret. Mr. Secretary of Energy, I would ask you, through robust monitoring and verification and inspection, the deal would allow inspectors access and to inspect any suspicious site. I heard critics of this plan say that, well, that is like, because of this 24-day period, it is like a police officer calling a drug dealer to say that we are going to raid your apartment in 24 days so that they can clear all the evidence.

Would you speak to this within the context of physics and talk about the half life of both uranium and plutonium?

Secretary MONIZ. I will start with the last question then, if I may. Well, first of all, technically on the half life, the half life of the dominant uranium isotope is roughly the age of the Earth, which is why it still exists in the Earth. And that of uranium 235, which is the isotope that you would want to enrich for a nuclear weapon, is somewhat shorter and therefore is more rare in nature.

However, first of all, the analogy to putting the drugs down the toilet is not very applicable to the use of nuclear materials. And as I have said, in the both unclassified and classified regimes, we have extraordinarily sensitive ways of finding miniscule amounts that are left over from using nuclear materials, whether it is enrichment or whether it is in an explosive environment to understand this nuclear weapons behavior. So on that we are very, very clear.

And in addition, we have other constraints on them, some of them forever, in terms of other parts of weaponization, like neutron sources, where we also would have some interesting signatures should there be suspicious activity.

Mr. HIGGINS. Secretary Lew, you had dealt with the issue of the projected amount of money that would be available to Iran once the sanctions are lifted. My understanding is that most of that money is Iranian money in foreign accounts, frozen in foreign accounts. In that Iran's currency has lost about half its value over the past 3 years, was that factored into your estimate about the amount of money which will be available to Iran once it comes back to them?

Secretary LEW. Congressman, I was addressing the specific issue of their reserves that are tied up overseas because of sanctions.

We have done enormous damage to their economy. It will take them years to get back to where they would have been if sanctions had not been put in place, even if they got that money back. So they are not looking at breaking out into a period of great growth.

And I think the challenge here is we have a pretty good understanding of what the pressures in Iran are right now. We can't know with certainty what decisions they will make. We know that, for example, just to get their oil fields up and running properly would require an investment of $100 billion to $200 billion.

So I can't tell you how much of the $50 billion they will apply to their oil fields, but you have to assume that one of the things they are going to want to do is get their economy moving. So that money will quickly be used for a lot of purposes.

I wish I could say that zero, not a nickle, would not go to malign purposes. But even with the current sanctions regime, they are finding the money to put into malign purposes. The question is, do they do it with or without a nuclear weapon?

Chairman ROYCE. Mike McCaul of Texas.

Mr. MCCAUL. Thank you, Mr. Chairman.

Secretary Kerry, the countries that know Iran the best fear this agreement the most. And the reasons why are for the following reasons: It lacks the necessary verification measures to ensure Iran does not cheat. It lifts the restrictions on Iran's intercontinental ballistic missiles, which the Ayatollah himself said they will mass-produce.

The international sanctions on Iran's Revolution Guard Corps, its terror arm, will be relieved, and the European sanctions. This still could also, in my judgment, spark a nuclear arms race in the Middle East, as the Saudis told me when I recently visited there.

And, as chairman of the Homeland Security Committee, what concerns me the most is this deal frees up hundreds of billions of dollars to the world's leading state sponsor of terrorism. Susan Rice, the President's National Security Advisor, said,

> "We should expect that some portion of that money will go to the Iranian military and could potentially be used for the kinds of bad behavior that we have seen in the region."

And now you are asking this Congress to endorse an agreement that the President's own National Security Advisor admits will spread terror in the region.

Finally, Iran's Deputy Foreign Minister confirmed,

> "We will provide weapons to whomever and whenever we consider appropriate, and we will buy weapons from wherever we can."

Chairman Royce and I sent a letter, sir, to you and the President of the United States, asking you to first submit this deal for consideration by the American people through their representatives, first, before this deal was submitted to the United Nations. But, instead, you went around the Congress and the American people, submitted this to the United Nations, and then China, Russia, and Venezuela got a chance to vote on this and approved this agreement before we have had a chance to deliberate.

My question is this: If the Congress overrides the President's veto, what effect would that have on this deal? In other words, would it kill the deal?

Secretary KERRY. Yes. We have said that many times.

But let me come back to your earlier comment——

Mr. MCCAUL. But this is a very important point. Will the U.N. and EU sanctions be lifted and that will relieve Iran of these burdens, or would it—if we override the President's veto, would it collapse the entire international deal?

Secretary KERRY. The sanctions rely on the international community's participation to be able to enforce them. Our sanctions alone did not do the job alone. It wasn't until we went out and worked with other countries diligently—China, for instance, in order to persuade them not to buy X amount of oil; countries in the Middle East, to not be trading underneath the table or otherwise. There were a lot of different things necessary to make these sanctions work.

If the United States unilaterally, through congressional decision, pulls away from this deal, they are not going to continue to apply those sanctions. They have no reason to. They are gone. They have already said they are gone.

And, with respect to Saudi Arabia, there was an AP article the other day when Ash Carter visited Saudi Arabia. Saudi Arabia's Foreign Minister said Iran's nuclear deal appears to have the provisions needed to curtail Iran's ability to obtain a nuclear weapon, and——

Mr. MCCAUL. Well, my time is limited. I have heard otherwise from the Saudis. But let me just—that is very important for us——

Secretary KERRY. Well, that is a very public comment——

Mr. MCCAUL. For us in the Congress to understand that if we override the President's veto it will stop this entire agreement, I think that is important for us, as Members of Congress, to know.

Secretary KERRY. But what I am hearing here is that——

Mr. MCCAUL. I have one more question. It has been debated by Secretary Lew and yourself that you did not approve the delisting of the Quds Force commander, the Iranian terror arm, from the European sanctions list. I am looking at the agreement right here. They are taken off the list, the European list, which is an agreement that was approved by you.

The Quds Force, they killed Americans in Iraq and Afghanistan. What do I tell my Gold Star Mothers back home, whose children were killed by these Iranian forces, and tell them that this agreement will take them off the list?

Secretary KERRY. Tell them that the United States of America will continue to keep the sanctions on him, specifically. He remains

designated by our country, and we will not ever lift them and that that the United States will be pushing back on them.

But, look, here is what I am hearing——

Mr. MCCAUL. My final question is this, too.

Secretary KERRY. Let me——

Mr. MCCAUL. This secret deal between the IAEA and Iran——

Secretary KERRY. There is no secret deal.

Mr. MCCAUL [continuing]. We have never seen this. Are you going to present that to the Congress?

Secretary KERRY. There is no secret deal. There is an agreement, which is the normal process of the IAEA, where they negotiate a confidential agreement, as they do with all countries, between them and the country. And that exists. We have briefed on it, we know it exists——

Mr. MCCAUL. Are you going to present that to the Congress, sir?

Secretary KERRY. We don't have it. It is not in our possession.

Mr. MCCAUL. Have you seen it?

Secretary KERRY. We have been briefed on it. I have not personally seen it.

But can I just say something?You know, we hear these complaints. We hear, well, this agreement doesn't do this, it doesn't stop their terror, this agreement is going to give them some money, this agreement is going to do this. What this agreement is supposed to do is stop them from having a nuclear weapon. Now, I want to hear somebody tell me how they are going to do that——

Chairman ROYCE. We are going to go to——

Secretary KERRY [continuing]. Without this agreement. I would like to know——

Chairman ROYCE. Mr. Secretary——

Secretary KERRY [continuing]. How you are——

Chairman ROYCE. We are going to go to Mr. William Keating of Massachusetts.

The gentleman's time has expired.

Secretary KERRY. They have an ability to go enrich again. What is the next step for the United States? Nobody is answering that question.

Chairman ROYCE. Mr. Keating.

Mr. KEATING. Thank you, Mr. Chairman.

I thank our witnesses for being here and their hard work.

Three threads I am going to throw out there, and one of them—there have been reports in the media that have surfaced that among our European partners in this there was reluctance. And those reports centered on France, in particular.

I am curious—and you can answer all three at the end—I am curious what issues that you can detail that they might have had qualms about, issues that weren't addressed. And I wanted you to comment on those reports.

Number two, if you could generally comment about the cooperative actions of North Korea and Iran and how this might be impacted.

Number three, we have had witnesses before on this issue, and they really were forceful, including Ambassador Burns, they were forceful in saying it is important that we send a strong military message, should any agreement go forward.

And when it comes to, you know, sales and transfer of arms and other things—you began to speak to this, and I want to give you the time to address what military options, what are our strongest options that we still have as a country and how we can act on this.

And I am going to give all three of you the remainder of my time so that you can answer some questions. And I won't be interrupting you.

Secretary KERRY. Well, thank you, Congressman.

Let me just say very quickly, because I want my colleagues to have a chance to catch up here, but on the European partners, France, in the final comments, when they signed on to the agreement, it was Bastille Day, July 14, and the Foreign Minister said that he thought this agreement was not only a strong agreement but he hoped it would be remembered in the same way, as having a positive impact for the world, the way Bastille Day was remembered as having the impact for the development of France. And they supported this agreement and voted for it.

With respect to North Korea and Iran, this is a very different agreement from anything that ever existed with North Korea. There are about seven or eight different major differences between the North Korea agreement, not the least of which is North Korea pulled out of the NPT. And North Korea had already exploded a nuclear weapon, and Iran has not. There are many differences, and I would rather lay them out on the record, if we can. But this covers all possible nuclear-related activities. The agreement with North Korea did not. And we also have consent to the process of inspections. North Korea—I mean, there are a whole series of things.

Finally, on the military option, I have said it again and again, everybody has, Ash Carter has reiterated it: President Obama is the only President who has actually commissioned the development of a weapon that can do what is necessary to deal with the facilities that are at risk. And he has not only commissioned its design, he has deployed it.

And he has made it clear that Iran will not get a weapon, and he is prepared to use any option necessary in order to achieve that. But his preferred option is the one he is pursuing here, which is a diplomatic solution and which resolves this issue in a way that avoids the conflict that some people seem to be not even addressing, which would be almost inevitable as a consequence of not accepting this deal.

Ernie?

Secretary MONIZ. Well, in terms of the first question about the dynamics with the EU or the other partners in general, first of all, on the nuclear dimension side, I should emphasize that I have talked about our team, but every one of the six countries had technical experts involved. And they had very robust discussions. We did not share our own classified calculations but made sure we were coming out in the same place. And, to be honest, in many areas, we pushed the envelope; in some areas, they pushed the envelope.

And the good news is I think we all came out of this very satisfied that the technical dimensions accomplished the job of blocking nuclear-weapons pathways. There are some specific examples one

could give, in terms of additional infrastructure removal from centrifuge places in both Natanz and Fordow, in terms of 20-percent uranium issues. But these were very robust, and I think all six countries feel very, very confident in our conclusions.

Secretary LEW. Congressman, I think that, on the sanctions side, we have very different systems here in the United States than the EU. And the questions that we are getting on IRGC kind of underscore the fact that we need to look at our system and their system and understand that they are different.

They are not delisting the IRGC for terrorist activities. If they do, at the end of phase 2, delist for nuclear, the terrorist sanctions still stays in place. So I think people looking at the document ought to understand what is actually going to be in place after it is in effect. And I think cooperation with the Europeans on this requires that we not distort what they are doing. They are not taking the IRGC off of their terrorist list.

Chairman ROYCE. Judge Ted Poe of Texas.

Mr. POE. Thank you, gentlemen.

I have received numerous questions from people in Texas, and I will submit those for the record. They are pretty simple questions, but I will submit those for you to answer.

Secretary Kerry, this question is for you. Following up on Chairman McCaul's comments about the secret deal, Secretary Rice said that she has seen this deal with the IAEA and that it will be shared with Congress. So if she has seen it, have you seen it?

Secretary KERRY. I don't believe that Susan Rice, the National Security Advisor, has seen it. I think she——

Mr. POE. She said she did 6 days ago. She said 6 days ago she seen it and reviewed it——

Secretary KERRY. Well, I don't know that she——

Mr. POE [continuing]. And that Congress will get to see it in a classified session. My question is, have you seen it?

Secretary KERRY. No, I haven't seen it. I have been briefed on it, and——

Mr. POE. But you haven't read it. You haven't seen it.

Secretary KERRY. No.

Mr. POE. Let me ask you this——

Secretary KERRY. We don't discuss it. It is in the possession of the IAEA.

Mr. POE. [continuing]. Are you going to read it?

Secretary KERRY. We don't have access to the actual agreement. Or, at least, I don't.

Mr. POE. But Secretary Rice has access to it, but you don't have access to it.

Secretary KERRY. I don't know about that.

Mr. POE. Well, that is just what she said. I am just going on what she said.

Is the policy of the United States still that Iran will never have nuclear weapons?

Secretary KERRY. Yes.

Mr. POE. Is it the policy of the Ayatollah, if you can answer for him, that Iran wants to destroy the United States? Is that still their policy, as far as you know?

Secretary KERRY. I don't believe they have said that. I think they have said "Death to America" in their chants, but I have not seen a specific——

Mr. POE. Well, I kind of take that to mean that they want us dead. That would seem like that would be their policy. He has said that.

You don't think that is their policy? I am not mincing words. Do you think it is their policy to destroy us?

Secretary KERRY. I think they have a policy of opposition to us and of great enmity. But I have no specific knowledge of a plan by Iran to actually destroy us.

I do know that the rhetoric is beyond objectionable. I know that we, you know, are deeply concerned with Iran's behavior in the region, deeply concerned with their past activities, which is why President Obama felt——

Mr. POE. Reclaiming my time. I got your answer. I am going to ask another question.

Secretary KERRY [continuing]. That it is——

Mr. POE. I am reclaiming my time, Senator. Thank you—Secretary.

We have heard a lot of comments about——

Secretary KERRY. But if they did want to destroy us, they would have a much better shot of doing it if they had a nuclear weapon.

Mr. POE. But you don't know if it is their policy or not. That is the question, and that is your answer.

Next question: Is it our policy or belief that, after the deal, whether the deal is approved or not, do we have a policy in the United States that we want, expect, desire a regime change by the people of Iran to have their own say, free elections? Weigh in on our policy toward a regime change in Iran.

Secretary KERRY. Well, as you know, Congressman, President Obama was very outspoken with respect to support for transformation in Iran around the time of the elections.

Our policy today is specifically focused on pushing back on their activities within the region that destabilize the region, threaten Israel, threaten our friends and allies. And that is specifically where we are gearing up to take a specific set of steps that will define a new security alliance for the region.

Mr. POE. Okay. So we want to push back. We want them to stop their naughty ways. But regime change—I mean, I personally think the best hope for the world for safety, including in Iran, is for the people of Iran to have free elections and to let the people of Iran really decide who their government should be in a free setting.

Let me ask you another question, Secretary Moniz. This might be my last question. If I understand the agreement, the oil sanctions, which is prohibiting Iran from exporting oil, that is going to be lifted. Is that correct?

Secretary MONIZ. Well, if sanctions are relieved, that would be among those relieved, correct.

Mr. POE. Under this deal, that is one of the ones that will be relieved.

Secretary MONIZ. If the sanctions are relieved, yes, and then——

Mr. POE. Okay.

Secretary MONIZ [continuing]. Then oil export.

Mr. POE. Now, being the Secretary of Energy, let me ask you this: Why is the United States lifting the sanctions on the exporting of oil on Iran, but we are not lifting the sanctions on America exporting crude oil, like Texas sweet crude?

Secretary MONIZ. We don't have sanctions on oil exports. We have a congressional law that in the 1970s restricted exports.

Mr. POE. But do you support——

Secretary MONIZ. Secondly——

Mr. POE. Do you support that law being changed?

Secretary MONIZ. Secondly——

Mr. POE. Do you support that law being changed?

Secretary MONIZ. Secondly——

Mr. POE.You know that is the question. Do you support the law being changed?

Chairman ROYCE. The gentleman's time has expired, and we can get that for the record.

Mr. POE. Okay. I will put that in writing. Thank you.

Secretary KERRY. Mr. Chairman, point of——

Chairman ROYCE. We need to go to David Cicilline of Rhode Island.

Secretary KERRY. Mr. Chairman, just a point of personal privilege here.

I wanted to make sure that we knew what we were talking about and the record properly reflects this. Susan Rice's quote is:

> "We know their contents, and we are satisfied with them. We will share the contents of those briefings in full and classified sessions with Congress."

She has not seen them. She has been briefed on them.

Mr. POE. And that question——

Chairman ROYCE. And we will, of course—reclaiming my time, we are still looking forward to that briefing.

But now we must go to David Cicilline of Rhode Island.

Mr. CICILLINE. Thank you, Mr. Chairman.

Thank you to the witnesses not only for being here today but for the ongoing conversations.

And I want to particularly thank the administration for really making sure that Members have all the information that we need as we navigate through a very sober decisionmaking process with enormous consequences.

And I thank all three of the Secretaries for their service.

I have a series of questions that I am not asking to support a conclusion that I have already made but actually to help me in arriving at the right conclusion. So I would like to set forth the questions, recognizing you can answer some, and, on the others, if you would submit in writing, I would appreciate it.

The first is on Parchin. The agreement says that the IAEA will provide progress reports by October 15 and then the final assessment by December 15. We know, obviously, that this is a site where there was nuclear testing of some kind.

My first question is, is it at all concerning that this final conclusion, or the set of final conclusions, might inform in a substantive way whether we should go forward? And is there any concern that

there will be something revealed in this report that would impact whether or not Iran is in compliance from the outset?

That is the first question. Because we will be asked to vote on and the first round of sanctions relief will be provided before, obviously, that December 15 date.

My second question is, it has been argued that we are in the same position in 15 years, with no options off the table, except some have argued the economy of Iran will be fortified, that they will be able to withstand sanctions in an enhanced way, and that the ability to reassemble this international coalition will be very difficult as countries will be doing business and reengaging with Iran.

Do you agree with that assessment? And do you just conclude that that is a sensible tradeoff, as some have suggested?

Third, you concluded, Mr. Secretary, that this agreement makes the world, our allies, including Israel, and the region safer. And I have no doubt that you have concluded that that is correct based on your best assessment. If you would just provide for us, kind of, some thinking of why it is that the current Israeli leadership does not see it that way, you know, as they, obviously, sort of, have come to a different conclusion. Why do you think that is?

Four, after 15 years, Iran, most have suggested, is a nuclear threshold state but that they must negotiate comprehensive safeguards again with the IAEA, whether or not, I know there has been some discussion, have you seen those. But do we have some ability to influence what that agreement is? Do we have any ability to influence its content or to monitor their compliance going forward—that is, between Iran and the IAEA?

Fifth, what is the likelihood of an international consensus remaining if the deal is rejected? What happens if the deal is rejected?

