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**POTENTIAL IMPLICATIONS IN THE
REGION OF THE IRAN DEAL**

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ONE HUNDRED FOURTEENTH CONGRESS

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ONE HUNDRED FOURTEENTH CONGRESS

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POTENTIAL IMPLICATIONS IN THE REGION OF THE IRAN DEAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Wednesday, July 29, 2015.

The committee met, pursuant to call, at 10:02 a.m., in room 2118, Rayburn House Office Building, Hon. William M. “Mac” Thornberry (chairman of the committee) presiding.

OPENING STATEMENT OF HON. WILLIAM M. “MAC” THORNBERRY, A REPRESENTATIVE FROM TEXAS, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The committee will come to order.

The committee meets today to consider potential implications of the Iranian nuclear agreement for the Middle East and for the world. Last week most of us attended a classified session where the administration negotiators explained and argued for approval of the agreement. They have also been testifying in front of other committees in the Congress in open session.

Today we have the opportunity to hear perspectives from a distinguished panel of experts. One point on which the supporters and opponents of the agreement concur is that this agreement will have wide-ranging, far-reaching consequences. Of course, they differ on whether those consequences will be positive or negative.

It seems to me the issues of concern can be broken down into three areas. One are the variety of issues about verification and enforcement. And I would point members to an in-depth report by the Wall Street Journal last week that details how Syria has successfully thwarted and defied inspectors who have now concluded that Assad did not give up all his chemical weapons as he promised. How will Iran be different?

A second basket of issues is whether, even if the inspections go perfectly and Iran stays in full compliance with the letter and spirit of the agreement, whether it is a good deal or not. As Secretaries Shultz and Kissinger wrote back in April, negotiations that began as an effort to prevent Iran from developing a nuclear arsenal are ending with an agreement that concedes that very capability, although several years down the road. The administration argues, of course, that a better agreement was not possible.

The third basket are Iran’s other activities beyond its nuclear program to include long-range missile development, support for terrorism, and instigating regional instability.

Put it all together, we have huge stakes, long-lasting consequences, and a vote that this Congress must take shortly when we

return in September. All of that combines to make it a weighty issue for us all.

I yield to the ranking member for any comments he would like to make.

[The prepared statement of Mr. Thornberry can be found in the Appendix on page 55.]

STATEMENT OF HON. ADAM SMITH, A REPRESENTATIVE FROM WASHINGTON, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SMITH. Thank you, Mr. Chairman. I thank you for having this very important hearing.

This is an issue that Congress will have to vote on; one we cannot avoid. So although Lord knows we have avoided a whole lot of others, this one is coming at us. And I think that is a very good thing. It gives us a chance to be deliberative, to listen to experts, like the ones we have before us today, and to have a really robust debate about what exactly the agreement does.

And right off the bat, to just disagree a little bit with a couple of things that the chairman said, explicitly in the agreement is Iran agreeing to never build a nuclear weapon. They had to agree to that. Now, they can obviously lie, cheat, and steal, but it is wrong to say that the agreement says, you know: You, after 15 years, have permission to do whatever you want. I think that is one of the perceptions that is out there. They don't.

Second of all, there has been some comments about how, you know, after 15 years, we legitimize the Iranian nuclear program. There is one thing that has never really been clear in the U.N. [United Nations] protocols on nuclear programs. It has been clear that you don't have a right to build a nuclear weapon. What hasn't been clear is the right to enrich. That lack of clarity really doesn't change. Now, yes, the agreement does allow Iran to then go back to the number of centrifuges or more than they have right now, but it doesn't have this big huge open door post-15 years that a lot of people have been talking about. At the 15-year point, we will have a challenge, no question, but look at the challenge that we have right now. Iran has 19,000 centrifuges. Prior to the short-term agreement, they had a large amount of uranium enriched at 20 percent.

What this agreement does clearly do for at least the next 15 years is significantly degrades Iran's ability to enrich uranium. It takes them down to about 5,000 centrifuges, 5,000 and some odd. They face regular inspections, and I will point out that one difference between Iran and Syria is Iran is not a war zone. It is a little bit of a clearer picture for the IAEA [International Atomic Energy Agency] to go in and do the inspections. It forces Iran to get rid of almost all of its enriched uranium, down to, I believe, and I am going to get my—300-something. I forget the amount. Vastly less than what they have right now. It takes them back much further from where they are right now. And that more or less lasts for 15 years.

I think the other thing to consider and comments that I would be interested in, if we reject this, there are a couple of issues. One, a number of people have suggested that we can go back and get

a better deal. I don't think that is even really plausible when you look at Russia, China, the EU [European Union], the fact that the U.N. has already approved the deal, you know, that all those players would come back to the table, let alone Iran, I think, is a bit of an assumption. But the other question is, you know, so we don't come back to the table, we reject the deal, what happens then? Well, we know that Iran is able to keep everything they have got. You know, basically, at that point, there are no restrictions on them whatsoever.

So what happens if we reject the deal? One of the things I am interested in hearing, and I am, you know, relatively new to this issue, there may be—we are all relatively new to this issue, since the agreement was just passed a few weeks ago. You know, what are the possible scenarios? What are the good scenarios if we reject this agreement that put us in a better place in terms of controlling Iran or controlling Iran's nuclear program.

And I freely admit that Iran is a horrific actor in the Middle East and not to be trusted, but the stated goal of these negotiations was to try to halt their nuclear program, to try to make sure that Iran did not have a nuclear weapon. And judged on that, as I have mentioned, I think some progress was made.

Now, I still have concerns about what happens after 15 years, and I still want to hear some experts play out, you know, okay, here is what happens if we do the agreement, here is what happens if we don't because, as I said, we are all relatively new to this. There are scenarios we may not have thought of, but I do think that there have been some erroneous comments out there about what this agreement does and doesn't do, and I hope we can clear that up as well.

With that, I yield back and look forward to the testimony.

[The prepared statement of Mr. Smith can be found in the Appendix on page 56.]

The CHAIRMAN. Thank you.

I hope our witnesses can clear up a variety of issues for us today. We are pleased to have Mr. Michael Singh with the Washington Institute [for Near East Policy]; Mr. Michael Eisenstadt also with the Washington Institute; and Dr. Jon Alterman with the Center for Strategic and International Studies—CSIS.

Without objection, your full written statements will be made part of the record. And so each of you will now be recognized to summarize your comments as you like.

Mr. Singh, we will start with you. Thanks again for being here.

**STATEMENT OF MICHAEL SINGH, LANE-SWIG SENIOR FELLOW
AND MANAGING DIRECTOR, THE WASHINGTON INSTITUTE
FOR NEAR EAST POLICY**

Mr. SINGH. Well, thank you, Mr. Chairman, Ranking Member Smith, members of the committee. The nuclear agreement with Iran has both strong and weak points, and it is worthy of careful consideration. However, my judgment is that the deal not only leaves Iran with a significant nuclear weapons capability, but arguably allows it to improve that capability over the life of the deal while providing Iran with broad sanctions relief, which I believe has been Iran's twofold objective throughout the talks.

Making a nuclear weapon requires three things: weapons-grade fuel, weaponization, and a delivery vehicle. It would also presumably require secrecy because U.S. officials believe it is not in declared facilities but in covert facilities that Iran would make a nuclear weapon.

So what does the agreement do on these three key fronts? On fuel fabrication, the agreement permits Iran to continue R&D [research and development] on advanced centrifuges and begin deploying them in 8½ years. As these are far more efficient than Iran's existing centrifuges, they are well suited for a clandestine nuclear program. What is more, the deal's restrictions will phase out after 10 to 15 years, which you mentioned, Ranking Member Smith, which means that after that time Iran's breakout time that we have talked about quite a bit will go down to about zero, frankly, if Iran chooses to make it that at its declared facilities.

On weaponization, the second plank here, the agreement doesn't appear to require Iran to disclose the full extent of its past weaponization work or provide the IAEA with access to the facilities' personnel and documents involved in that weaponization work, which would be vital to ensuring that the work isn't resumed in the future. And, indeed, I would say it is simply not clear from the text of the agreement what is required from Iran when it comes to what we call PMD, possible military dimensions, of its nuclear program.