Some have suggested, actually, some top-level Israeli officials have suggested Iran will comply with the terms of the agreement, will get relief from our other partners, and the U.S. will be isolated. Others have suggested that Iran will rush toward the development of a nuclear weapon with no constraints.

Is there any reason to believe that Iran would comply with the terms of the deal if it is rejected, as some have suggested, and not proceed quickly to a nuclear weapon?

Sixth, if weapons are transferred to Hezbollah during the 5-year period, which is a violation of the U.N. resolution but also a violation of the Interim Agreement, would that constitute a violation and cause snapback in these intervening 5 years, if arms are sold to Hezbollah?

And, finally, what will happen to the U.N. Security Resolution, specifically the lifting of the arms embargo and the ICBM provisions, if Congress does not approve the agreement? Do those remain intact?

And the last question, Secretary Lew, is for you. The JCPOA describes a process in which noncompliance with the agreement might result in sanctions snapping back at the U.N., but this process will likely only work in the case of major violations of the agreement. How will the administration treat minor violations?

And I would invite you to—maybe we will start with you, Secretary Lew. But the ones that you obviously can't get to, I would very much appreciate your answers. And thank you for the work that you have done, gentlemen.

Secretary LEW. Well, thanks, Congressman. I will start with the snapback question.

We have reserved the right to snap back in whole or in part. Obviously, if there is some small technical violation, that will not bring back the whole sanctions regime.

I think that the goal would be to get them back into compliance. If there is a need to make it clear that violations that are small will get a response, we have the option of putting some of the smaller sanctions back into place.

If there is a major violation, we have the option of putting in force all of our unilateral sanctions and ultimately going back to the U.N. for the international sanctions, as well. We have all the authority we need to do that.

Chairman ROYCE. Matt Salmon of Arizona.

Mr. SALMON. Thank you.

Mr. Secretary, you have said no country would accept anytime, anywhere inspections. But I would submit that Iran is not a normal country. In fact, Iran is a terrorist state under heavy international sanctions. It neither is the moral nor the geopolitical equal of the United States or our negotiating partners, and I think we have to stop treating it like one. It aspires to be a regional power.

The U.S. right now is the only world superpower. And my question: Is this really the best deal that we could get, given the fact that we seem to have most of the cards and we have had most of the cards since these sanctions were imposed?

Secretary Moniz, you say the deal includes anytime, anywhere, in the sense of a well-defined process and a well-defined end date. But all of that depends on Iran acting in good faith. We shouldn't make that assumption, because Iran has been stonewalling the IAEA on the military dimensions while claiming to cooperate for years. They are doing that as we speak.

First, the process is not just 24 days. If Iran balks, it is a minimum of 24 days. Before the clock even starts, the IAEA has to tell Iran its concerns about a particular site, and Iran then is supposed to provide an explanation. But there is no time limit. Does anyone believe that Iran will respond immediately or the back-and-forth discussions or negotiations won't take place?

Only after these delays and the high barriers are taken care of, at best maybe, can the IAEA make a formal request and start the 24-day clock. But at the end of the 24 days, there is no punishment if Iran says no. Instead, the matter goes to the dispute resolution mechanism, which has lots of opportunity for delay and more barriers.

Does anybody believe that the P5+1, not this administration and certainly not the Europeans, will derail the entire agreement by imposing sanctions and restarting Iran's nuclear program just because Iran is denying access to one sensitive site?

More likely, there will be overwhelming pressure for a compromise, one that is no more substantive than what is in the final

agreement. Kicking the can down the road is always one option. It has worked in Iran for years.

I think all of this led CIA former Director Michael Hayden to warn in front of this committee that the deal has taken inspections from the technical level and put it at the political level. And I just think that is a formula for chaos, obfuscation, ambiguity, and doubt.

My question, besides the fact that I think that, on the 24 days, we are kidding ourselves if we think that the 24 days is the total length of the deal—I think that it could be much, much longer. And I would like to know how, ultimately, we are going to deal once we do find infractions.

My second question is, of all the sanctions to be lifted in the Iran nuclear agreement, few are more significant than those against a shadowy $100 billion network of foundations belonging to the Islamic Republic's Supreme Leader, Ali Khamenei.

The U.S. delisting the headquarters for the Execution of Imam Khomeini's Order, also known as EIKO, will pump tens of billions of dollars into the Supreme Leader's personal coffers, helping him secure his grip on the Iranian people and bolstering Iran's ability to promote its agenda abroad. In fact, it is estimated he will gain access to as much as $95 billion.

The U.S. Treasury designated EIKO and 37 subsidiaries in June 2013, noting its purpose is to generate and control massive off-the-books investments, shielded from the view of the Iranian people and international regulators.

Secretary Kerry, please explain why EIKO will be de-designated.

Secretary KERRY. Well, Congressman, I am going to turn to Ernie for the first part of that because it is important to understand these 24 days. You are, I say respectfully, misreading how the 24 days—by the way, the 24 days is an outside period of time. It could be less than that. It is very possible it could be in 18 days or something.

But, Ernie, why don't you discuss that.

Secretary MONIZ. Well, first, you started out with this question of Iran being unique in terms of verification. That is exactly why we have a verification system in this agreement that is unparalleled. This goes beyond what anyone else has accepted exactly because of the distrust of Iran built up from previous behavior.

With regard to the 24 days, first of all, the IAEA can cut that off anytime by declaring their request for access, and then the 24-day clock runs. It is not the beginning of dispute resolution; it is the end of dispute resolution. And, in fact, at that point, they are in material breach.

Now, you asked about, would there be a response if it was "only one site"? Well, I want to turn it over now to my colleagues, but I want to emphasize that, in the snapback, it says "in whole or in part." So a graded response is possible.

Chairman ROYCE. We are going to go to Mr. Alan Grayson of Florida.

Mr. GRAYSON. Mr. Secretary, I have 5 minutes. I have 10 short questions. I am hoping for 10 short answers.

Will implementation of the agreement increase Iran's support for terrorism?

Secretary KERRY. You want these sequentially?

Mr. GRAYSON. Yes.

Secretary KERRY. We have no way to know. I presume in some places, possibly. Only in the sense that they are committed to certain things that we interpret as terrorism, they don't, and we are going to continue to conflict on those issues.

Mr. GRAYSON. All right.

If the agreement is implemented, will Iran, in fact, allow inspections at all of its military sites?

Secretary KERRY. Well, they have to. If they don't, they are in material breach of the agreement, and we will snap back the sanctions or take other action if necessary.

Mr. GRAYSON. If the agreement is implemented, do you suspect or do you think that there is a significant risk that Iran will cheat on the agreement and develop a nuclear weapon secretly?

Secretary KERRY. I don't think they are able to develop a nuclear weapon secretly because our intelligence community tells us, with the regime that we have established here, it is physically impossible for them to create an entirely covert secondary fuel cycle.

And we have a sufficient, intrusive inspection mechanism and capacity on their fuel cycle that they can't do it. You can't make a bomb at 3.67-percent enrichment for 15 years. You can't make a bomb with 300 kilograms of the stockpile for 15 years.

You can't make a bomb if you can't go enrich and move forward without our knowing it. And we have submitted and we believe with clarity that we will know what they are doing before they can do that.

Mr. GRAYSON. If an agreement is implemented, is there a significant risk that Iran will adhere to it for a year, let's say, then pocket the $50 billion and then violate the agreement and go ahead and build a bomb?

Secretary KERRY. Again, they can't do that, because the red flags that would go off, the bells and whistles that would start chiming as a result of any movement away from what they have to do.

They have to live for 15 years under this extraordinary constraint of a limitation on the number of centrifuges that can spin; on a limitation in their R&D; on 24/7 inspections; on day-to-day accountability, with live television, with respect to their centrifuge production; and so forth. So it is not possible for them during that period, in 1 year, 2 years, 5 years, to sort of make this decision and stiff us.

And if they did in some way, if they just radically said, you know, we are going to change this whole deal and we are breaking out of here, then we have snapback of all the sanctions with the full support of the international community, which would then be absolutely in agreement that they have to do it. And we have the military option if that was necessary.

Mr. GRAYSON. But, briefly, to follow up, isn't it true in that scenario that they would then have $50 billion in their pocket that they wouldn't otherwise have?

Secretary KERRY. No. I doubt that after 1 or 2 years they would. They would have investments in their economy, and they would be moving, but, I mean, you have to look at this in the real world.

Here they are, trying to attract investment from France, Germany, China, Russia, Britain, all kinds of countries. Is it your presumption that a country that has destroyed its stockpile, reduced its centrifuges by two-thirds, put concrete in its calandria, totally stripped the ability to do fissile material at Fordow, and is now seeking investment and trying to build its economy, with a population of 50 percent of the country under the age of 30, who want jobs in the future, is it your presumption that they are just going to throw this all to the wind and go create a nuclear weapon after saying, "We will strip our program down," and won't? I don't think it is going to happen.

Mr. GRAYSON. What about after 15 years? If the agreement is implemented, is Iran, in fact, likely to build a nuclear weapon after 15 years, at the end of the deal?

Secretary KERRY. All I can say to you is that they can't do it without our knowing what they are doing. Because, after 15 years, they have to live by the Additional Protocol, they have to live by the modified Code 3.1, they have to live with inspectors. One hundred and fifty additional inspectors are going to be going into Iran as a consequence of this agreement. And those inspectors are going to be given 24/7 access to declared facilities.

So, if Iran suddenly starts to enrich more, which we will know, all the bells and whistles go off. The international community would be all over that with questions and restraints.

Mr. GRAYSON. All right.

My time is almost up, and I want to ask you this——

Secretary MONIZ. May I just add that this is the agreement that codifies a permanent ban on nuclear weapons in Iran, and we have to take——

Mr. GRAYSON. Thank you, Mr. Secretary.

Secretary MONIZ. Okay.

Mr. GRAYSON. I do want to ask this one additional question. And I had four more, but that is the way it goes.

Tell me exactly what you expect will happen if the agreement is rejected. Specifically, there has been some suggestion that Iran will adhere to it anyway and that——

Secretary KERRY. Iran can't adhere to it anyway.

Mr. GRAYSON [continuing]. Sanctions will remain in place anyway.

Secretary KERRY. I have heard that.

Mr. GRAYSON [continuing]. If the agreement is rejected. Explain to me what you expect to——

Secretary KERRY. I actually heard that for the first time last night when I met with an Israeli friend who suggested that might be possible. It is physically impossible.

Mr. GRAYSON. Explain why, please.

Secretary KERRY. Well, I will tell you why. Because in the legislation that you have passed, in which you have given yourself the ability to vote, you have also put in an inability for the President to waive the sanctions. So there will be no waiving of the sanctions.

So there is no way for the deal to work, because our lifting of sanctions is critical to the ability of other countries to invest and work and critical, obviously, for Iran to get any money. So nothing works for them unless this deal is accepted.

Chairman ROYCE. We have a lot of members who still want to ask questions. We need to go to Tom Marino of Pennsylvania.

Mr. MARINO. Mr. Secretary of State, we all know what Iran has done as far as giving weapons to terrorists to do Iran's dirty work. And what will stop Iran from giving nuclear material or even more weapons to terrorist organizations?

And how is a nuclear Iran going to make the world and the United States a safer place? And, more particular, how is a nuclear Iran going to make American citizens feel safer?

Secretary KERRY. Well, the opposite of your question is to suggest that somehow you or we can prevent them from having any nuclear program at all.

Mr. MARINO. Okay.

Secretary KERRY. Now, you all have a responsibility to show us how that is going to happen.

Mr. MARINO. I am going to show you how that is going to happen.

Secretary KERRY. President George Bush——

Mr. MARINO. I am going to show you right now how that is going——

Secretary KERRY. President George Bush——

Mr. MARINO [continuing]. To happen, Mr. Secretary. You have answered my question. I am going to show you how that is going to happen.

I am going to take Secretary Lew's words. The sanctions have crippled Iran. If we ratchet them up and get our allies to ratchet those sanctions up, you can bring Iran to its knees, where it cannot financially function. That is how to do it, because it——

Secretary KERRY. Congressman, let me——

Mr. MARINO [continuing]. Is proved that it has been done.

Secretary KERRY. Congressman, let me just tell you——

Mr. MARINO. Please.

Secretary KERRY [continuing]. I suggest—I really suggest, very respectfully, that you go spend some time with the intel community. Ask the people who have spent a lifetime following Iran very closely whether or not they agree with your judgment that an increase in sanctions will, in fact, bring Iran to its knees. They do not. They do not believe there is a capitulation theory here.

And you will not sanction Iran out of its commitment to what it has a right to. Iran is an NPT country. There are 189 of them——

Mr. MARINO. And we have a right to protect the American citizens from this disaster of this country having nuclear power.

Secretary KERRY. That is exactly—Congressman——

Mr. MARINO. Sanctions have worked. Are you going to retract these——

Secretary KERRY. Congressman——

Mr. MARINO [continuing]. Statements made by Secretary Lew and anyone else that says it has crippled them, it will take years for them to get servicing again?

Secretary LEW. Congressman, if you are going to quote me, let me speak for myself.

Mr. MARINO. No. I quoted exactly what——

Secretary LEW. No.

Mr. MARINO [continuing]. You said.

Secretary LEW. No.

Mr. MARINO. Yeah, it——

Secretary LEW. Congressman——

Mr. MARINO [continuing]. Crippled Iran, and it will take them years to recover.

So if we upped——

Secretary LEW. But the other part of what I said, Congressman, is that the reason it was crippling is that we had international cooperation.

We have worked very hard to get that international cooperation. The parties that we worked with reached an agreement here. If we walk away from it——

Mr. MARINO. Look who we worked with. We worked with China, and we worked with Russia, the people who want Iran to be in that position because it jeopardizes the United States.

Secretary LEW. But, Congressman, the power of our sanctions is not going to have the effect——

Mr. MARINO. I disagree with you.

Secretary LEW [continuing]. You want or that we want.

Mr. MARINO. Economists disagree with you. Individuals that I have read article after article on disagree with you.

Secretary KERRY. But, Congressman, as we have said again and again, and I want to repeat it now, we are absolutely committed that Iran will never get the material for one bomb—not for one bomb.

Mr. MARINO. Okay, but you didn't answer my original question, Mr. Secretary. My original question is, how is that going to make the United States citizens safer?

Secretary KERRY. Let me tell you. I will tell you exactly how it makes United States citizens safer. Because if Iran fully implements the agreement that we have come to, Iran will not be able to make a nuclear weapon.

And we have created an agreement which has sufficient level of intrusive inspection and verification that we are confident in our ability to be able to deliver on preventing them from having enough fissile material for the one bomb.

Now, mind you, we started in a place where they already had enough fissile material for 10 to 12 bombs. We have already rolled that back, and that made America safer. By the way, it also made Israel and our friends and allies in the region safer. Everything that we have done thus far in the Interim Agreement, which has been in force for 2 years, has made the world safer.

Mr. MARINO. Okay, sir, I am going to reclaim my time——

Secretary KERRY. But the alternative——

Mr. MARINO [continuing]. Because you are repeating——

Secretary KERRY. No, I am——

Mr. MARINO [continuing]. Statements that you have made. I understand, but I have 40 seconds left.

Secretary KERRY. If you kill this deal——

Mr. MARINO. I hope that you are right.

Secretary KERRY [continuing]. That is not making Americans safer.

Mr. MARINO. I hope you are right. Because, if not, you, the executive branch, and Congress is going to have a disaster on our hands. And we need to be accountable to the American people.

Thirty-two seconds. I want to ask an important question. Secretary Kerry, this is an extremely important topic for the future of this country's security and the safety of the American people as well as our allies in the Middle East.

I first want to ask you a simple yes-or-no question. In accordance with the Office of Management and Budget as well as the National Archives and Records Administration directives, along with State Department policy, have you ever used a nongovernment and personal email account to conduct official business?

Secretary KERRY. No. I conduct my business on a government account.

Chairman ROYCE. We need to go to Dr. Ami Bera of California.

Mr. BERA. Thank you, Mr. Chairman.

And I want to thank the witnesses.

I am going to go through a series of questions as I try to make my decision with regards to this deal.

Secretary Kerry, multiple times you have said this negotiation had one objective, to make sure they cannot get a nuclear weapon.

Secretary Moniz, you are the expert here. In your opinion, do you believe this deal makes it less likely within the next decade, next 15 years, over a lifetime, for Iran to obtain a nuclear weapon?

Secretary MONIZ. Far less likely.

Mr. BERA. Okay. Great.

I don't trust Iran. Secretary Kerry, you have said multiple times there is nothing in this agreement that is based on trust.

Secretary Lew, you have said there will be no immediate sanctions relief. Is that an accurate statement?

Secretary LEW. Sanctions relief will only come after Iran complies with all the measures to stop their nuclear program.

Mr. BERA. And, in your estimation, is there enough in the verification regime in this deal that will allow us to——

Secretary LEW. I would defer to Secretary Moniz, but I have been persuaded by everything I have read and seen that it is the toughest verification regime we have ever had.

Mr. BERA. Is that correct?

Secretary MONIZ. Yes.

Mr. BERA. And, Secretary Lew, there is no signing bonus.

Secretary LEW. There is no signing bonus.

Mr. BERA. Okay. Great.

Moving on, then, Secretary of Defense Ash Carter is not here, but I will direct this to Secretary Kerry.

In your opinion, would you say that Secretary Carter as well as our Joint Chiefs are satisfied with the ICBM provision of no missiles for 8 years, as well as the arms embargo for 5 years, as the best—that they would be okay with that provision?

Secretary KERRY. Yes.

Mr. BERA. Okay.

Moving on, Secretary Kerry, you have pointed out, in your time and history in the Senate, you were a very strong defender of Israel and had a strong record of support of Israel. In your opinion, do you believe this deal makes Israel safer or less safe?

Secretary KERRY. I am absolutely convinced beyond any doubt this deal makes Israel safer, and the region and the world.

Mr. BERA. And would you say that President Obama shares that opinion?

Secretary KERRY. Yes.

Mr. BERA. Okay.

Secretary Moniz, we have talked a lot about the 24-hour framework. Is it accurate that you believe, as an expert here, that within that 24-hour framework we will be able to detect any activities, nuclear activities, et cetera?

Secretary MONIZ. Well, the 24——

Mr. BERA. I am sorry. Twenty-four days.

Secretary MONIZ. For the 24-day access to undeclared sites that work with nuclear material, I feel quite confident that we can detect, yes.

Mr. BERA. That there will be no cheating, that we will be able to detect it within that 24-day period.

Secretary MONIZ. I want to emphasize "work with nuclear materials." Other work, non-nuclear work, might be a little more difficult.

Mr. BERA. Okay. Great.