On delivery vehicles, the third prong of the nuclear weapons program, the agreement not only does not restrict Iran's ballistic missile activities, but it appears to remove previous bans on such activity. So ballistic missile launches, which were banned previously prior to this agreement, will now appear to be permitted under this agreement as of implementation day. And it also permits after no more than 8 years critical foreign assistance to Iran's medium-range and long-range ballistic missile programs.

So having left Iran with this nuclear weapons capability, the agreement's success will depend on detecting and responding to cheating. But the deal does not allow, as far as I can tell, for timely access to suspect sites. If inspectors suspect diversion from the declared facilities, their tools for following up on it are limited and weak. If Iran continues to refuse access under this accord, or otherwise violates the deal, the only remedy proscribed in the deal is the accord's termination. Concern over such an outcome likely means that our allies will hesitate to punish small violations, and IAEA inspectors may hesitate even to demand access in the first place for fear of causing the accord's collapse.

We have witnessed this dynamic in situations which the members here are well aware of: the Russian violations of the INF [Intermediate-Range Nuclear Forces] Treaty; as you mentioned, Mr. Chairman, Syrian violations of its chemical weapons pledges. Not only have these violations, these reported violations, gone unpunished, from my perspective, U.S. officials have been loathe even to acknowledge the violations. The leverage in these situations tends to be with the less risk-averse party.

In terms of the broader implications of the deal, the agreement seems likely to lead to further instability in the Middle East. I believe Iranian behavior is likely to worsen, not improve, in the deal's wake for reasons I outline in my written statement. And the deal

seems likely to facilitate that increase in regional troublemaking by Iran. Iran is going to gain a financial windfall from this agreement, which it can use to help some financially squeezed proxies, like Hezbollah or Palestinian Islamic Jihad, and expand its influence in other places, like Iraq. It will face fewer impediments on arming those proxies because the agreement removes the ban on Iran's export of arms. And it will also face fewer impediments to building up its own atrophied military capabilities because in 5 years, the ban on the import of arms into Iran is lifted and, frankly, for practical purposes may go away before that.

This is likely going to spur a counterreaction by our allies in the region who perceive Iran as their chief threat, and I would say we are already seeing this dynamic play out in places like Yemen and Syria and elsewhere. And it could even in the future take the form of our allies seeking nuclear weapons capabilities of their own to match and guard against a potential nuclear breakout in Iran.

In addition, I would say the deal could also lead to a strengthening of ties between Iran and Russia, and especially between Iran and China, which have been expanding their military ties in recent years, and both expressed a desire to expand them even further.

Now, some of these regional implications I would say would be the inevitable consequence of any nuclear agreement which isn't preceded by an Iranian strategic shift, which is why it is important to get a strong deal whose benefit outweighs these costs and to more robustly counter Iranian regional behavior, which, frankly, is something we should have been doing long before this, not waiting for this deal to do that.

But having failed to do either of these things, it is not surprising that our allies suspect that we are engaged either in a strategic reversal or a realignment of some kind in the region, and our reassurances to them are not likely to be compelling in part because they conflict with our actions and our policies in the region and in part because they see sort of the fate of previous reassurances, I would say, to Ukraine, for example, in 1994, which we gave in the pursuit of a different arms control treaty at that time.

Folks advocating the deal quite appropriately ask what the alternative is, as you mentioned, Ranking Member Smith. I have little doubt that a stronger agreement could have been negotiated. Ironically, it is our downplaying of the alternatives which I think most contributed to the weakness of our negotiating position and to this deal. Continuing to play down the alternatives, I fear, will only weaken the deal's enforcement mechanisms even further. If this deal doesn't move forward, the other parties will either have to implement the deal without us or walk away from it. If they walk away from it, I think we and our allies will essentially be back to the drawing board. That's my assessment.