Secretary Lew, if, in fact, you know, there is no nuclear activity going on and Iran is complying with the terms of this deal, I do have serious reservations that they will continue to fund terror groups, fund organizations that destabilize the region. And that is worrisome, obviously.

In your opinion, do you believe that if we acted in a unilateral manner to impose new sanctions or reimpose existing sanctions, not based on breaking the nuclear deal but based on other activities, that we would be able to impose sanctions strong enough that they are felt in Iran?

Secretary LEW. Congressman, we totally agree that their actions on terrorism and regional destabilization are and continue to be an area of concern. We have been putting sanctions in place. We have reserved the right to put even parties who were delisted on the list again if, in fact, they are violating terrorism or regional destabilization provisions.

I think that we have powerful tools. I think that the world knows we mean to use them. And I believe that our credibility in doing it has to be for real. It has to be that we are listing people for reasons of terrorism and regional destabilization.

Mr. BERA. And you feel we have the tools, if we have to do——

Secretary LEW. Yes.

Mr. BERA [continuing]. This unilaterally, to make it——

Secretary LEW. We definitely have powerful tools.

Mr. BERA. Okay. Great.

I will actually yield back the remainder of any time.

Chairman ROYCE. Thank you.

We will go to Jeff Duncan of South Carolina.

Mr. DUNCAN. Thank you.

Secretary Kerry, there are still three or four Americans in prison in Iran. I put their pictures here to remind you of them today.

I understand not using them as pawns in negotiations, but what should have happened is they should have been released as a precondition before ever sitting down with Iran for anything.

And, with that, I will yield to Mr. DeSantis from Florida.

Mr. DESANTIS. Well, I thank the gentleman from South Carolina.

Secretary Kerry, for these side agreements between the IAEA and Iran, can you at least confirm that one of the agreements is about the Parchin military site, the other one is about the possible military dimensions of Iran's nuclear program?

Secretary KERRY. I believe there is just one basic agreement, which contains the approach to the PMD.

Mr. DESANTIS. So can you confirm that the Congress will not——

Secretary KERRY. I am advised that—I think he has been more briefed than I have, but the two appendices, apparently.

Mr. DESANTIS. Two appendices. And is it your testimony that the Congress will not get to review those agreements before voting on——

Secretary KERRY. No. Congress will be briefed on the contents of those agreements per what we know.

Mr. DESANTIS. But we will not be given the actual agreements to review, correct?

Secretary KERRY. I don't believe you will get the actual agreement, Congressman.

Mr. DESANTIS. The problem with that, though, is that the Iran Nuclear Agreement Review Act that the Congress passed and that President Obama signed required the executive branch to provide Congress with all documents and specifically defined "all documents" to include any side agreements. So the executive branch has a binding legal obligation under the Iran Nuclear Review Act to provide all documents——

Secretary KERRY. Well, actually, we don't have a side agreement, so we are in compliance.

Mr. DESANTIS. It doesn't matter. The agreement——

Secretary KERRY. The IAEA is an independent U.N. agency, and it makes an independent agreement under standard procedures with——

Mr. DESANTIS. And the Nuclear Review Act, with all due respect, applies to any agreement that Iran may have with any other parties, any related agreements, whether entered into or implemented prior to the agreement or to be entered into or implemented in the future. So if there is an agreement between Iran and the IAEA, under the Iran Nuclear Agreement Act, that needs to be provided to Congress.

And so, if you are not in compliance with that act, how has the clock even started to run for the 60-day review period?

Secretary KERRY. Congressman, I am not sure, legally, that the Congress of the United States has the power, powerful as it is, to be able to dictate to the IAEA a change in its procedures.

Mr. DESANTIS. That is not what we are doing. We passed a bill; the President signed it.

Secretary KERRY. We don't have——

Mr. DESANTIS. It lays out the conditions before we would then have——

Secretary KERRY. We don't have the agreement. We don't have the agreement.

Mr. DESANTIS. You are not going to request the agreement and bring it so that we can review it?

Secretary KERRY. Congressman, we don't possess the agreement.

Secretary MONIZ. These are protocols worked out to satisfy the IAEA-Iran agreement on resolving the PMD——

Mr. DESANTIS. Which are very important issues, because we need to know the PMD, we need to know more about Parchin. We want to be able to evaluate the efficacy of the agreement that you guys have negotiated.

Secretary MONIZ. The IAEA will then be providing its report on December the 15th, which summarizes all that they have found.

Mr. DESANTIS. Which is after the window that Congress has to review the agreement, so we are not going to be privy to that information, and we are going to be asked to cast a vote on this.

Let me ask you this, Secretary Kerry. You had alluded to in previous questioning about the ability that if Iran cheats we can snap back the sanctions. The problem, though, that I see is that, in the agreement itself, it says, Iran has stated that if sanctions are reinstated in whole or in part, Iran will treat that as grounds to cease performing its commitments under the JCPOA in whole or in part.

So if you have a situation where Iran is doing incremental cheating and then there is a movement to then have the sanctions reimposed, if you do that, Iran is saying, well, okay, it is going to walk away from its commitments.

And so, for me, it is structured in a way to allow Iran to get away with small violations, because the cost of going to actually impose the sanctions would be to blow up the deal that you guys have spent so much time negotiating.

Secretary KERRY. Congressman, with all respect, that is a misread of the paragraph and a misread of what we have here.

The paragraph was requested by Iran because they were afraid because Congress kept rattling its sabre about more sanctions. And so they said, well, what guarantee do we have, if we agree to this, that Congress isn't going to pass more sanctions on the same thing—or, excuse me, not "more"—just take the sanctions they had and bring them back after we made an agreement?

So that paragraph merely says that we are not going to—we agree that we are not just going to reimpose the same sanctions and put them back. It does not, as Secretary Lew has said, prevent us from bringing any other additional or appropriate sanctions for other things.

And the sanctions language also says "in whole or in part." So we are allowed, for any minor infraction—we are not facing this draconian choice of bringing the whole thing and risking the whole deal. We could bring a small amount.

Also, remember, the reason Iran is coming to the table to make this agreement is they want the relief from the sanctions. And if, indeed, they were in flagrant violation, all of our friends who helped negotiate this are going to be standing with us, all in agreement that we have to put the sanctions back. And that is what——

Chairman ROYCE. We must go to Grace Meng of New York.

Secretary KERRY [continuing]. Generates the behavior from Iran.

Chairman ROYCE. Grace.

Ms. MENG. Thank you to all of you for being here, for your time and dedication to this important issue, and for spending so much time with us here in Congress, on the Hill, to discuss so many of our concerns.

I want to ask, during the negotiations, did this law of the land, the Iran Nuclear Agreement Review Act, signed by President Obama and known to all parties of the negotiation, was it known to all the parties?

Secretary KERRY. Well, obviously, the other parties became very aware of the fact that Congress was requiring a review period, and they were very concerned about it.

Ms. MENG. And so I want to bring up one example of, during the Cold War, Congress played a very important role in the development of nonproliferation agreements dealing with nuclear weapons, specifically the Threshold Test Ban Treaty, which I know was a treaty, but we also have our law here.

This treaty was initially blocked by the Senate because of concerns over Soviet compliance. The treaty was not submitted to the Senate for approval for 2 years after signing and wasn't ratified until after the U.S. and Soviet Union reached agreement 14 years later on additional provisions to enhance America's ability to verify Soviet compliance.

So this all leads me to believe that Congress should be, and we are, and we have the ability and authority to compel a better deal, should it choose to disapprove of this one.

What are the key differences between the JCPOA here and the Cold War examples, other than the fact that it was a treaty and there were multiple parties?

Secretary KERRY. Well, one of the principal differences is that we have not had any engagement or any dialogue with Iran since 1979. And the lack of diplomatic relations, even, which is different from what we had with the Soviet Union, makes this a very, very complicated situation.

So you have to take and analyze what is achievable here in the context of the threat, the nuclear program. And I believe, given the nature of the political system in Iran, the challenges with respect to their own politics, the notion that we are going to be able to go back to the table is just a fantasy. There is no latitude here.

Because Iran came to this table with enormous suspicions about even engaging with the United States. There was a huge debate in the country about whether or not they should, whether or not we could be trusted, whether or not they thought this was worth the risk. And many people in the country suggested that we would not act in good faith.

If, indeed, all of a sudden, we stand up in Vienna, seven-nations-strong, embrace an agreement, the United Nations has supported the agreement, and we turn around and say, "We are not going to perform," I think the intelligence community will confirm to you resoundingly we will not be back at the table, certainly in the near future, and I would think certainly not with this Iranian Government or leadership.

Ms. MENG. One final question. You have also, obviously, asserted that, if Congress does disapprove, the international sanctions regime will fall apart, and Iran goes back to 2-months breakout time.

I understand that Russia and China's top priority and interests may not be the views of Congress here in the U.S., but if you can help me understand, what is the basis for the view that these two countries would also just allow Iran to fully violate the deal? Why wouldn't they hold Iran to the nuclear commitments set forth in the agreement?

And if they allow them to do that, then why do we also believe that they will be there with us in any sort of snapback scenario?

Secretary KERRY. Well, I think that Russia and China are very, very serious about the nonproliferation component of this, as serious as we are. Russia has agreed to export the spent fuel and process it in Russia in order to help make this work. China has accepted major responsibility to be the lead entity, with our co-chairmanship, on a committee that will work to redesign the Arak reactor in a way that is acceptable to all of us. And they have taken on major responsibility.

So they both have a huge interest in the nonproliferation piece of this. But they both believe that the other components of the resolution, with respect to the arms and missiles, was thrown in as an add-on, as punishment, in effect, not because it referred directly to the nuclear part of the resolution or agreement. The resolution of the U.N. was a nuclear agreement. And, in that regard, I think they would have serious reservations—they did express serious reservations about continuing.

Chairman ROYCE. We will go to Darrell Issa of California.

Mr. ISSA. Thank you, Mr. Chairman.

I guess I have to be careful when I say "Mr. Secretary," but, Secretary Lew, let's start with you.

Were the sanctions, or are the sanctions that are in place as of today effectively curtailing both the money flow and the economy of Iran in a way that has brought them to the table?

Secretary LEW. Congressman, I think that the sanctions have been very effective at slowing the rate of growth in Iran's economy, at making inflation high, unemployment high, and the exchange rate on their currency very unfavorable.

I don't think it has stopped them from doing a lot of other bad things around the world. And they have maintained, even in a very difficult set of fiscal challenges, malign activities, which we have to stay focused on stopping even if we have a nuclear agreement.

Mr. ISSA. Okay. The question, though, Mr. Secretary, was, did it bring them to the table, or did they come out of just goodwill?

Secretary LEW. No, I believe that the sanctions brought them to the table. And the sanctions were, in fact, designed to bring them to the table.

Mr. ISSA. Secretary Kerry, you would agree with that?

Secretary KERRY. I do agree. I think the sanctions and other strategic designs. But I think, essentially, the sanctions are what crystalized their timing.

Mr. ISSA. And when I look at the sanctions that will be lifted under this agreement, I looked at—in the classified annex, but it wasn't the classified portion of it—a long list of ships and aircraft

and banks that will receive the relief under this. I am sure you are both familiar with those 20, 30 pages.

The question I really have here—because I think we are all focusing on the nuclear deal, but I want to focus on Iran—an exporter of terrorism; a killer, directly and indirectly, of Americans; a kidnapper, indirectly and directly, of Americans since 1979.

All of those sanctions that we are agreeing to lift, is there anyone that doesn't think that those sanctions and more are appropriate as long as they continue to export terrorism, kill Americans and others, and destabilize not one, not two, not three, but at least five countries throughout the Middle East?

I will start with Secretary Lew, from a standpoint of those tools that we are lifting, those 40 pages or whatever, single-spaced, a huge amount of things that will now be able to carry oil, move money, and so on, those are, most of them, equally effective in deterring or slowing their ability to export terrorism, aren't they?

Secretary LEW. Congressman, as a class, we are lifting for relief from sanctions entities and individuals who were violating the nuclear provisions.

Mr. ISSA. Right, but those entities are banks, in many cases.

Secretary LEW. Well, so a bank that was designated as a nuclear violator stays on. So Bank Saderat stays on the list.

If there are institutions that are delisted that are relisted subsequently under other authorities that deal with terrorism, we have every right to do that. But I think that the delisting of nuclear parties is what you would expect if there is a nuclear agreement. The nuclear sanctions would go away, but other sanctions stay in place.

Secretary KERRY. And they can be—again, Congressman, I want to emphasize that we share with everybody the concern about Iran's behavior within the region, and we have the ability to bring sanctions with respect to that behavior as we go forward.

Mr. ISSA. Well, let me just give you a hypothetical, and it is not a hypothetical without some thought. What if, at the same time as we don't reject this plan, we bring you a package of new sanctions? What if, in fact, Congress determines that the only way we can accept this risk is if we can truly, essentially, snap back now relative to their promise?

Just the day after you signed this, they promised to destabilize Bahrain, to continue what they are doing in Yemen; obviously, their support for Hezbollah and Hamas, their support for the Assad regime, and the taking of both Lebanon and Syria.

So, with that real threat, with that goal, with that continued activity, is there any reason that we should not either reject this agreement and/or include further sanctions in order to keep them from expanding their support for the murder of Americans and our allies around the world and the destabilizing of the Middle East, one that is leading to an arms race?

Secretary LEW. Congressman, we have powerful tools to snap back sanctions——

Mr. ISSA. No, not snapback. I am saying today. Today, they are, in fact, doing all of this. What would you say about the fact that——

Chairman ROYCE. We need to——

Mr. ISSA. Well——

Chairman ROYCE. If the gentleman would suspend, we need to go to Lois Frankel of Florida——

Mr. ISSA. I just wanted him to answer the question I asked.

Chairman ROYCE [continuing]. Simply because these junior members do not have sufficient time. And so, Lois.

Ms. FRANKEL. Thank you, Mr. Chair.

Thank you, gentlemen. Some quick followup questions and then some new ones.

If new enrichment sites are detected under that 24-day rule, will those sites then become under a constant inspection?

Secretary KERRY. If a new site emerges in this?

Ms. FRANKEL. Yes.

Secretary KERRY. Absolutely.

Ms. FRANKEL. Okay. And could you tell me how many countries, other than the P5+1, are currently engaged in sanctions? And how long would you say that it takes to have all these sanctions in place to get Iran to the table?

Secretary LEW. Congresswoman, I would have to go and check the number, but our sanctions and international sanctions are being honored around the world, so it is many, many countries. And it has taken us years to put that regime in place.

And I would have to underscore really two points. One is, our unilateral sanctions are powerful, but the ability for them to really have an effect still requires cooperation. And the international sanctions wouldn't exist without cooperation. We have spent a lot of effort with countries for whom it is at substantial economic cost they have cooperated to try and stop Iran from getting a nuclear weapon.

Ms. FRANKEL. How would a snap-back effect all those countries? It concerns me how you could actually get the snap-back——

Secretary LEW. I think, as Secretary Kerry said earlier, there is enormous unity in the goal of keeping Iran from getting nuclear weapons. If they violate the agreement, if, in fact, a snap-back is warranted because of nuclear issues, I think that both the international and the U.S. unilateral sanctions would, in fact, snap back.

We are going to continue to prosecute our unilateral sanctions on things like terrorism, on things like regional destabilization and human rights, but they are obviously different regimes.

Ms. FRANKEL. Once Congress, if we don't disapprove this agreement, if it goes forward, will the Congress, U.S. Congress have any role, any further role in this agreement, number one? Number two, can any President alter this agreement or refuse to abide by it in the future?

Secretary KERRY. Well, Congress will always have a role, obviously, and you have made that crystal clear in a context of what we are doing here now. So, yes, I mean, there will be an ongoing role with respect to the enforcement, the implementation, our——

Ms. FRANKEL. Will we have to vote on anything?

Secretary KERRY. Afterwards?

Ms. FRANKEL. To repeal sanctions.

Secretary KERRY. Ultimately, yes. Ultimately, there is the Iran Sanctions Act itself. There is the lifting of sanctions. Ultimately, you would have to vote.

Ms. FRANKEL. And if we don't do that pursuant to the agreement, are there any penalties on our part?

Secretary KERRY. Actually then Iran is free to break the agreement because we will have broken it, and then all bets are off in terms of compliance.

Ms. FRANKEL. Can a future President refuse to abide by the agreement?

Secretary KERRY. Absolutely. A future President can. But it is our judgment that if this agreement is fully implemented and is working well, no future President is going to choose to do that because of the implications. If this is working, it is achieving our goal of not having a nuclear weapon in Iran.

Secretary LEW. And just to be clear, the actual repeal of sanctions will be way down the road. It is not something that happens in the next year or 2. It is many, many years in the future, probably 8 or more years.

Ms. FRANKEL. I want to get again to the troubling issue of the inspections. Are you saying that there is no limit to inspections by the IAEA, that it will go on forever? Did you say that?

Secretary KERRY. Yes. What I am saying is there is a process, Congresswoman——

Ms. FRANKEL. Excuse me. And who pays for that?

Secretary KERRY. We pay a certain element of the budget. It is a U.N. agency. We represent a certain percentage of that budget, about 25 percent, and others contribute to it. We actually train all the inspectors. That is one thing that we do and do very effectively. But it is an independent entity other than that.

Ms. FRANKEL. Excuse me. Is it this separate secret agreement that we don't see that is going to allow this continuation of inspections? That is what is not clear.

Secretary KERRY. No. The continuation of inspections is under what is called the Additional Protocol. And the Additional Protocol is exactly that. It is an add-on——

Ms. FRANKEL. That is what we don't get to see?

Secretary KERRY. Yes. No, you can see, absolutely. You can see that. You can read every component of it. And I was sharing some thoughts with the committee earlier about the things that it empowers the IAEA to do. The kind of accountability is very in-depth and significant. That is what I was trying to point out. This is not some light set of requirements.

Chairman ROYCE. We will go to Mr. Mo Brooks of Alabama.

Mr. BROOKS. Thank you, Mr. Chairman.

Secretary Kerry, my questions require brief answers to comply with my 5-minute time limitation, and I hope you will cooperate in that context.

Three months ago, Iranian Brigadier General Mohammad Reza Naqdi stated that erasing Israel off the map is non-negotiable. Do you believe his comments accurately reflect Iranian Government goals? Yes, no, or I don't know.

Secretary KERRY. I think it accurately reflects some people's rhetoric and some people's attitude. But I don't think it is possible——

Mr. BROOKS. In the Iranian Government?

Secretary KERRY [continuing]. I don't think it is possible for Iran to do that. And I think Israel has enormous capacity, obviously——

Mr. BROOKS. Okay. I didn't ask for all that other. I am just asking if you have a judgment as to whether his comment accurately reflects Iran's Government goals.

Secretary KERRY. My judgment is it is not an implementable policy by Iran.