Even if the deal moves forward, because its restrictions expire over 5 to 15 years, the next President will have to devise a new approach to prevent an Iranian nuclear breakout. He or she will be doing so without the benefit of the strong sanctions and international unanimity which we have enjoyed in the past several years.

So I would argue that the question is not whether we need an alternative policy, but when we will need an alternative policy, and

whether it is better to strengthen the constraints on Iran now or to try to do so later. The agreement is going to buy time for us, but it also buys time for Iran, which Iran will use to its advantage. So I see this ultimately as a deferral, not a resolution of the nuclear crisis, and a costly one.

Thank you.

[The prepared statement of Mr. Singh can be found in the Appendix on page 59.]

The CHAIRMAN. Thank you.

Mr. Eisenstadt.

STATEMENT OF MICHAEL EISENSTADT, KAHN FELLOW AND DIRECTOR, MILITARY AND SECURITY STUDIES PROGRAM, THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY

Mr. EISENSTADT. Chairman Thornberry, Ranking Member Smith, distinguished committee members, thank you for inviting me to testify on the potential regional implications of the nuclear deal with Iran. It is an honor for me to be here to testify regarding this fateful, historic agreement.

The nuclear deal between Iran and the P5+1 [China, France, Russia, the United Kingdom, and the United States, plus Germany] will have a major impact on Iran's role in the Middle East, America's role in the world, and the nuclear nonproliferation regime. The agreement has major shortcomings, and absent steps to mitigate these—and I am not sure it will be possible to do so—the deal will be a game-changer that enables Iran to meet its growing regional military commitments, bolster its regional alliance system, and eventually become a nuclear weapons state.

Today I would like to provide an initial assessment of the impact of the deal with Iran on the latter's ability to project influence in the Middle East by looking at what the agreement says about conventional arms transfers, ballistic missiles, and its nuclear program.

Regarding conventional arms transfers, remarkably, the agreement is not clear whether it actually bans Iranian arms transfers. At any rate, Iran has been transferring weapons to its regional allies for years in violations of previous U.N. resolutions and has vowed to continue to do so. The U.S. says it will interdict future transfers, but this seems unlikely because doing so could cause Iran to blow up the deal. The deal does ban the transfer of major weapons systems to Iran for 5 years, though Iran claims that this prohibition lacks the legal basis, and it will fight it.

At any rate, the ban does not apply to ammunition, small arms and light weapons, and light tactical vehicles, the kinds of arms that Iran and its regional allies need most at this time.

In terms of ballistic missiles, the deal calls upon Iran to avoid testing and developing ballistic missiles designed to deliver nuclear weapons for 8 years. Iran claims that none of its missiles are designed for this purpose so this article is null and void. The deal is silent about cruise missiles, a major omission. Because the deal does not require the monitoring of labs and personnel involved in alleged past efforts to modify missile warheads to accommodate nuclear payloads, Iran will presumably be able to continue such work.

Nuclear weapons. The agreement imposes important constraints on Iran's declared nuclear program and its known facilities. For this reason, should Iran decide to acquire nuclear weapons, it would likely attempt to break out using clandestine facilities. This may not be possible now, but Iran might be able to create such an option in the course of the coming decade. At any rate, the monitoring system created by the deal cannot prevent low signature activities associated with nuclear weapons research, such as computer simulations and the manufacture of non-nuclear weapons components.

That is the baseline situation today. Future developments, however, may negatively impact our ability to detect and respond to a clandestine program in Iran. For instance: intelligence. While Iran is a prime target of U.S. intelligence today, future crises in the Ukraine, East Asia, or elsewhere could force the U.S. to divert intelligence assets, degrading its ability to follow developments in Iran.

P5+1 unity. The success of IAEA monitoring will depend on the unity of the P5+1. Political differences among them could undermine inspections, as occurred in Iraq in the late 1990s.

Snapback. There has been much talk about sanctions snapback, but it is still not clear exactly how this would work in practice. At any rate, snapback could provide Iran with a pretext to blow up the entire agreement, and for that reason, the U.S. is unlikely to resort to sanctions snapback except in extremis.