Mr. BROOKS. Okay. Well, less than 2 weeks ago Iranian Supreme Leader Ayatollah Ali Khamenei led a rally that was frequently punctuated by chants of death to America and death to Israel. Do you believe his comments accurately reflect Iranian Government goals? Again, yes, no, or I don't know.

Secretary KERRY. I think they reflect an attitude and a rhetorical excess, but I see no evidence that they have a policy that is implementing that against us at this point in time.

Mr. BROOKS. Well, do you believe that Iran is the world's foremost sponsor of terrorism?

Secretary KERRY. Yes.

Mr. BROOKS. And that they will use the conventional weapons made available by the Iran nuclear treaty to kill Americans or Israelis?

Secretary KERRY. Well, they may. They may. And we have, as you know, responded to that from 1979, when they took over our Embassy, forward. We have put sanctions in place specifically because of their support for terror, because of their abuse of human rights——

Mr. BROOKS. Okay, I understand that. You have answered my question when you said, yes, they may.

Next, is the Obama administration willing to use military force to prevent Iran from obtaining, building, testing, or using nuclear weapons?

Secretary KERRY. Yes.

Mr. BROOKS. And what has Iran done in the past couple of years that causes you to believe Iran will abide by the Iran nuclear treaty or that Iran wants to become a responsible member of the international community?

Secretary KERRY. The only thing that indicates to us a willingness to try to comply with this agreement is the fact that they have complied fully with the interim agreement for the last 2 years and that we have put in place such a strict set of consequences that it is deeply in their interest to comply if they have reduced two-thirds of their centrifuges, stripped their stockpile, put concrete in the calandria of Arak, emptied out Fordow. There is a lot of incentive therefore to fully comply with this agreement.

Mr. BROOKS. Okay. That focuses to a large degree on the nuclear side. What about the use of the conventional weapons and whether they will maintain their status as the world's foremost sponsor of terrorism?

Secretary KERRY. We have serious concerns, which is precisely why we are engaged with our friends in the region. It is why I will be in Doha in a few days to meet with them. As we lay out the plans for pushing back against those activities, we will be engaging in Special Forces training, counterterrorism, counterinsurgency,

counterfinance, a whole series of steps in order to empower all of us to do a better job of reducing those activities.

Mr. BROOKS. September 11, 14 years ago, proves Muslim fundamentalists are very willing to sacrifice their own lives in furtherance if their desire to kill non-Muslims and other foes. Given the religious zealotry of the Iranian Government, how confident are you that Iran will not use nuclear weapons to further death to America or death to Israel if Iran obtains nuclear weapons?

Secretary KERRY. Well, they won't obtain a nuclear weapon. And I am confident that under this agreement and with President Obama's commitment, they are not going to secure a nuclear weapon.

Mr. BROOKS. And is that in part because of your statement that this administration is willing to use whatever means are necessary of a military nature to prevent Iran from having nuclear weapons?

Secretary KERRY. That is certainly the final backup to it, but I believe all of the elements of this agreement will, if it is implemented fully—again, if it is implemented—will prevent them from even getting near that possibility.

Mr. BROOKS. On occasion you have used the phrase "all options are on the table." Do those options to prevent Iran from having nuclear weapons include the use of nuclear weapons by the United States?

Secretary KERRY. I have never asked—I have never asked—I mean, I know of no President of the United States who have ever taken all military options available to them off the table, but I also don't know of any realistic situation in which that would present a very feasible strategy given the proximity of great friends of ours to Iran and the consequences of that. But I don't think the President has taken any—there is no option that has ever been discussed that has been taken off the table.

Mr. BROOKS. So when you talk about the use of military force, is it fair to infer that we are really talking solely about conventional weaponry?

Secretary KERRY. What the President has laid out and what the military has designed is an approach—and I am not going to discuss that plan in open session here—but a plan that sufficiently meets the task of preventing them from having a nuclear weapon. That is the goal. That is the objective. And our current set of options accomplished that.

Mr. BROOKS. Thank you, Mr. Chairman.

Chairman ROYCE. Thank you.

Joaquin Castro of Texas.

Mr. CASTRO. Thank you, Chairman.

And thank you, gentlemen, for your work and diplomacy on behalf of the Nation.

I want to imagine for a moment another scenario, a scenario where we don't take a deal, we walk away from it, and there is military action against Iran. Can you imagine for me for a moment what would the fallout be from a destabilized Iran? We have seen other nations, Libya, Iraq, Egypt, where there have been destabilized regimes, secular leaders who have been replaced by fundamentalists, and terrorism that has now been franchised almost

across the world. What would happen if Iran was destabilized in the same way?

Secretary KERRY. You know, Congressman, it is very hard for me to get into the speculative game here, and there is too much talk about the military option and this and that.

When we have in front of us a plan that accomplishes the task of preventing Iran from achieving a nuclear weapon, which they say they don't want to do anyway and have made very strong averments about their commitment not to do, it seems that to be focused on the destabilized side of it and the military side of it is not the right focus. The right focus is on this agreement that accomplishes the goal of preventing them from having a weapon.

Now, the region is obviously destabilized and in flames, and that is another reason why I think we should think really carefully about the consequences of turning away from this deal.

Mr. CASTRO. And I guess, let me point out, Secretary Kerry, so that I am not coy here, I am inclined to support the deal. One of the questions I have, though, is I think a concern is that we find out that they are cheating, and at that point a decision has to be made if we are going to hold true to our position, which is we are not going to let them have a nuclear weapon.

Secretary KERRY. But that is, frankly, Congressman, that is the easiest decision in the world for this President and for all of us here.

Mr. CASTRO. But here is my question, Secretary. What is the tipping point where sanctions will no longer work and you have to take military action if, in fact, you are going to keep them from not having that weapon?

Secretary KERRY. The tipping point is a clarity with respect to what effort is being put into breaking out, if that is the choice they have made, and where they are in that process. The tipping point is how much time you make a judgment that you have with respect to where they are starting and where they can wind up.

But we are convinced that with the depth of accountability and verification that is built into this agreement, we will have enormous tipoff to that. That is why a year was built into this agreement for the first 10 years and even after that. There is a lengthy enough period of time that our interests, the interests of the region, our friends, Israel, others, is protected. And we are confident about our ability to have accountability in that process going forward.

But I would say to everybody, if this is rejected, then you have no inspections, you don't have a regime in place, you don't have the sanctions, Iran may undertake, not immediately, but they have certainly indicated they would consider themselves free to do so. And as they do it, what are the options that are then available to us? It seems to me when you compare those two scenarios, this becomes not that complicated a choice.

Mr. CASTRO. And then my final question is, to put this in context, can you go over again—I missed some of the discussion—but can you go over again the deal that was offered in 2003 by the Bush administration?

Secretary KERRY. In 2008 is when it was offered.

Mr. CASTRO. 2008, I am sorry.

Secretary KERRY. In 2003 there was discussion. There were about 163 centrifuges. But the P5+1, the same P5+1, made an offer to Iran for their suspension of enrichment and reprocessing that the United States and the P5+1, excuse me, would then recognize Iran's right to nuclear energy for peaceful purposes, treat Iran's nuclear program in the same manner as that of any non-nuclear-weapon state party to the NPT once confidence had been built, provide technical and financial assistance for peaceful nuclear energy, including state-of-the-art power reactors, support for R&D and legally binding fuel supply guarantees, improve relations with Iran and support Iran in playing an important and constructive role in international affairs, work with Iran and others in the region on confidence-building measures and regional security, reaffirmation of the obligation to refrain from the threat or use of force, cooperation on Afghanistan, steps toward normalization of trade and economic relations, and it goes on. All of these things were offered in exchange for suspending enrichment and so forth.

Now, they didn't suspend. They went up to 19,000 centrifuges. And that fact is one of the driving factors in our coming to the conclusion, the President coming to the conclusion that we needed to arrive at an agreement which recognized their ability to have nuclear power under a safeguards agreement, under the NPT, with our ability to know what they are doing.

Chairman ROYCE. Randy Weber of Texas.

Mr. WEBER. Thank you.

Mr. Kerry, I appreciate you being here. You said that we are going to briefed on that side agreement that the IAEA has with Iran. Is that correct?

Secretary KERRY. Yes, that is correct.

Mr. WEBER. Well, I want to implore you to use your power to make sure that we are not briefed by the same staff that briefed Susan Rice and Hillary Clinton on Benghazi or Sergeant Bowe Bergdahl. Okay? Make sure that we get a decent briefing there.

Mr. Kerry, you say frequently that this is the strongest negotiation that you could get, you feel like it was. The President said he would walk away from a bad deal. And I would submit this. Now, you come to us and you say there is not 535 Secretaries of State and that other countries don't appreciate that Congress is weighing in. But if you are going to get a strong deal, I have said from the get-go, I think there is a lot stronger position you should have taken. So I am going to lay out some preclusions, and you tell me if you operated from that basis.

Number one, I agree with Jeff Duncan over here when he said American hostages should have been released first and foremost. Number two, the demand should have been for Iran to dismantle all of its centrifuges. Number three, give the IAEA unfettered 24/7, 365-day access. Number four, stop the exporting of terror to Syria, to Iraq, and everywhere else. Number five, denounce terrorism and prosecute those who perpetrate it. Restore civil rights in their own country, number six. Stop the death chant to America and Israel, and they need to recognize Israel's right to exist—even as a Jewish state, I might add. And, number seven, Secretary Kerry, they have been a bad actor for 36 years, going back to 1979.

So if this is not based on trust, if this is based on actions, shouldn't we have required them to show by their own actions, I don't know, say for half of the time since 1979, say 18 years, or a fourth of the time, 9 years, how about just 2 years, shouldn't we have required them to show with their actions?

You said in your exchange with Grace Meng earlier that Iran came to the table with enormous suspicions about the United States. And me and my colleague up here are thinking, who cares? We are not the bad actors here. They are the ones exporting terrorism.

Did you start from that basis of strength? And then if you did, how did we get here, you consider this to be a good deal?

Secretary KERRY. Well, Congressman, plain and simple, all the things that you just listed, there never would have been a negotiation.

Mr. WEBER. My heart pains for them. These are bad actors. My heart pains for Iran. These are bad actors in the area.

Secretary KERRY. Congressman, what you need to think about is our security. We are better off with Iran not having a nuclear weapon.

Mr. WEBER. No question.

Secretary KERRY. Our primary objective here was to have a negotiation, because they were already at 19,000 centrifuges, already with enough material for 10 to 12 bombs, already enriching at 20 percent, and they were a step away from a plutonium reactor that could produce enough material for one to two bombs a year.

Mr. WEBER. How long was——

Secretary KERRY. So we stepped into that——

Mr. WEBER. I get that.

Secretary KERRY [continuing]. And we have rolled it back.

Mr. WEBER. You said that earlier. How long before we knew about Fordow?

Secretary KERRY. I beg your pardon? We knew about Fordow—we discovered Fordow. We blew the whistle.

Mr. WEBER. How long was it there before we knew about it?

Secretary KERRY. I don't know the precise amount of time.

Mr. WEBER. Ten years?

Secretary KERRY. I know, but, Congressman, we discovered that and we also discovered——

Mr. WEBER. I am sorry——

Secretary KERRY. Let me just tell you. In 2003, we discovered that they were actually trying to make a bomb, and we did it without inspectors, without this regime.

Mr. WEBER. You have said all that. I get that. But it is about the trust that you keep saying that we are going to have.

Secretary KERRY. No, there is no trust.

Mr. WEBER. Well, you are implying that we can catch them at what they are doing, yet Fordow went uncovered for about 10 or 12 years.

Secretary KERRY. That is not trust. That is verification.

Secretary MONIZ. We can supply that information——

Mr. WEBER. All right. Let me do this.

Secretary MONIZ. Sir, in a classified environment we will be happy to——

Mr. WEBER. We will talk about that. I am running out of time.

Are you aware of the fact that today—today—"Iran to United Nations: New Sanctions Could Kill the Nuclear Deal." They are still uttering threats against us, I may remind us. We are not the bad actors here.

In a letter to a 15-member body, Iran's U.N. envoy, Gholamali Khoshroo, said Tehran "may reconsider its commitments" under the nuclear pact if U.S., European, and U.N. sanctions lifted under the deal are "impaired by continued application or the imposition of new sanctions with a nature and scope identical or similar to those that were in place prior to the implementation date, irrespective of whether such new sanctions are introduced on nuclear-related or other grounds, unless the issues are remedied within a reasonably short time."

Today they are threatening to walk away from this deal if we implement other sanctions on even other grounds, and you are saying the hostages are different?

The CHAIRMAN. We have got to go to Tulsi Gabbard of Hawaii.

Ms. GABBARD. Thank you, Mr. Chairman.

With the U.N. Security Council voting unanimously to support this nuclear deal with Iran, the toughest global sanctions will be dismantled in exchange for Iran's compliance. Practically speaking, what is the status of this U.N. resolution and the implications if Congress disapproves this deal and overrides a Presidential veto?

Secretary KERRY. Well, Congresswoman, we built into this agreement a process that was kind of compromised because our friends, our allies, thought they should go immediately to the U.N. and implement immediately. But because Congress had already voted to have a review period, we persuaded them to have a 90-day period during which time it could not be implemented.

So they had their vote, but there is this grace period in order to protect the rights of Congress. And that was a balance between the desire of our friends to exercise their own sovereignty and do what they wanted under the U.N., versus our desire to try to protect Congress' right to review.

Ms. GABBARD. So if Congress does go through the review process and disapprove of the deal, at that point what happens with the resolution?

Secretary KERRY. If Congress were to override a veto and disapprove the deal there would be no deal.

Ms. GABBARD. That U.N. resolution that was passed unanimously would no longer stand?

Secretary KERRY. It dies. The entire deal dies because we can't lift the sanctions without the ability to waive, and that has been taken away, and that would be part of the vote. So we would see this deal die.

Ms. GABBARD. Okay. Thank you.

Secretary KERRY. Die without any other option, no alternative whatsoever.

Ms. GABBARD. Secretary Moniz, what evidence or materials could potentially be cleaned up or hidden within the 24-day period listed in the inspections regime?

Secretary MONIZ. Well, there would be an attempt, presumably, to replace flooring, do all kinds of cleanup. And, as I said, we have

experience in both the unclassified and classified arenas in terms of being able to detect very, very small amounts of uranium. So, using nuclear materials, there would typically be a strong signature.

Ms. GABBARD. And if Iran fails to allow inspectors entry within that 24-day period, what consequences would they face and under what time line?

Secretary KERRY. If they fail to do it, they are in material breach of the agreement. We can snap back all the sanctions. And obviously all options are available to us that are available today.

Ms. GABBARD. So immediately after that 24-day period, if they have still not allowed inspection——

Secretary KERRY. If they fail to live up to the 24-day period and provide the access, they are in material breach of this agreement. And if we had cause to have gone and asked for access to an undisclosed facility about which we have deep concerns, everybody will join with us in ratifying that concern and we will be operating with the consent, if you will, of the international community because of Iran's noncompliance, which is one of the reasons why I believe we have huge leverage for compliance.

Ms. GABBARD. And after termination day when the snap-back mechanism will no longer apply, Iran will still be subject to the Additional Protocol. What are the consequences if they violate that Additional Protocol after termination day?

Secretary KERRY. We still have the power of bringing unilateral sanctions. Congress and all of us can join together. We can go right back to where we were at square one. Or we have obviously other options available to us.

Ms. GABBARD. I think the concern is that the time that it takes for those kinds of unilateral sanctions to apply, whether they be from the United States or from the global community, as you have seen from the past, what other immediate consequences would there be at that point?

Secretary KERRY. If they are in material noncompliance in a way that is threatening, obviously, we are in a much more serious kind of situation and confrontation with the potential, needless to say, of the President taking the most dramatic options.

Secretary MONIZ. I would just add, yes, exactly as Senator Kerry said, that it would depend upon their motivation, what they were doing. Certainly in my view anything that shows movement toward a nuclear weapon would have to be responded to quite forcefully.

I would also add, going back to something Congresswoman Meng asked, and I think it is relevant to your statements as well, is that the P5 by definition have a special role in the NPT and a very, very strong interest in seeing its integrity maintained.

Ms. GABBARD. Thank you.

Thank you, Mr. Chairman.

Chairman ROYCE. Mr. Scott Perry of Pennsylvania.

Mr. PERRY. Thank you, Mr. Chairman.

Thank you, gentlemen. We certainly appreciate your indulgence. We know it has been a long time.

In the context of these statements is how I would like to ask my questions. From 1994—so not too long ago, right, we are talk about

an 11-, 15-year context of this deal for the most strict portions of it—so from 1994:

> "The entire world will be safer as we slow the spread of nuclear weapons,"

is one statement. And also:

> "The United States and international inspectors will carefully monitor North Korea to make sure it keeps its commitments."

And we all know those are, of course, quotes from President Clinton.

None of that happened. I mean, North Korea is what it is, and we are where we are.

In that context, Secretary Kerry, reading your quote recently with a reporter from Al Arabiya:

> "I don't know how to interpret it at this point in time, except to take it at face value,"

in relation to chants of death to America, death to Israel, we are going to continue our policy. And then:

> "It is very disturbing, it is very troubling, and we will have to wait and see."

What will we have to wait and see, Secretary Kerry?

And before you answer, 1979, 52 U.S. hostages, 444 days; 1983, the U.S. Marine barracks, 241 Americans killed; 1992, the Israeli Embassy in Argentina bombed; 2011, the attempted assassination of the Saudi Ambassador in DC; the killings and maimings of hundreds in Iraq and Afghanistan; not to mention support of Assad, Hezbollah, Hamas, and activities in Iraq, Syria, and Yemen.

What will we have to wait and see? What was your——

Secretary KERRY. To see the implementation of the plan, Congressman.

Look, you and I can have a speech-off if you want——

Mr. PERRY. I don't want to have a speech-off. I am just trying to understand your comments.

Secretary KERRY. No, no, no, but I am just saying, we could have a competition for who is angrier about some of the things Iran has done historically. We understand they have killed Americans. We understand what they did in Khobar Towers. We understand all of this. But they were marching toward a nuclear weapon.

Mr. PERRY. Mr. Secretary, you must understand, I appreciate it, this is my time.

Secretary KERRY. No, no, no, no, let me, Congressman, let me——

Mr. PERRY. You must understand the American people see Iran as like a crocodile or a shark that does what it does. And we are saying: Well, we are going to give the crocodile or the shark a few more teeth, and let's see if it does something different.

Secretary KERRY. That is just not accurate. That is not accurate in the least.

Mr. PERRY. But that is what we see.

Let me say this too. You have said that we don't have a better option. You keep on saying, well, you haven't provided a better option.

Secretary KERRY. Congressman, we have——

Mr. PERRY. First of all, Mr. Secretary, with all due respect, it is not Congress' job. This is the administration. And if you would use the treaty process as provided by the Constitution, maybe we wouldn't be in this situation.

Furthermore, you say: Well, this is the only deal we can get, that there is no better deal. Congress has a long history of instituting better deals. Examples are 200 treaties, including 80 multilateral accords modified by Congress, including the arms control agreement, SALT II, and the Threshold Test Ban Treaty that failed to reach a vote and were modified. So there is a history for that of getting a better deal.

And if the Ayatollah doesn't like it and doesn't want to negotiate it, oh, boo hoo. We are here for America. We stand for America. You represent America.

With that having been said, in another interview: "If you don't get a majority in Congress to support this deal, doesn't that undermine the deal?" And your statement, it is abbreviated: "They don't care over there"—and I am assuming you mean Iraq—"as long as the deal is implemented. And that is what we care about, that this deal be implemented."

So do you care more about this deal or the U.N.'s approval or American sovereignty and the approval of the American people through their duly elected representatives, Mr. Secretary?

Secretary KERRY. Congressman, I don't need any lessons from you about who I represent. I have represented and fought for our country since I was out of college.

Mr. PERRY. And God bless you for your service.

Secretary KERRY. So don't give me any lessons about that, okay?

Now, let me just make it crystal clear to you: This is America's interest, because America is the principal guarantor of security in the region, and particularly with respect to some of our closest friends. Now, we believe that Iran was marching toward a weapon or the capacity to have a weapon, and we have rolled that back, Congressman. That is indisputable.

Mr. PERRY. Okay, that is your opinion, and I understand that is your belief.

Secretary KERRY. No, that is a fact. That is a fact.

Mr. PERRY. Let me ask you this, let me ask you this, Mr. Secretary. Is it possible that Iran will acquire Russian air defense missiles in relation to the arms embargo lifting to protect nuclear sites, possible or not possible?

Secretary KERRY. Say that again?

Mr. PERRY. Is it possible that Iran will acquire Russian air defense missiles to protect nuclear sites?

Secretary KERRY. Those are not in the agreement. They have A300s——

Mr. PERRY. In relation to the arms embargo lifting.

Secretary KERRY. No, they are not banned by the arms embargo. They are outside of it.

Chairman ROYCE. We are going to Mr. Brendan Boyle of Pennsylvania, and my intention is to keep going to give our junior members an opportunity to ask their questions.

Mr. BOYLE. Thank you.

I actually want to direct my question to Secretary Moniz. And I am probably going to be a little boring, here but a very technical question that when I ask the White House and the President specifically, he directed us to you saying that you are one of the top 10 experts in the world on this.

So with that buildup, there was a report about 6 days ago in The New York Times that really questioned this issue of the 24 days, and there are some, such as you have said earlier, that say, look, 24 days, it is not exactly like you are flushing a whole program down the toilet, that certainly wouldn't be enough time in which to hide illicit behavior.

The former deputy director of the IAEA contradicted that and said that while it is true with some of the larger scale operations, some things such as manufacturing uranium components, as well as triggers, actually could be covered up in the 24 days.

So I am really trying to get a clear answer on this issue because I actually think it is one of the key components when trying to look at this in an intellectually honest way to see if we really have a verifiable deal here.

Secretary MONIZ. Yes. And I have spoken with Mr. Heinonen, of course, he is up the river from MIT, at Harvard these days.

But the issue I really want to emphasize, what I have always said is that work with nuclear materials, we have very, very high confidence in terms of finding microscopic amounts there. When you go to things like triggers, things that do not involve nuclear materials but are important for a nuclear explosive, then that gets into a higher stage of requirement, as I have said. And in a classified environment we could talk a little bit more about it.

Even there, there can be some signals, some signals that are quite interesting and certainly may be quite detectable. But certainly one gets farther away from the nuclear materials, then there are more possibilities of both coverup and for at least maybe semi-credible explanations for pursuing other activities. For example, any military does work with conventional explosives in chambers, so the question is, was that work around certain hemispherical shapes, for example, with multipoint detonation, and that requires more and more investigation. But nuclear materials leave quite significant signatures typically.

Mr. BOYLE. I wanted to, just with only a couple minutes, let me switch, because this something that the Israeli Ambassador raised in my office and has been raised a couple times and, again, I think is a legitimate—I realize that some of this is bash the administration and that is part of politics, but there are those of us on the Democratic side who do have real, genuine concerns. The 24-day is one of them.

The other is the question of how exactly we bring forward and what we have to reveal in terms of our intelligence to demand or request that a site is being inspected. It has been pointed out that we would have to reveal why exactly we suspect a site, meaning we would have to compromise where we got intelligence and why we suspect it.

Can you talk about how that process would work and how much we would have to reveal to the Iranians just in order to inspect the site?

Secretary MONIZ. Well, that is something that ultimately you really should pick up with the intelligence community, obviously. And certainly protecting sources and methods is particularly important.

Now, having said that, clearly in the past intelligence agencies from many countries have been able to share information. And I also note that, of course, four out of the seven countries involved in the talks work together quite closely, namely the Europeans and the United States, and I think we would do all that we could to provide the IAEA with relevant information that would point to a suspicious site no matter where it was.

But clearly, again, in terms of sources and methods, I think you have to go to the intelligence——

Mr. BOYLE. Could I ask Secretary Kerry to weigh in on that point?

Secretary KERRY. Yeah, Congressman, I have been through this kind of thing a little bit on occasion, and we are very careful not to disclose sources and methods, and we have ways of providing information and making it available in ways that don't compromise that. I can assure you that will not happen. It is not something that our community feels prevented or stopped by.

But let me just point out, because you mentioned the Israeli Ambassador was in there talking to you about these concerns, Sandy Levin is the longest serving Jewish Member of the United States Congress, and he came out today in favor.

Mr. BOYLE. I read his statement.

Secretary KERRY. He was asked about it and he said:

> "Israel's security has and always will be of critical importance to me and our country. I believe that Israel, the region, and the world are far more secure if Iran does not move toward the possession of a nuclear weapon. I believe the agreement is the best way to achieve that."

Chairman ROYCE. We are going to Mr. Ron DeSantis of Florida. There is a vote on. There are 2 minutes remaining.

Mr. DESANTIS. Secretary Moniz, with respect to the agreement between Iran and the IAEA for Parchin and a possible military dimension, have you read those documents or agreements?

Secretary MONIZ. No, sir, I have not seen them.

Mr. DESANTIS. Okay. And to your knowledge, nobody in the U.S. Government has a copy of the agreements?

Secretary MONIZ. To my knowledge, we do not have a copy. Again, in Vienna we had very broad oral—I had at least a broad oral briefing, but I never saw any paper.

Mr. DESANTIS. So you were briefed in Vienna before the JCPOA was announced?

Secretary KERRY. Yes.

Secretary MONIZ. Shortly before, yes.

Mr. DESANTIS. Who briefed you?

Secretary MONIZ. DG Amano.

Mr. DESANTIS. Okay. And do you have any plans to request that those documents be provided to Congress consistent with the Iran Nuclear Review Act?

Secretary KERRY. I don't know if it is consistent, so I will check with our folks and make a determination. I don't think we judge that it is consistent, but as we have said, we will certainly brief the contents in an appropriate classified session.

Mr. DESANTIS. Well, if you don't, if you could provide us the rationale for why you don't think the definition of agreement would encompass——

Secretary KERRY. Well, I said I don't know. Congressman, I just said I don't know.

Mr. DESANTIS. No, I know. But I am saying, if you would make that determination, if you could provide us the kind of the legal justification so that we can look at it.

Secretary KERRY. Well, of course we would have to, of course we would do that.

Mr. DESANTIS. Okay. Very good.

There was a report on the Associated Press today that the agreement between Iran and the IAEA may not even be completed. There was something about maybe Iran would be the one to take the soil samples. Can you guys comment? Is it, in fact, still being negotiated between Iran and the IAEA?

Secretary KERRY. We can't, in session here, we can't discuss what the methodology is. We will be happy to take this on in classified session.

Mr. DESANTIS. Can you confirm the AP story? Have you seen it?

Secretary KERRY. Absolutely not. I can't.

Mr. DESANTIS. You cannot in open session?

Secretary KERRY. I cannot confirm it.

Mr. DESANTIS. Okay.

Secretary KERRY. I haven't seen it, among other things.

Mr. DESANTIS. Secretary Moniz, obviously it is a very complex agreement. We get into a lot of different things. Obviously very important, and I know you guys worked hard on it. But sometimes I would just like to take a step back, and just a few years ago it had been pretty much the general policy of the United States that an agreement would be simply Iran gives up its nuclear program, no enrichment. The U.N. had always said no enrichment. The President, when he was debating Governor Romney in 2012, said: "The deal we will accept is that they end their nuclear program. It is very straightforward."

Secretary Moniz, do you acknowledge that this agreement—I know you guys think it is good, and let's put that aside—but do you acknowledge that this agreement doesn't meet that standard of where they are ending their nuclear program, that they are allowed to maintain a significant nuclear program? The international community is going to be helping them develop nuclear technology? I know you guys are going to say that you are confident you will be able to detect if that is used in a military capacity. But that does represent a change, does it not, from where we were just a few years ago?

Secretary KERRY. Congressman, I have had conversations with members of the prior administration, and I am not going to—it is inappropriate for me to tell you who or speak for them. But I think if you talk to them, you will learn that they had come to a conclusion by the end of that administration that that policy wasn't work-

ing and that they were going to need to, in fact, have some structure of enrichment and some structure of a program.

There is a distinction here between Iran's nuclear weapons capacity and a peaceful nuclear program. Unlike North Korea, which pulled out of the NPT, Iran is still a signatory to the NPT. Iran has not exploded an ordnance. Iran has not yet gone forward to make a weapon, even though they had enough material for 10 to 12 bombs.

So Iran is stating in this agreement its willingness to comply with and live within the Nonproliferation Treaty. Under the Nonproliferation Treaty, countries have a right to a peaceful nuclear program.

Mr. DESANTIS. Just so I get clear with the question, you are acknowledging that there has been a reappraisal in kind of the goal posts, and it is one that has been shared by both people in the Bush administration and the Obama administration?

Secretary KERRY. Well, I don't think they shared it publicly, but they shared it with us privately, and it is——

Secretary MONIZ. May I just add that the construct going in then, and this was among the P5+1, that our basic construct would be to get the 1-year breakout time to fissile material.

Mr. DESANTIS. I am almost out of time. Secretary Kerry, just real quickly, because this is not going to be ratified as a treaty, there are a lot of States, and Florida particularly, where State legislatures have enacted sanctions against Iran in various capacities. Do you acknowledge that this deal will not affect states' ability to do it since it is not going to be approved as a treaty, it is not going to be considered the supreme law of the land, it will be more of an Executive-to-an-Executive agreement?

Secretary KERRY. That is accurate, but we would urge those States, if Iran is fully complying with this agreement, we will take steps to urge them not to interfere with that.

Chairman ROYCE. Mr. Ted Yoho of Florida. And don't feel compelled to use all your time.

Mr. YOHO. Yes, sir, I understand. I appreciate it.

I appreciate you all being here.

Mr. Secretary, I want to ask you a simple yes-or-no question. The Iran Sanctions Act expires on December 31, 2016. Will this administration support legislation simply extending the Iran Sanctions Act so that the nuclear-related sanctions it provides for can be snapped back if Iran is caught cheating?

Secretary KERRY. Yeah——

Mr. YOHO. It is a yes-or-no.

Secretary KERRY. Well, we obviously are committed to the ISA, but I don't think any decision has been made on timing or what steps the President will take with respect——

Mr. YOHO. Well, can we do the snap-backs without this?

Secretary KERRY. Yes, we can.

Mr. YOHO. According to this, we can't because the Iran Sanctions Act expires, and those are necessary to have the snap-backs.

Secretary LEW. No, we have other existing authorities where we could snap back both financial and——

Mr. YOHO. Can you guarantee this body that those acts or facilities are going to be in place so that snap-back does work without an act of Congress?

Secretary KERRY. Yes.

Mr. YOHO. And I have a problem with the secret deals that are going on, and you are asking us to support this deal without being able to read it. It kind of reminds me of the healthcare law. I don't want to be in that situation. You are asking us to vote on something. We don't know what is in that deal. And I think it is very disingenuous to ask us as Members of the—Representatives of United States' citizens to vote on a deal without knowing what is in it.

Secretary KERRY. Well, we are not. I have said to three or four Congressmen that they will be briefed.

Mr. YOHO. I heard that. But it is not clear that the information is going to be forthright. We are going to get briefings, but briefings is not the same as being able to read the actual agreement. And I realize it is the IAEA with Iran, but, you know, we are paying 25 percent of the budget of that place, I think we as the representatives of the American people, we deserve that, and I wouldn't support this without that.

Secretary LEW. Congressman, on the Iran Sanctions Act, can I just add two things? First, it doesn't expire until the end of 2016, and now would not be the appropriate time, it is premature to take action. And I think, respectfully, we know that if there is a problem in 2016, it won't take very long for Congress to act.

Mr. YOHO. You say it is premature to take action, and this will be my last question, or statement, I think. You say this is the best deal we get, and if we walk away from the table, we walk away alone. I feel that you, this negotiating team, put America in that situation because of the way you negotiated this from the very beginning.

If we go back to the very beginning, Iran will not be allowed to have a nuclear weapon. And, you said, Mr. Secretary, I heard it come out of your mouth, anywhere, anytime, anyplace. That has been passed on. We are beyond that point. And it is beyond the point of trying to prevent Iran from having a nuclear weapon. We are trying to prevent something that we can't, instead of preparing for that which we will have.

And we have been boxed into a bad corner because you guys negotiated from weakness instead of as the superpower, and you go into the U.N. to get their approval first so that we look like the bad guys. This is a bad deal, and I think if we operate from a level of strength Iran will come back to the negotiating table. To think that they are going to come back to the negotiating table a year or 2 from now, I think that is a fallacy, and I think it is disingenuous to America.

Secretary KERRY. So, Congressman, I urge you, I urge you, Congressman, with all respect, to spend time with the intel community. I think you will hear a very different judgment from them about——

Mr. YOHO. No disrespect, but we get those people in here all the time. We sit in intelligence briefings and we hear from them.

Secretary KERRY. And secondly——

Mr. YOHO. And they are telling us this is a bad deal. And if you say and President Obama says this is going to make America safer——

Secretary KERRY. Congressman, the intelligence community——

Mr. YOHO. Wait a minute. And the Middle East safer, but yet the intelligence community is telling us to build missile defense systems on the East Coast, bolster the ones on the West Coast and Alaska, because this is a great deal? I think we should run away.

I am going to yield back. Thank you.

Secretary KERRY. The intelligence community is not saying this is a bad deal. The intelligence community supports this deal, Congressman. And what is more, they were an integral part of helping to shape it.

And furthermore, the reason we are able to get the good deal we got is because we did operate out of a position of strength, which is why they are dismantling two-thirds of their program, undoing their stockpile, living by restraints on their enrichment, and have accepted the Additional Protocol, as well as 25-year restraints on their uranium and so forth.

Chairman ROYCE. So we will go to Mr. Reid Ribble of Wisconsin.

Secretary MONIZ. Just to add, Mr. Congressman, that the agreement is that IAEA and Iran, the IAEA will complete its PMD. That is the agreement. That is the protocol.

Chairman ROYCE. Mr. Ribble.

Mr. RIBBLE. Thank you.

Secretary Kerry, earlier in the hearing today you said that countries in the future, if the Congress rejects the deal, countries in the future will not trust negotiating with the U.S. State Department because they are now negotiating with 535 individual Members of Congress. For 228 years the Constitution provided a way out of that mess by allowing treaties to be with the advise and consent of 67 U.S. Senators. Why is this not considered a treaty?

Secretary KERRY. Well, Congressman, I spent quite a few years trying to get a lot of treaties through the United States Senate, and, frankly, it has become physically impossible. That is why. Because you can't pass a treaty anymore. It has become impossible to, you know, schedule. It has become impossible to pass. And I sat there leading the charge on the Disabilities Treaty, which fell to basically ideology and politics. So I think that is the reason why.

Mr. RIBBLE. Yeah, okay. I may not disagree with that. I mean, the political world around here is pretty challenging for both political parties and certainly for the Congress and the President.

I would say this, that one of the concerns that has been voiced to me by my constituents is the fact that in the President's press conference about this agreement he threatened to veto the Congress' action if we didn't agree with him anyway. And so there was this arbitrary poke in the nose of the Congress when it was unnecessary. So my folks back home are saying: I want to have some say in this and my only say is through you. So I think that maybe could have been handled a little bit different.

Secretary Moniz——

Secretary KERRY. I understand.

Mr. RIBBLE. Go ahead, Secretary.

Secretary KERRY. No, I understand.

Mr. RIBBLE. Yeah, okay.

Secretary Moniz, is it not billions of dollars cheaper to build a natural gas power plant rather than a nuclear power plant? Why do you suppose the Iranians have gone down the nuclear road when they are so carbon rich? I mean, they have got a trillion gallons of reserves in natural gas. Wouldn't it have been much cheaper for them, if the idea was just peaceful electricity, to have gone that route?

Secretary MONIZ. Well, a natural gas power plant has lower capital cost, but typically a nuclear plant has lower operating costs. That is one point.

Mr. RIBBLE. But in this case the natural gas would be free to them. It is their primary energy source.

Secretary MONIZ. I am not sure it is free. Certainly in the sense—again, I am not arguing one way or the other, but just what the argument is, is that it is more valuable than as an export product, where, of course, with LNG prices for example, in parts of the world, there is quite a bit of rent to be captured.

Mr. RIBBLE. Yeah, sure.

Secretary Lew, I appreciate your patience today. You haven't been called on that much. But in light of how penalizing the economic sanctions have been on this economy it still strikes me odd that Iran would continue to move toward this very, very expensive construction project as opposed to other alternatives. Does this seem odd to you? I mean, it is billions and billions of dollars to build a nuclear power plant.

Secretary LEW. Which expense?

Mr. RIBBLE. The expense of actually constructing nuclear power plants. They have been under great stress economically.

Secretary LEW. I think that they have been under enormous stress. Like any government, they make decisions based on their short and their long-term needs. I can't question why they have chosen one form of a power plant over another.

What I do know is their infrastructure, including their power infrastructure, is highly inadequate. In order to have a foundation for economic growth they do need more power, and that is going to require investment. It is one of the reasons that I believe they have domestic needs that far exceed any relief they are going to get. Their domestic infrastructure is in a pretty bad condition right now.