Centrifuges. The deal allows Iran to research and build more advanced efficient centrifuges which could someday enable Iran to build a small clandestine enrichment plant that would be hard to detect.

Hardening and protection. The deal will allow Iran to eventually acquire advanced air defenses, raising the cost of potential preventive action down the road. And 10 to 15 years hence, the U.S. military may no longer have the ability to destroy Iran's hardened buried facilities by conventional means. And the agreement commits the parties to help Iran counter sabotage, possibly limiting our non-kinetic options in Iran in the future.

And then, finally, past weapons work or PMD. If Iran proves able to get sanctions lifted without answering the IAEA's questions about PMD, it may opt to cheat again in the belief that if caught, it can once again negotiate its way out of the crisis. So the deal may set a bad precedent for the future and encourage future cheating.

So for the deal to succeed, the U.S. needs an implementation strategy that mitigates the agreement's flaws. And in my paper that I submitted, I outline the major elements of such a strategy, including working with our allies to eliminate ambiguities in the deal; to push back against Iranian influence in order to deter cheating in the framework of the nuclear agreement; taking steps to strengthen our ability to deter a breakout by military means; strengthening the military—the credibility of our military threats against Iran; and then also realizing that since our military capabilities are a wasting asset against this program, working on non-military means of deterrent in the future.

So I will conclude by saying that Congress should ask the administration to explain how it plans to deal with the shortcomings of the nuclear deal with Iran and the challenges it is likely to give rise to. The President's willingness to commit to the kind of mitigating measures in implementing strategy that I outlined in my submitted remarks will be an indicator of whether the deal will stand a chance of achieving its intended goals or will further destabilize the Middle East, further undermining America's standing in the region and eventually pave the way for an Iranian bomb.

Thank you.

[The prepared statement of Mr. Eisenstadt can be found in the Appendix on page 70.]

The CHAIRMAN. Thank you.

Dr. Alterman.

**STATEMENT OF JON B. ALTERMAN, SENIOR VICE PRESIDENT
AND ZBIGNIEW BRZEZINSKI CHAIR IN GLOBAL SECURITY
AND GEOSTRATEGY, CENTER FOR STRATEGIC AND INTER-
NATIONAL STUDIES**

Dr. ALTERMAN. Mr. Chairman, Mr. Ranking Member, distinguished members of the committee, thank you very much for having me today. I am honored to be with you.

My testimony that I submitted explores the current regional reaction to the agreement; likely scenarios if the agreement is implemented; and likely scenarios if Congress blocks its implementation.

If implemented, I don't think this agreement is going to end tensions between the U.S. and Iran or end Iranian misbehavior in the Middle East. Iran will remain a focus of U.S. foreign policy and the United States will remain a focus of Iranian foreign policy.

But fixing all of the problems of Iranian behavior is not a prerequisite to supporting this agreement. This agreement is important as much because it is among the P5+1 as it is with Iran. The prospect of Iranian misbehavior means that it is important that the world stands with the United States to confront what I think is likely to be Iranian misbehavior. And my fear is that blocking this agreement will not leave things as they are but make things much, much worse. If blocked, I foresee worse Iranian behavior on both the nuclear front and the asymmetrical warfare front. I see far weakened U.S. tools to deal with it, partly because countries will be less willing to work with the United States, and partly because some of these extraordinary international financial tools developed in the Bush administration to reach out and disrupt terrorist financing and deny their ability to access banking and all those kinds of tools, the kinds of tools that allowed us to reach out and arrest FIFA [Fédération Internationale de Football Association] for corruption, are going to wither because there will be an entire global financial system which will be insulated from the U.S. financial system, and I don't think that is good for U.S. national security.

The question before you isn't if this is the best deal. It is not even, is this a good deal? The question before you, I think, is whether it is an adequate deal to hold Iran to account. And my judgment is that it is adequate, partly because it has clearly spelled out enforcement mechanisms judged by a panel that tilts toward the United States—the panel is stacked in favor of us and

our allies—and partly because this agreement does absolutely nothing to prevent the U.S. and its allies from punishing Iran for all of the malfeasance that they have been carrying out in the Middle East for the last several years.