Mr. RIBBLE. Well, it seemed to me that one of the possible solutions of this whole deal would have been for the P5+1 countries to assist them in building alternative sources of electrical power to meet that need as opposed to setting this canard up where now in 15 years if they choose they can go ahead and nuclearize from a weaponry standpoint.

And with that, I will go ahead and yield back.

Chairman ROYCE. Thank you.

Mr. Trott and Mr. Zeldin, if you can keep these comments brief, there are votes going on the floor.

Mr. Trott.

Mr. TROTT. Thank you, Mr. Chairman.

I want to thank the witnesses for being here and for your service.

Secretary Kerry, you said in your opening statement that there have been major distortions, and President Obama actually said yesterday that there have been no factual arguments on the other side that are worth scrutiny.

So a simple yes or no. These the facts that we are basing the negotiations off of at the outset: They are holding American hostages, they are sponsoring terrorism, calling for death to America, want Israel wiped from the face of the Earth, guilty of egregious human rights violations, and generally creating instability around the world. Are those facts true, yes or no?

Secretary KERRY. Yeah, they are. But——

Mr. TROTT. So would you say those facts looked at collectively would suggest that Iran is guilty of bad behavior?

Secretary KERRY. Well, I think it is more than just bad behavior. Destabilizing countries and blowing people up somewhere is beyond bad behavior.

Mr. TROTT. I will take that as a yes.

So how would a deal, let's say I wanted to sell my business to Lee. Back when I was in the business world, we were doing an acquisition, I would say to my team: You can't do a good deal with a bad guy. So can you sort of understand our concern about this deal? Because it sure looks like, if you are doing a good deal as you suggest, it is with a bad guy.

Secretary KERRY. I understand exactly what you are saying. We confronted questions about what could be achieved or not achieved in the course of these negotiations ourselves and came to the conclusion, therefore, that nothing is based on trust, that we are going to set up something that you can read, we can read, that everybody can understand what the expectations are.

And that is one of the reasons why, from a position of strength, we believe we achieved something that really helps establish some level of confidence over the years, and that is the level to which they will reduce their current program, reduce their stockpile, live by limitations on enrichment, which are absolutely ascertainable, and so forth.

So we have created, we think, a dynamic here where you get over the hurdle of the things you don't like and are bad behavior because you have created something that is verifiable and has certainty in it.

Mr. TROTT. Is there any chance that Iran's strategy is to get the deal signed, get the $50 billion, and then a year or so down the road start to violate the agreement, knowing that——

Secretary KERRY. That is what was said earlier.

Mr. TROTT. Yeah. And I know that is the challenge of going last or next to last, but I appreciate you staying. But isn't there a chance that a year from now it is going to be a whole lot more difficult for us to get the band back together and be able to put in place some of the protections that led to——

Secretary KERRY. Not if they are breaking the agreement.

Mr. TROTT. So Russia and China are just going to go along and say: Gosh, United States, we understand your concern, and what can we do to get back in——

Secretary KERRY. We are convinced about the seriousness of purpose of all of our five other partners in this effort.

Mr. TROTT. Hindsight is 20/20, and I am not asking you to necessarily evaluate how we got to this point. But is there any credibility to the concern that I think someone earlier mentioned that maybe decisions by Ambassador Rice or the administration or your negotiating team really put us in a position now where if we don't sign this deal we are really left without any good options? Any concern in hindsight we could have done things a little differently, maybe U.N. Resolution 1929, other decisions that were made along the way, that put us in this box in terms of having no great options?

Secretary KERRY. Well, we think we have a great option. The great option is the agreement that we came to. And we did not create the box, by the way. You know, you guys decided you wanted to review it, and now you are reviewing it. And I am sorry about the consequences of that review, but that is not our creation. The consequences of the review are the reality that this agreement cannot go forward, and there are consequences to that.

Mr. TROTT. I have no regrets, sir, about having the responsibility of reviewing this agreement.

Secretary KERRY. No, and I am not arguing with you about your right to do it. But we are arguing that the consequences, when you weigh the benefit of this agreement going through versus the consequence of not doing it, are serious.

Mr. TROTT. One last question, sir, and I appreciate your time. You said earlier this was never about making sure Iran did not have a nuclear program but rather about making sure they did not have a nuclear weapon.

Secretary KERRY. The capacity to build a nuclear weapon or to get one.

Mr. TROTT. So what did candidate Obama mean in the debate with Mitt Romney in 2012 when he said: "The deal we will accept is they end their nuclear program. It is very straightforward." So he really was just talking about the capacity to create a nuclear weapon, not having a nuclear program?

Secretary KERRY. Yeah, having played Mitt Romney for him in preparation for that debate, I can assure you that is what he meant.

Mr. TROTT. Thank you for your time again, sir. I hope you are doing all right on your crutches. I spent a lot of time over the years on crutches. They are not any fun. Thank you, sir.

Secretary KERRY. Thank you very much.

Chairman ROYCE. Mr. Lee Zeldin of New York.

Mr. ZELDIN. Thank you, Mr. Chairman.

Mr. Kerry, just now in response to Mr. Ribble's question, I just want to understand, with regards to a treaty, you said this isn't a treaty because it was difficult to pass. Is that correct?

Secretary KERRY. No. There are a lot of other reasons. We don't have diplomatic relations with Iran. It is very complicated with six other countries. It is just a very complicated process. So we thought that the easiest way to get something that had the leverage, had the accountability, could achieve our goal, was through a political agreement, and that is what we have.

Mr. ZELDIN. And, Mr. Secretary, if you would be able to submit for the record just a little more background as to why this is not treated as a treaty, I think it would be helpful for us.

Secretary KERRY. Absolutely. Sure. Be happy to do it.

Mr. ZELDIN. Okay. And you said a little bit earlier the reason why Iran came to the table is because they wanted the relief from the sanctions. The Iranian Supreme Leader said:

> "The Islamic Republic of Iran will not give up support of its friends in the region, the oppressed people of Palestine, of Yemen, the Syrian and Iraqi Governments, the oppressed people of Bahrain, and sincere resistance fighters in Lebanon and Palestine."

There is so much state sponsorship of terror in that list, Mr. Secretary.

The Hezbollah leader, Hassan Nasrallah, said this past weekend: "The United States remains the 'Great Satan,' both before and after the nuclear accord."

The leverage, as you said, that brought the Iranians to the negotiating table was the sanctions relief. Let me just recap some of the stuff that wasn't even part of the negotiations: Iran developing ICBMs, overthrowing foreign governments, sponsoring terror, they are unjustly imprisoning United States citizens, including a marine and a pastor, a reporter, pledging to wipe Israel off the map, chanting death to America. None of that was even part of the negotiations.

Iran's neighbors, who know them the best, trust them the least. It is just something for us to think about.

I would also ask if you can submit for the record, just for the sake of time, a little bit more in the plan as for stopping all the other Iranian terror that wasn't part of the deal. I think it would be very helpful for Congress to have a better sense of what the plan is regarding everything that wasn't part of the deal.

And, Mr. Secretary, if we remove the sanctions, we are removing the leverage that brought the Iranians to the table. Over 70 years ago, a leader of the free world held up a document, declared it "peace for our time." I am afraid that many years from now if the American people, through their representatives in Congress, accept this bad deal, that just like the Munich Agreement of 1938, this Iranian agreement will prove to not be in the best interests of American security or the stability and safety of the free world.

There is an alternative other than war. It is a better deal. Now, you said getting a better deal is Fantasyland. Some other stuff that I would consider Fantasyland is believing that you have access to military sites when the Iranian leadership tells us that we don't. Fantasyland is agreeing to a three-member advisory board where one of the members is declared an independent member, but there is no details in the agreement whatsoever as to how that independent member is selected. Fantasyland is saying that there is no secret deal with Iran and the IAEA even though we are acknowledging that there is an agreement and that it is secret. Fantasyland is saying that this deal provides 24/7 where necessary, when necessary inspections, which don't, in fact, exist. A Fantasyland is saying that Iran does not want to destroy the

United States, dismissing their death to America pledge as just rhetoric.

I don't believe that this is a great option, as you just said to the last person. I know it, the American public knows it, that there is an alternative other than war and it is a better deal. America got played like a five-string quartet.

Mr. Secretary, a lot of Americans have fought and died to make our country the greatest Nation in the world. And you, sir, respectfully, you don't have the power to surrender our greatness.

And I would strongly, with all these hypotheticals, that if Congress rejects this deal, that everything falls apart, you have not yet answered what you would do next. What would you three Secretaries do if Congress rejects the deal? Because the answer on the next day is no one shows up to work. No one is working with the international community to try to protect America and the free world. So if Congress rejects this deal, when you wake up the next morning, sir, what would you do?

Secretary KERRY. Well, Congressman, you threw a lot out there all at once.

All of us take affront at the comments that are made publicly by many people in Iran, whether it is a general or a leader of one kind or another or the Ayatollah's comments.

What is important is what Iran does, not what it says, what it does. For 2 years now, Iran lived by a deal that many of your colleagues here called an historic mistake, but they lived by it. They have actually rolled their program back. And President Obama is the first President in the United States who has challenged this issue, who has actually rolled the Iranian program back significantly and stopped them from the path to get a weapon.

Now, we have laid out——

Mr. ZELDIN. Mr. Secretary, with all due respect, for the sake of time——

Secretary KERRY. No, with all due respect, I think——

Mr. ZELDIN [continuing]. I am just asking what you would do the next morning, you have not answered the question of what the administration would do.

Secretary KERRY. I am coming to that.

Chairman ROYCE. Mr. Zeldin, there is a vote on and your time has expired.

Mr. ZELDIN. Thank you, Mr. Chairman.

If you could submit that for the record, I think it is important for Congress to know what you would do next.

Secretary KERRY. Sure.

Chairman ROYCE. I want to thank our witnesses for being with us today. These are not easy issues. Congress will be taking a historical vote on this agreement in September. The committee will continue doing its job before that vote and after. And I thank each of our witnesses again for being with us today and staying through the process of having all of the members ask their questions.

We stand adjourned.

[Whereupon, at 2:01 p.m., the committee was adjourned.]

APPENDIX

Material Submitted for the Record

FULL COMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Edward R. Royce (R-CA), Chairman

July 28, 2015

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at http://www.ForeignAffairs.house.gov):

DATE: Tuesday, July 28, 2015

TIME: 10:00 a.m.

SUBJECT: Iran Nuclear Agreement: The Administration's Case

WITNESSES: The Honorable John F. Kerry
Secretary of State
U.S. Department of State

The Honorable Jacob Lew
Secretary of the Treasury
U.S. Department of the Treasury

The Honorable Ernest Moniz
Secretary of Energy
U.S. Department of Energy

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF FULL COMMITTEE HEARING

Day *Tuesday* Date *July 28, 2015* Room *2172*

Starting Time *10:09* Ending Time *2:01*

Recesses *0* (____to ____) (____to ____) (____to ____) (____to ____) (____to ____) (____to ____)

Presiding Member(s)

Chairman Edward R. Royce

Check all of the following that apply:

Open Session [✓]
Executive (closed) Session [ ]
Televised [✓]

Electronically Recorded (taped) [✓]
Stenographic Record [✓]

TITLE OF HEARING:

Iran Nuclear Deal: The Administration's Case

COMMITTEE MEMBERS PRESENT:

See attached.

NON-COMMITTEE MEMBERS PRESENT:

none

HEARING WITNESSES: Same as meeting notice attached? Yes [✓] **No** [ ]
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

SFR - Rep. Gerald Connolly
QFR - Chairman Edward R. Royce
QFR - Rep. Eliot Engel
QFR - Rep. Ileana Ros-Lehtinen
QFR - Rep. Joe Wilson
QFR - Rep. Ted Poe

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *2:01*

Jean Marter, Director of Committee Operations

HOUSE COMMITTEE ON FOREIGN AFFAIRS

FULL COMMITTEE HEARING

PRESENT	*MEMBER*
X	Edward R. Royce, CA
X	Christopher H. Smith, NJ
X	Ileana Ros-Lehtinen, FL
X	Dana Rohrabacher, CA
X	Steve Chabot, OH
X	Joe Wilson, SC
X	Michael T. McCaul, TX
X	Ted Poe, TX
X	Matt Salmon, AZ
X	Darrell Issa, CA
X	Tom Marino, PA
X	Jeff Duncan, SC
X	Mo Brooks, AL
X	Paul Cook, CA
X	Randy Weber, TX
X	Scott Perry, PA
X	Ron DeSantis, FL
X	Mark Meadows, NC
X	Ted Yoho, FL
	Curt Clawson, FL
X	Scott DesJarlais, TN
X	Reid Ribble, WI
X	Dave Trott, MI
X	Lee Zeldin, NY
X	Dan Donovan, NY

PRESENT	*MEMBER*
X	Eliot L. Engel, NY
X	Brad Sherman, CA
	Gregory W. Meeks, NY
X	Albio Sires, NJ
X	Gerald E. Connolly, VA
X	Theodore E. Deutch, FL
X	Brian Higgins, NY
	Karen Bass, CA
X	William Keating, MA
X	David Cicilline, RI
X	Alan Grayson, FL
X	Ami Bera, CA
	Alan S. Lowenthal, CA
X	Grace Meng, NY
X	Lois Frankel, FL
X	Tulsi Gabbard, HI
X	Joaquin Castro, TX
	Robin Kelly, IL
X	Brendan Boyle, PA

Statement for the Record

Submitted by Mr. Connolly of Virginia

The Joint Comprehensive Plan of Action (JCPOA) and its related documents have been submitted to Congress as required by the bipartisan Iran Nuclear Agreement Review Act of 2015 enacted in May. Members of Congress have access to every product negotiated between the P5+1 and Iran, including the text of the agreement, technical annexes, and the Verification Assessment Report.

First and foremost, this deal must uphold an ironclad commitment from the U.S. to prevent Iran from obtaining a nuclear weapon. What the P5+1 negotiators have done is present a diplomatic option for honoring this commitment without precluding any other alternatives.

Through review of the JCPOA and its related documents, Congress must determine whether this deal adheres to the high standards for verification, transparency, and compliance on which any acceptable agreement with Iran must be founded. This begins with an intrusive inspections regime capable of assuring the world that Iran's nuclear program is entirely peaceful.

The JCPOA does promote transparency where little existed before, including daily access to declared Iranian nuclear facilities, access to any suspected nuclear site in the country, continuous surveillance of uranium mining operations and centrifuge production, and a managed procurement channel for all nuclear-related technology.

The Administration could assuage many concerns in Congress by demonstrating how a potential 24-day delay in accessing disputed nuclear sites would not hinder our ability to prevent Iran from developing a nuclear weapon. The scale and type of activities this agreement must prevent are similar to those discovered at Parchin. It is instructive that Iran is still cleaning up Parchin 13 years after it started pouring concrete to cover up its nuclear-related activities at the site. In that case, a 24-day delay would not have stopped inspectors equipped with modern environmental monitoring technology from detecting Iran's activities.

As Congress evaluates the terms of the JCPOA, understand that we do not have the luxury of doing so in a vacuum. There are consequences to rejecting this deal, some of which could actually hasten Iran's progress towards a nuclear weapon. Absent the implementation of an acceptable nuclear agreement with Iran, the Iranian nuclear program would once again be opaque and no longer restrained by strict limitations. The countries of the world that have a strict policy of preventing a nuclear Iran, including the U.S. and a number of our allies, would be left with a scenario that could demand immediate and decisive action. During General Michael Hayden's testimony before the House Foreign Affairs Committee, Subcommittee on the Middle East and North Africa in November 2014 he affirmed that the euphemistically termed "kinetic" option would "guarantee that which we are trying to prevent, an Iran that will stop at nothing, in secret, to develop a nuclear weapon."

The Obama Administration inherited an Iranian nuclear challenge that was expanding in defiance of international condemnation. This deal would actually decrease Iran's nuclear stockpile, reduce its number of installed centrifuges, and increase Iran's nuclear breakout time. If this deal is implemented, President

Obama would leave office with an Iranian nuclear breakout time longer than the one he inherited. Rejecting the deal would entail jettisoning this progress and gambling with the international goodwill backing the agreement.

We might be able to imagine the components of a perfect deal – one that offers the type of inspections regime crafted after Iraq's unconditional surrender after the 1991 Gulf War – but we are not dictating the terms of an unconditional surrender. This was a negotiation in which the U.S. brought to bear the pressure of the international community – including Russia and China – to implement strict limitations on the Iranian nuclear program. Importantly, the negotiations produced an agreement. This was something that eluded the Bush Administration in 2008 when it proposed zero enrichment to Iran and Iran walked away from the table. Since then, the number of Iranian centrifuges grew from 3,000 to nearly 20,000, and Iran's suspected breakout time decreased to as little as two months. Many of the same voices who warned of the imminent danger posed by the growing Iranian nuclear program now oppose the deal. Quixotically, they demand a return to the sanctions regime in place during that period of rapid expansion, one in which the "kinetic" option seemed dangerously imminent.

The diplomacy conducted by Secretary Kerry and his negotiating team has offered the world a potential alternative to the "kinetic" option. As a senior member of the House Foreign Affairs Committee, I will be carefully reviewing the text of the agreement to determine if it meets the high standard to which we should hold a nuclear agreement with Iran.

Questions for the Record Submitted to
Secretary John Kerry by
Representative Ed Royce
House Foreign Affairs Committee
July 28, 2015

Question:
Paragraph 77 of section Q of Annex I states:

> *Iran may propose to the IAEA alternative means of resolving the IAEA's concerns that enable the IAEA to verify the absence of undeclared nuclear materials and activities or activities inconsistent with the JCPOA at the location in question, which should be given due and prompt consideration.*

Does the United States have any official role in deciding if such "alternative means" proposed by Iran to the IAEA to resolve concerns over suspicious sights are acceptable? Could the United States block the IAEA from accepting such an Iranian proposal to use "alternative means" or is this decision left up to Iran and the IAEA?

Answer:
In the context of the Joint Comprehensive Plan of Action (JCPOA), if the International Atomic Energy Agency (IAEA) has concerns regarding possible undeclared nuclear material or activities, or activities inconsistent with the JCPOA at locations that have not been declared under Iran's Comprehensive Safeguards Agreement or Additional Protocol (AP), the IAEA may request access. While Iran may propose to the IAEA "alternative means" of resolving the IAEA's concerns, if Iran and the IAEA are unable to reach satisfactory arrangements, the issue would be considered by the Joint Commission, where a majority vote – which Russia, China, and Iran could not block – would compel Iran to grant requested access. Any Iranian failure to allow access at the end of a time-bound 24 day period from the initial request would be a violation of the JCPOA and sanctions could be snapped back.

Question:
Could the procedures agreed between the IAEA and Iran regarding inspection of the facilities at Parchin be regarded as a precedent for access to and inspection by the IAEA of suspicious sites in Iran?

Answer:

Under the Joint Comprehensive Plan of Action (JCPOA), Iran committed to take certain steps set forth in a Roadmap through which Iran will address the International Atomic Energy Agency's (IAEA's) concerns regarding past and present issues, including the possible military dimensions (PMD) of Iran's nuclear program. These steps will include appropriate access to Parchin. On the question of precedents it is essential--for the IAEA and for us--that inspection and verification procedures are credible. The IAEA will, therefore, determine its needs, including through managed access where necessary, to ensure that it gets the information it requires.

Moreover, the JCPOA includes the most comprehensive and rigorous verification regime ever negotiated. The JCPOA contains an unprecedented access provision that ensures both timely and effective IAEA access to any location in Iran necessary to verify Iran's compliance, including at military locations.

Question:
If the IAEA Director General reports on December 15th that Iran has failed to fully answer the agency's questions regarding the possible military dimensions (PMD) of Iran's nuclear program, will the U.S. consider this a failure by Iran to meet the requirements of the JCPOA and take steps to prevent the lifting of sanctions? Will the U.S. agree to close the issue even if questions remain?

Answer:

Under the Joint Comprehensive Plan of Action (JCPOA), Iran must complete the activities required of it in its Roadmap with the International Atomic Energy Agency (IAEA) by October 15, well in advance of any sanctions relief. If Iran does not implement those commitments, we will not implement our commitment to provide sanctions relief. We will be in continuous contact with the IAEA to make sure Iran fully implements its commitments under the Roadmap, aimed at resolving all past and present outstanding issues, as set out in the annex of the 2011 Director General's report on the possible military dimensions of Iran's nuclear program. Iran will no longer be able to stonewall the IAEA and string out the process. It must address the questions the IAEA poses and the IAEA must have what it needs to prepare its assessment or there will be no sanctions relief.

Question:
If Congress were to disapprove and override a Presidential veto, would the United States be under any *legal* obligation to cease the application of U.S. sanctions on Iran (as contemplated by the JCPOA) as a result of the UN Security Council's adoption of Resolution 2231 on July 20th? If so, what?

Answer:
No. If Congress were to enact a resolution of disapproval over a veto by the President, the United States would not be under any legal obligation to cease the application of U.S. sanctions on Iran (as contemplated by the JCPOA) as a result of the UN Security Council's adoption of Resolution 2231. In fact, the same is true if such a resolution is not enacted.

Question:
If, after complying with all its obligations under the JCPOA for 15 years, Iran began to produce highly enriched uranium at levels above 20 percent, what—if any—specific provisions of the Nuclear Non-Proliferation Treaty (NPT) would Iran be in violation of? Is this a common view among the parties to the JCPOA and the NPT?

Answer:

Iran will continue to be subject to the Nuclear Non-Proliferation Treaty (NPT) after year 15, and we will retain the right to take action if Iran pursues a program inconsistent with its commitments under the Joint Comprehensive Plan of Action (JCPOA) and the NPT. In addition, inspections and transparency measures will continue well beyond 15 years – some for 25 years – with others, such as those under the Additional Protocol and Safeguards Agreement, lasting permanently. Furthermore, Iran has also committed indefinitely to not engage in specific activities that could contribute to the design and development of a nuclear weapon.

After 15 years any enrichment above five percent by Iran would raise serious concerns given Iran's past activities and would require a clear civilian justification. In short, higher levels of enrichment would be a warning flag that Iran is not pursuing an entirely peaceful program.

Question:
Does this or any other portion of the JCPOA in any way restrict the ability of the United States and its European allies to impose or re-impose non-nuclear sanctions on Iran, including on Iran's energy industry or central bank? Do our European allies agree with your assessment?

Answer:

No, the JCPOA does not provide Iran any relief from non-nuclear U.S. sanctions, including those for terrorism, human rights, missiles, or any other non-nuclear reason. We have been clear about this fact with Iran and the other P5+1 countries, including our European allies.

What we have committed to do in the JCPOA is quite specific: not to re-impose those specific nuclear-related sanctions provisions specified in Annex II to the JCPOA and not to impose new nuclear-related sanctions, contingent on Iran abiding by its JCPOA commitments. But, that does not mean that we would be precluded from sanctioning specific Iranian actors or sectors if the circumstances warranted. All of our other sanctions authorities remain in place and are unaffected by the JCPOA. And, we have made it clear to Iran that we would continue to use and enforce sanctions to address its other troubling activities, including its destabilizing activities in the region.

That said, this does not give us free rein to simply re-impose tomorrow all of our nuclear-related sanctions under some other pretext. Iran would obviously see that as bad faith, as would our international partners. In the end, if we decide to impose new sanctions, it will be important that we have a credible rationale for doing so. This has always been the case and will be no different in the future.

Question:
Could the United States and its European allies undertake a broad sanctions campaign designed to isolate Iran economically—similar to that which led to the negotiation of the JCPOA—in an attempt to begin negotiations aimed at ending Iran's support for terrorism, its support for the Assad regime, or its ballistic missile program? Would such an action be a "material breach" of the JCPOA? Do our European allies agree with your assessment?

Answer:

The Joint Comprehensive Plan of Action (JCPOA) between the P5+1 and Iran addresses the international community's concerns with Iran's nuclear program and ensures that Iran's program remains exclusively peaceful. It does not address all of the concerns we have with Iran, including its support for terrorism, destabilizing activities in the region, ballistic missile activities, and human rights abuses. We have consistently made it clear to Iran that we will continue to work with our international partners to enforce our sanctions and use all other available tools to counter these activities.

Question:

The Iran Sanctions Act expires on December 31, 2016. Will the Administration support legislation simply extending Iran Sanctions Act—to ensure these sanctions can be "snapped-back" if Iran violates the JCPOA?

Answer:

Given that the Iran Sanctions Act does not expire until December 2016, we believe it would be premature to extend before then. We look forward to continuing this discussion with Congress.

Question:

If on "Implementation Day" the United States determines that an individual or entity listed in Attachment 3 of Annex II is engaged in sanctionable activity of a non-nuclear nature—such as activity related to Iran's support for terrorism or its ballistic missile program—could such an individual or entity be simultaneously delisted for nuclear reasons and relisted for non-nuclear reasons? Would such an action be a "material breach" of the JCPOA?

Answer:

We would not violate the JCPOA if we used our authorities to impose sanctions on Iran for terrorism, human rights abuses, or certain arms or ballistic missile activities. The JCPOA does not provide Iran any relief from U.S. sanctions under these authorities, and if we discover credible evidence of sanctionable behavior, we will exercise those authorities regardless of whether the individual or entity was previously designated for nuclear-related reasons.

Question:

Will you make clear that, despite the removal of certain European sanctions, the U.S. will apply its secondary sanctions to European banks or companies that do business with Qassem Soleimani, the Revolutionary Guards, or companies they control?

Answer:

Even after the JCPOA sanctions relief is implemented, U.S. secondary sanctions will continue to target foreign parties doing business with Iranian persons that remain designated under non-nuclear sanctions. These sanctions will remain in place and will continue to be actively enforced. This means that anyone worldwide who transacts with or supports individuals or entities sanctioned in connection with Iran's support for terrorism – as well as any Iranian

person who remains on our Specially Designated Nationals (SDN) List – puts themselves at risk of being cut off from the U.S. financial system.

For example, any foreign financial institution that transacts with entities such as Iran's Mahan Air or Bank Saderat, which are designated in connection with Iran's terrorist activities, risks being cut off from the U.S. banking system. Moreover, any individual or entity that provides material support to designated groups like Hezbollah, or others designated under our terrorism authorities, can themselves be targeted for sanctions.

Question:
How many violations of United Nations Security Council sanctions has the Administration referred to the Security Council Committee established pursuant to resolution 1737 (2006) since September 2013? Please provide not only a list of actual referrals to the Security Council Committee established pursuant to resolution 1737, but copies of all information submitted to the committee.

Answer:
We most recently raised concerns about Iranian sanctions violations in an open briefing to the UN Security Council on June 23, 2015. In that briefing, we said that "Iran's trafficking of weapons -- including to some of the most extreme and irresponsible actors in its region -- remains a serious threat to peace. In addition to violating Security Council resolutions, this smuggling supports terrorism, fuels Asad's violence in Syria and further destabilizes Yemen." In this briefing and more than six other open meetings of the Security Council since September 2013 we pressed all UN Member States for strong enforcement of the UN sanctions on Iran, underscoring that any breach of UN sanctions is a serious matter. As these statements demonstrate, we are deeply concerned about these activities.

The United States, as part of its commitment to promote robust enforcement of UN sanctions, regularly shares information with the UN Security Council Committee established pursuant to resolution 1737 (the Iran Sanctions Committee) and the UN's Panel of Experts regarding compliance. We have done this both formally and via informal briefings and discussions. Since 2011, U.S. experts have briefed the UN Panel of Experts on four occasions. Such information includes reports of specific U.S. enforcement actions under our laws, as well as U.S. analysis of Iranian procurement trends, and other information to assist the Panel's ongoing investigations. Since September 2013, the United States has formally reported information to the Iran Sanctions Committee on October 7, 2014, regarding domestic U.S. enforcement action regarding an individual trying to export from the United States to Iran items subject to UN sanctions.

In the Iran Sanctions Committee, in virtually all cases States only submit formal written reports documenting specific violations to the Committee that they themselves have detected or taken action against. In line with this practice, the United States has generally not submitted written reports to the Committee about particular Iranian violations that do not involve action by the United States. Sharing detailed information with the United Nations about particular transfers is challenging, as we frequently do not have unclassified information on these activities.

Question:
The nuclear agreement with Iran guarantees that world powers will assist Iran in thwarting attempts to undermine its nuclear program. Article 10 stipulates that world powers and Iran will foster "cooperation through training and workshops to strengthen Iran's ability to protect against, and respond to, nuclear security threats, including sabotage, as well as to enable effective and sustainable nuclear security and physical protection systems." There are prohibitions in U.S. law on civil nuclear cooperation with Iran, specifically, and with countries designated as state-sponsors of terrorism. Does the Administration intend to waive Section 5(b) of the Iran Sanctions Act and portions the Atomic Energy Act restricting nuclear exports to countries that have been designated state-sponsors of terrorism?

Answer:
Nothing in the civil nuclear cooperation annex to the JCPOA commits the United States to participate in any particular cooperative activity with Iran. Annex III makes this clear by stating that the projects envisioned "may be undertaken in a variety of formats, with a variety of potential participants" and that a given project would not necessarily include participation by all JCPOA participants.

Any cooperation between the United States and Iran would be of limited scope and consistent with current law, which significantly restricts any such cooperation with Iran.

More generally, we disagree with the characterization of this provision, which is intended to ensure that Iran can provide security over nuclear materials in its possession. It is in the interest of all countries that nuclear material be safeguarded from theft and terrorist attacks.

Question:
In September 2012, the Administration designated the National Iranian Oil Company (NIOC) as an entity of the Iranian Revolutionary Guard Corps, pursuant to the Iran Threat Reduction Act. This agreement calls for NIOC to be delisted. Is the National Iranian Oil Company still controlled by the Iranian Revolutionary Guard Corps? If it is, why is NIOC being delisted?

Answer:
In 2012, OFAC determined that NIOC was an agent or affiliate of the Iranian Revolutionary Guard Corps (IRGC). The relationship between NIOC and the IRGC has changed over time. For example, in 2013, IRGC Brigadier General Rostam Qasemi was replaced as head of Iran's Ministry of Petroleum, which owns the NIOC, by Bijan Namdar Zangeneh, who had previously held that post from 1997 to 2005. Given current circumstances, it is most appropriate to categorize NIOC alongside other major economic firms and Government of Iran entities. NIOC will remain subject to our primary sanctions, meaning that U.S. persons will continue to be prohibited from conducting business with it and required to block any property in which NIOC has an interest.

Question:
The Administration has committed to delisting the "Headquarters for the Execution of Imam Khomeini's Order" – also known as "EIKO" or "Setad". The U.S. Treasury designated EIKO and 37 subsidiaries in June 2013, noting that its purpose is "to generate and control massive, off-the-books investments, shielded from the view of the Iranian people and international regulators." Why is EIKO being delisted under this agreement?

Answer:

EIKO is identified on the Treasury Department's List of Specially Designated Nationals and Blocked Persons as part of the Government of Iran. Relieving EIKO and its network from our secondary sanctions—once Iran fulfills its key commitments under the JCPOA—is similar to the relief we are providing to other major economic actors in Iran. EIKO and its network will remain subject to our primary sanctions, meaning that U.S. persons will continue to be prohibited from conducting business with it and required to block any property in which EIKO has an interest.

Question:

Dozens of U.S. states have instituted laws to divest from companies conducting certain business activities in Iran. This divestment was specifically authorized by Congress in 2010 as part of the Comprehensive Iran Sanctions, Accountability and Divestment Act. Paragraph 25 of the JCPOA states that:

If a law at the state or local level in the United States is preventing the implementation of the sanctions lifting as specified in this JCPOA, the United States will take appropriate steps, taking into account all available authorities, with a view to achieving such implementation. The United States will actively encourage officials at the state or local level to take into account the changes in the U.S. policy reflected in the lifting of sanctions under this JCPOA and to refrain from actions inconsistent with this change in policy.

Are U.S. states obligated by the JCPOA to suspend the application of divestment laws targeting companies that do business in Iran? What action would the Administration take if a state refused to do so?

Answer:

No. The JCPOA does not commit state and local governments to take any action with respect to sanctions against Iran. Instead, the U.S. committed under the JCPOA to actively encourage state and local officials to take into account the changes in U.S. policy reflected in the lifting of sanctions under the JCPOA – after Iran takes its key nuclear steps – and to refrain from actions that would be inconsistent with the change in policy. The United States also committed to "take appropriate steps" if a law at the state or local level is preventing implementation of the specific sanctions relief under the JCPOA.

We assess at this time that it is unlikely that existing state and local laws, which primarily impose restrictions in the limited areas of the use and investment of state pension funds and procurement by state agencies, would impact our ability to implement the specific sanctions relief the United States committed to under the JCPOA.

Questions for the Record Submitted to
Secretary John Kerry by
Representative Eliot L. Engel (#1)
House Foreign Affairs Committee
July 28, 2015

Question:
Outside of the Joint Commission, how do you envision the US-Iranian bilateral relationship during the course of the agreement? What are the Administration's criteria for opening up diplomatic relations with Iran?

Answer:
The JCPOA agreement is not about a change in the broader US relationship with Iran. It is about eliminating the biggest and most imminent threat – a nuclear-armed Iran. We still have significant issues of contention with Iran, including its support for terrorism and its domestic human rights abuses.

Moreover, we will continue to aggressively counter Iran's destabilizing and threatening actions in the Middle East region. The President is committed to working closely with Israel, the Gulf countries and our other regional partners to do just that.

Question:
The JCPOA states that weapons inspectors from countries without diplomatic relations with Iran will not be permitted in Iran. Will you be pursuing diplomatic relations with Iran so that American IAEA inspectors will be permitted to access sites?

Answer:
The United States is the world leader in supporting a strong global IAEA safeguards regime, including through American presence on the IAEA's staff. With or without the direct participation of American nationals as inspectors in Iran, the IAEA has done an outstanding job in verifying Iran's nuclear-related commitments under the JPOA for the past two years and in pursuing unanswered questions under Iran's safeguards agreement since at least 2002, including regarding possible military dimensions.

IAEA employees come from all over the world. Many are trained in the United States by our Department of Energy, and American nationals working at the IAEA contribute to the verification effort via many support roles. The United States attaches great priority to promoting the employment of qualified Americans at the IAEA.

While Iran can reject the designation of specific inspectors or inspectors from specific countries, this is true of every country that has a safeguards agreement with the IAEA.

More importantly, we have negotiated a specific provision in the JCPOA that requires Iran to increase the number of IAEA inspectors designated to conduct verification activities in Iran and to generally allow the designation of inspectors from nations that have diplomatic relations with Iran.

Question:
Do you believe that if the U.S. Congress were to reject this deal that Iran would still have motivation to abide by its terms in order to get relief from the other signatories? Or would it spur them to reject the international community and rush toward development of a nuclear weapon?

Answer:

If Congress were to disapprove of the JCPOA and block sanctions relief, the most likely scenario would be that the JCPOA falls apart, because Iran would have little incentive to follow through on its nuclear commitments. Furthermore, we assess there would be intense political pressure in Iran to restart the nuclear activities frozen since 2013; if so, these activities would in all likelihood proceed without adequate IAEA verification.

Under the deal, Iran has agreed to significantly roll back and constrain its peaceful nuclear program, and provide unprecedented access and transparency to ensure its program remains exclusively peaceful going forward. If we walk away from the multi-year diplomatic effort that led to this deal, we will have destroyed the hard-won international unity that enabled us to get to this point.

It is important to remember that the UN sanctions are only one piece of the sanctions puzzle. In the event the United States walked away, we would also have to convince the rest of the world to comply with U.S. sanctions-- for example, by continuing to reduce oil purchases from Iran. This is an economic sacrifice other countries are unlikely to make if they feel we have squandered a diplomatic opportunity. While it is hard to tell how much of the sanctions pressure we could keep in place, it would certainly be much less than we have now.

Question:

We have been told that the IAEA's investigation of Iran's potential military dimensions could take several years to resolve. Yet, the comprehensive agreement makes sanctions relief conditional on Iran providing access to the IAEA. What access is required to address PMD? How long do we expect the IAEA to be able to resolve this issue? Do you see the access mechanisms that Iran is providing the IAEA at Parchin to be precedential for access to other military or undeclared sites in Iran or elsewhere?

Answer :

Under the Joint Comprehensive Plan of Action (JCPOA), Iran committed to take certain steps set forth in a Roadmap through which Iran will address the International Atomic Energy Agency's (IAEA's) concerns regarding past and present issues, including the possible military dimensions (PMD) of Iran's nuclear program. Under the JCPOA, Iran must complete the activities required of it in this Roadmap by October 15, well in advance of any sanctions relief. If Iran does not implement those commitments, we will not implement our commitment to provide sanctions relief. We will be in continuous contact with the IAEA to make sure Iran fully implements its commitments under the Roadmap. Iran will no longer be able to stonewall the IAEA and string out the process. It must address the questions the IAEA poses and the IAEA must have what it needs to prepare its assessment or there will be no sanctions relief.

On the question of precedents it is essential--for the IAEA and for us--that inspection and verification procedures are credible. The IAEA will, therefore, determine its needs, including through managed access where necessary, to ensure that it gets the information it requires.

Furthermore, the JCPOA includes the most comprehensive and rigorous verification regime ever negotiated. The JCPOA ensures both timely and effective IAEA access to any location in Iran necessary to verify Iran's compliance, including military installations. Any Iranian failure to allow access at the end of a time-bound 24 day period would be a violation of the JCPOA and sanctions could be snapped back. And the Joint Commission will be in a position to ensure that the IAEA is satisfied with the nature and extent of the access required of Iran.

Questions for the Record Submitted to
Secretary John Kerry by
Representative Ileana Ros-Lehtinen
House Foreign Affairs Committee
July 28, 2015

Question:

According to the terms of the JCPOA, Iran will only provisionally apply the Additional Protocol. Then, on Transition day, Iran will only seek, consistent with the Constitutional roles of the President and Parliament, ratification of the Additional Protocol. Does this mean that Iran is not required to actually fully implement the Additional Protocol, but only take it to the Majlis for a vote of approval? Why is the Iranian Majlis empowered to approve or reject parts of this deal and Congress is not – that is, why is there no defined role for any of the governing bodies of the P5+1 in the JCPOA, but there is for the Majlis?

Answer:

Under the Joint Comprehensive Plan of Action (JCPOA), Iran will provisionally apply the Additional Protocol starting on Implementation Day. Under international law, provisional application is legally binding, pending ratification. Iran will subsequently seek ratification and entry into force of the Additional Protocol, consistent with the respective roles of Iran's President and Majlis.

Iran was not willing to take the permanent step of ratifying the Additional Protocol until the United States and EU terminated sanctions. We were not willing to seek those changes from Congress until Iran had complied with the JCPOA for a substantial period of time. In the meantime, beginning on Implementation Day, Iran will be legally obligated to abide by the Additional Protocol.

Even after year 15, Iran will continue to be subject to several key binding restrictions and bound to adhere to the Additional Protocol and some of the key monitoring measures under the JCPOA. Iran will also remain legally prohibited from building a nuclear weapon as a non-nuclear weapons state party to the Nuclear Non-Proliferation Treaty (NPT).

The JCPOA does contemplate a role for other legislative bodies, including that of the U.S. Congress. For example, the U.S. commitment on Transition Day is to "seek such legislative action as may be appropriate" to terminate or modify the specified sanctions. The U.S. Congress would be the relevant body to enact such legislation.

We have remained in close consultation with Congress throughout the negotiation process, and we are committed to continuing those consultations during the review period and as the deal is implemented.

Question:

In your testimony in front of the Senate on July 23, 2015, you stated that you believed that Saudi Arabia would likely support this deal if certain things were to happen, and that you believed those things will happen. But you didn't specify what those things are, so what exactly are those things? Do we have other "certain things" that need to happen with respect to other countries in the region in order to get their support? Please detail any arrangements we have with MENA countries in order to for us to get their support for this deal.

Answer

My testimony was in reference to the key nuclear steps that Iran must take to implement the JCPOA. On August 3, I met with my Gulf Cooperation Council (GCC) Foreign Minister counterparts in Qatar to discuss the progress since the Camp David meeting on May 14 and how to fully implement the agenda we established. The joint statement we released reflects the consensus that we reached during the meeting that, "once fully implemented, the JCPOA contributes to the region's long-term security, including by preventing Iran from developing or acquiring a military nuclear capability."

We continue to work with our Gulf partners, including Saudi Arabia, to implement the Camp David agenda, which includes cooperation on accelerating arms transfers, ballistic missile defense, military preparedness, counterterrorism, countering violent extremism, maritime security, and cybersecurity.

We are also helping Israel address new and complex security threats by continuing to ensure Israel's Qualitative Military Edge. Additionally, we remain committed to working together with Israel to provide new capabilities to detect and destroy terror tunnels, build highly effective rocket and missile defense systems to protect the Israeli people, and help Israel improve its cyber-defense capabilities.

Question:

We expect Iran to violate incrementally. There has never been a deal where Iran has not sought to cheat or test the limits. You repeatedly claimed that Iran did not violate the JPOA even once, yet there were several reports that Iran had been in violation. In fact, the Institute of Science and International Security reported that Iran was in violation of the JPOA when it did not convert all of its newly enriched uranium hexafluoride to uranium dioxide. It was the Obama administration that defended this, stating that the rest of the material was converted into another form of the oxide, however this represented a violation of the terms, with the administration willingly shifting the terms, and withholding that information from the public for months until it was made public by the IAEA. This provision was notably changed in the JCPOA to not reference dioxide, but dilution or downblending instead. We know that Iran has the ability, as part of this deal, to walk away from the agreement if we move to re-impose sanctions, regardless if it was caught cheating.

If Iran violates in any way, will the Obama administration report Iran for its violations and snapback the UN Security Council sanctions, no matter how small that violation may be?

Answer:

If we believe that there has been a violation of any commitment in the Joint Comprehensive Plan of Action (JCPOA), we can refer the issue to the Joint Commission. If, after a short period of time, our concerns are not resolved to our satisfaction, we could notify the United Nations Security Council (UNSC) that we believe Iran's actions constitute "significant non-performance" of its JCPOA commitments, and trigger snapback of all UN Security Council sanctions. We have full discretion to determine what is and is not significant non-performance, and snapback cannot be blocked by any other members of the Security Council.

The United States also has the ability to re-impose unilateral nuclear-related sanctions in the event of non-performance by Iran. In addition, we have a range of other options for addressing more minor instances of non-compliance. These include snapping back certain domestic sanctions to respond

to minor but persistent violations of the JCPOA, and using our leverage in the Joint Commission on procurement requests. Our ability to calibrate our response will serve as a deterrent to Iranian violations of the deal.

Question:

We received a troubling report from the GAO this past June that says State has been woefully inadequate in implementing INKSNA sanctions. I think the last report was over 36 months late and sat on the Deputy Secretary of State's desk for over a year. Why is the Administration giving Iran a pass on its ballistic missile programs by not imposing these sanctions and how do you justify the huge delays? The last report we received was from 2011, when can we expect the outdated reports from 2012 until today?

Answer:

The Iran, North Korea, and Syria Nonproliferation Act (INKSNA) is an important tool in the nonproliferation toolkit and the Department has sanctioned a substantial number of foreign persons pursuant to INKSNA. In response to the recent GAO report regarding the timeliness of the INKSNA reports, the Department is reviewing its INKSNA process and continuing to incorporate lessons learned from previous iterations into each new reporting cycle. We are working to get the remaining INKSNA reports submitted as soon as possible.

Question:

I (Representative Ros-Lehtinen) submitted several questions for the record for Ambassador Power as part of a follow up to her testimony before our Foreign Affairs Committee in June. While I appreciate her efforts at responding to my additional questions, I find the response we received to be less than adequate as it fails to answer the questions directly. I would appreciate it if you could give me some direct responses to the following:

When was the last time we reported Iranian sanctions violations at the UN to the Sanctions Committee? Is Iran providing Iraq or Syria arms and related material? Yes or no. Are the export and/or procurement of any arms and related material from Iran permitted under relevant UN Security Council resolutions – yes or no? Have we reported these to the Sanctions Committee – yes or no, and if no, why not? If you are unable to provide these answers in an open setting, please indicate that in your response.

Answer:

We most recently raised concerns about Iranian sanctions violations in an open briefing to the UN Security Council on June 23, 2015. In that briefing, we said that "Iran's trafficking of weapons -- including to some of the most extreme and irresponsible actors in its region -- remains a serious threat to peace. In addition to violating Security Council resolutions, this smuggling supports terrorism, fuels Asad's violence in Syria and further destabilizes Yemen." In this briefing and more than six other open meetings of the Security Council since September 2013 we pressed all UN Member States for strong enforcement of the UN sanctions on Iran, underscoring that any breach of UN sanctions is a serious matter. As these statements demonstrate, we are deeply concerned about these activities.

The United States last formally reported a domestic U.S. enforcement action to the UN Security Council Committee established pursuant to resolution 1737 (the Iran Sanctions Committee) on October 7, 2014. This report was with respect to an individual trying to export from the United States to Iran items subject to UN sanctions. Furthermore, the United States, as part of its commitment to promote robust enforcement of UN sanctions, regularly shares information with the Iran Sanctions Committee and the UN's Panel of Experts regarding compliance. We have done this both formally and via informal briefings and discussions. Since 2011, U.S. experts have briefed the UN Panel of Experts on four occasions. Such information includes reports of specific U.S. enforcement actions under our laws, as well as U.S. analysis of Iranian procurement trends, and other information to assist the Panel's ongoing investigations. In the Iran Sanctions Committee, in virtually all cases States only submit formal written reports documenting specific violations to the Committee that they themselves have detected or taken action against. In line with this practice, the United States has generally not submitted written reports to the Committee about particular Iranian arms transfers to Iraq or Syria. Sharing detailed information with the United Nations about particular transfers is challenging, as we frequently do not have unclassified information on these activities.

The export and/or procurement of any arms and related material from Iran is not permitted under relevant UN Security Council resolutions. We note that the Iraqi authorities have committed publicly to respect fully all relevant Security Council resolutions, and we will continue to urge them to do so. We also continue to encourage the Iran Sanctions Committee and the UN Panel of Experts, in cooperation with the Iraqi authorities, to investigate non-compliance with resolution 1747.

Question:

When announcing the deal, President Obama said [QUOTE] we will continue our unprecedented efforts to strengthen Israel's security [END QUOTE]. Will you guarantee that the U.S. will veto any measure at the UN Security Council on Palestinian statehood that calls for anything but a two-state solution through direct, bilateral negotiations between Israel and the Palestinians and nothing else?

Answer:

The United States has consistently opposed every effort to delegitimize Israel or undermine its security, including at the United Nations. We uniformly and firmly oppose one-sided actions designed to punish Israel in international bodies and will continue to do so.

In most cases of unfair and unbalanced texts introduced in the Security Council, we have been able to advocate successfully for the U.S. position during negotiations and, if necessary, form a coalition of like-minded countries to stop such resolutions from moving forward.

For example, on December 30, 2014, the United States successfully rallied a coalition to join us in voting against an unbalanced draft resolution on the Israeli-Palestinian conflict that was hastily put before the Security Council. We made clear to the other members that the draft text was deeply unbalanced and should not be supported. Through outreach by Secretary Kerry to multiple leaders represented on the Security Council, as well as Ambassador Power's tireless work in New York, the resolution failed to achieve the nine UNSC member votes in favor required for adoption. Separately, the Administration used its veto power to defeat another one-sided resolution in 2011.

We will continue to work with our partners, including in the Council, to advance the prospect for future negotiations and provide a horizon of hope for Israelis and Palestinians, while opposing all efforts that would undermine that goal.

Question:

Mr. Secretary, you were asked about how much we would have to reveal to the Iranians just in order to inspect a site. But part of this deal is that, if the IAEA suspects a site, it has to go to the Iranians and request access. According to the Nuclear Related Commitments, if the IAEA has concerns it will provide Iran the basis for such concerns and request clarification. If Iran's explanations do not resolve the IAEA's concerns, it may request access to such locations and provide Iran the reasons for access in writing and will make available relevant information, at which point, Iran may propose an alternative means of resolving the concerns. Then, if that is still unresolved Iran and the Joint Commission try to resolve the issue, and finally, there may be a vote if all else fails, which would require 5 out of 8 of the Joint Commission members to approve.

You stated we are careful not to disclose sources and methods, but how will we be able to make a strong enough case for access to an undisclosed site and still keep from sharing our sources and methods with not only Iran, but Russia and China and the other P5+1 Members?

Answer:

The requirement to provide the "reasons for access in writing and [to] make available relevant information" is consistent with standard safeguards practice by the IAEA. The IAEA has a long track record of making use of relevant information in a way that advances, rather than jeopardizes, its access rights. My staff would be happy to brief you in a classified setting on protecting sources and methods in engagements with the IAEA.

Question:

Secretary Kerry, you will be in Cuba soon. I remain extremely worried about allowing Cuba to open an embassy here in D.C., giving the regime a license to spy against our nation. Will U.S. law enforcement vet every Cuban official, so-called diplomat, who wants to come to Washington? And will we reject any Cuban official who wishes to be posted in D.C. if our law enforcement officials have information related to their espionage activities?

Answer:

We take issues relating to counter intelligence very seriously. All individuals serving at the Cuban Embassy in Washington will go through the same vetting process as members of other foreign missions, and will be evaluated commensurate with the threat posed to the United States and our interest in each case. Each case is adjudicated on a case-by-case basis in accordance with U.S. law.

Questions for the Record Submitted to
Secretary John Kerry by
Representative Ted Poe
House Foreign Affairs Committee
July 28, 2015

Question 1:

Administration officials justified removing UN sanctions of the head of Iran's worst terrorist group, the IRGC, by saying that Iran would not approve a deal without that condition being met. Why didn't we say there would be no deal until the 4 innocent American hostages held by Iran were released? Why is it okay to ease restrictions on known terrorists that have killed Americans but not release innocent Americans unjustly imprisoned by Iran?

Answer:

IRGC Qods Force Commander Qasem Soleimani will not, in fact, be the subject of UN sanctions relief upon implementation of the Joint Comprehensive Plan of Action (JCPOA). Rather, a completely different individual with a similar name – Ghasem Soleimani, Director of Uranium Mining Operations at the Saghand Uranium Mine – will be delisted by the UN on Implementation Day, after Iran has verifiably taken all of its key nuclear steps under the JCPOA.

U.S. sanctions on IRGC Qods Force commander Qasem Soleimani for terrorism-related activities will not be lifted as part of the deal. Those sanctions are much more powerful than UN designations and mean that any foreign bank that does business with Soleimani will face U.S. sanctions and be cut off from the U.S. economy. Qasem Soleimani will be removed from the EU's nuclear-related designation list on the JCPOA's Transition Day, i.e., 8 years after Adoption Day or when the IAEA reaches the broader conclusion that all nuclear materials in Iran remain in peaceful activities. However, because Qasem Soleimani was also designated in the EU for support of the Assad regime in Syria, he will remain sanctioned in the EU under that authority.

We have long maintained that Iran's detention of Saeed Abedini, Amir Hekmati and Jason Rezaian is unjust and that Iran should release these U.S. citizens without delay. We have also maintained that Iran should cooperate with us to find Robert Levinson; he went missing on Iranian soil and thus the Iranians should help locate him. All of these cases deserve resolution on their own merits and independent of the nuclear issue. As the President said during his press conference on July 15: "We are working every single day to try to get [these U.S. citizens] out, and won't stop until they're out and rejoined with their families."

Question 2:

Secretary Kerry, just days before the deal was announced you threatened that the U.S. could walk away from the negotiating table. What was your alternative in that situation?

Answer:

Prior to reaching the JCPOA, both the President and I made clear that the United States would only take a deal in which Iran made the nuclear commitments necessary to provide confidence to the international community that its nuclear program would be exclusively peaceful. Had the President determined that such a deal was unobtainable, he was prepared to walk away and consider alternative

ways of addressing the problem. Of course, as with any major national security decision, such a step would have to be weighed against the alternatives, taking into consideration a variety of factors, including the degree to which we would have international support for any actions that we would take.

Fortunately, we were able to conclude a deal that verifiably ensures that Iran's nuclear program will be exclusively peaceful and that enjoys broad international support. As a result, we believe that no other option can accomplish our objectives as effectively as the JCPOA.

Question:

Iran has a long history of covert development of its nuclear program, including with rogue regimes like North Korea. What mechanism do we have to address a scenario whereby the Iranians conduct off-site research in countries like North Korea or Sudan?

Answer:

The Joint Comprehensive Plan of Action (JCPOA) prohibits Iran from conducting research and development on nuclear weapons, regardless of where such R&D takes place. In addition, for 15 years, Iran will require the approval of the Joint Commission, of which the United States is a member, to engage in civilian nuclear export cooperation with any other country or foreign entity, including through import or export of any enrichment or enrichment related equipment and technology and including through research and development activities.

If we believe that there has been a violation of any commitment in the JCPOA, we can refer the issue to the Joint Commission. If, after a short period of time, our concerns are not resolved to our satisfaction, we could notify the UN Security Council that we believe Iran's actions constitute "significant non-performance" of its JCPOA commitments and trigger snapback of all UN Security Council sanctions. We have full discretion to determine what is and is not significant non-performance, and snapback cannot be blocked by any other members of the Security Council.

The United States also has the ability to re-impose unilateral nuclear-related sanctions in the event of non-performance by Iran. In addition, we have a range of other options for addressing more minor instances of non-compliance. These include snapping back certain domestic sanctions to respond to minor but persistent violations of the JCPOA, and using our leverage in the Joint Commission on procurement requests. Our ability to calibrate our response will serve as a deterrent to Iranian violations of the deal.

Question:

Why did you go to the UN for approval of the deal before Congress had a chance to vet the deal?

Answer:

Our P5+1 negotiating partners felt strongly that the Security Council should not delay in endorsing this important deal. The 90-day period before the JCPOA comes into effect gives Congress a full opportunity to review the deal. Nothing in UN Security Council resolution 2231 affects Congress's review of the JCPOA, and nothing in the resolution requires the United States to take any action that would be inconsistent with the Iran Nuclear Agreement Review Act (INARA).

We remain committed to continuing our close consultations with Congress on the JCPOA throughout the 60-day review period and beyond.

Questions for the Record – Secretary Moniz
Rep. Ileana Ros-Lehtinen

1. Secretary Moniz, we are essentially providing Iran with a 1-2-3 agreement, or a civilian nuclear cooperation agreement, spelled out in Annex 3. We had gone to great lengths to get allies in the region, like the UAE and Jordan, to forgo enrichment and reprocessing – what we call the Gold Standard. With this deal – Iran is allowed to enrich and reprocess, and we're actually helping to modernize and advance its nuclear infrastructure. How can we expect any other nation to accept the Gold Standard when this rogue regime in Tehran has been allowed to enrich and reprocess? Will the administration consider removing the Gold Standard from any current nuclear agreements?

2. Secretary Moniz, in your testimony last week you touted this notion that we will have eyes on the supply chain, from cradle-to-grave. Would it be possible for Iran to import uranium ore or enriched uranium from North Korea, or any other nation, to a covert site without our knowledge – yes or no?

[Note: The committee did not receive responses to the above questions prior to printing.]

Congressman Joe Wilson
Iran Agreement QFR's

To Secretary Moniz:

- Has the Iranian regime been required to halt all uranium enrichment, including thousands of centrifuges spinning at its main Natanz enrichment facility?
- Has the Iranian regime been required to shut down and dismantle its Arak heavy water reactor and plutonium production plant?
- Has the Iranian regime been required to shut down and dismantle the underground uranium enrichment facility it built secretly at Fordo?
- Has the Iranian regime been required to halt its ongoing missile development?
- Has the Iranian regime been required to halt research and development of the faster centrifuges that will enable it to break out to the bomb far more rapidly than is currently the case?

[Note: The committee did not receive responses to the above questions prior to printing.]

○