It seems to me that the proper focus of congressional attention is not perfecting the deal, but instead making clear to the world that Congress will insist on strict implementation and act against those who deviate from this agreement. Congress can also do a great deal to reassure American allies and to secure American allies in the wake of this agreement.

There is a tendency in this debate that we are having in this country to build up Iran to something it is not. Iran is not a near peer of the United States. It is not a global hegemon. This is a country whose economy has shrunk for each of the last 5 years. The GDP [gross domestic product] of Iran is somewhere between my home State of Maryland and the home State of the ranking member, Washington. This is not a huge country. It is not a huge power. The inflation is almost at 20 percent. High unemployment. This is a country that is writhing in pain, and that gives us all sorts of ways to shape the economic drivers that guide the Iranian Government's decisionmaking. We should seize the opportunity now to capitalize on these drivers, maintaining close ties with the world's leading powers, to hold Iran to account. Even if we can't solve all the problems with Iran, this agreement gives us powerful tools to manage those problems from a position of strength that arises not only from the strength of our economy and our military, but also from the strength that arises from our leadership in the world.

Thank you, sir.

[The prepared statement of Dr. Alterman can be found in the Appendix on page 82.]

The CHAIRMAN. Thank you.

I want to follow up on strict implementation for just a second. Earlier this year, a group of us were in Ukraine where we talked with some of the folks who are charged with conducting inspections in the eastern part of that country with the Minsk Agreement. And one of the things we heard was that sometimes the inspectors just get turned around. You know, they say: You can't go here; it's too dangerous today. But they don't want to pitch too big of a fit because they don't want to lose the access they have.

And so I was struck in the reporting that the Wall Street Journal did about Syria that the inspectors didn't want to rock the boat too much even when they were turned away because they would lose the good part that they did. And it just makes me wonder whether inspectors, given what they are asked to do and given the mentality of those they are asked to inspect, whether you can ever really get the verification that an agreement like this would demand. We hear lots about the agreement says, "You can do this, you can't do that," but if it is not enforced, if it is not implemented that way, then there is not much to the agreement, and, again, using the Syria example, I agree with Mr. Smith it is a war zone. On the other hand, Syria is not as sophisticated as Iran in hiding things. They have very close relations, obviously, but it was a great triumph of the Obama administration that they removed all the

chemical weapons from Syria. It turns out scientists were continuing to work on new weapons. It turns out they had these mobile labs disguised as trucks with billboards along the side. It turns out that they continue to use chemical weapons to kill people. And the bottom line was the inspectors were just not able to do the job that was asked of them. And so even the administration admits now that all the weapons were not removed.

Now, their argument also, by the way, is we got a lot of it out, and so it is better than it was, which may be true. On the other hand, if what you don't see is all the activity of a nuclear program, then, obviously, it has huge implications for the deal.

Mr. Singh, you mentioned it. Am I my barking up the wrong tree here? Are there lessons to be learned from Ukraine, INF, and Syria inspections, which have not worked as well as we hoped?

Mr. SINGH. Well, Mr. Chairman, I think you do raise a valid point. You know, when you look at arms control treaties during the Cold War, when you look at Libya's disarmament in the 2000s, they were based on sort of mutual interests in seeing the accords work. The U.S. and U.S.S.R. [Union of Soviet Socialist Republics], obviously, there was some reciprocity built into those agreements. Libya and some other countries that disarmed their nuclear programs in the past had made a sort of strategic shift in advance of the agreement of the sort that we haven't seen from Iran. And so there was a mutual interest in seeing them work. It wasn't that you had one party that, you know, like in this case, refuses to admit that it even ever had a nuclear weapons program.

Also I would say that we can overestimate what we already know about these programs. One thing, Mr. Chairman, which you didn't mention about the Syria case that is mentioned in the Wall Street Journal article you referenced is that the Intelligence Community felt they had a full picture of Syria's chemical weapons program, which turns out not to have been the case. And according to this report, they have now reassessed that picture, and unfortunately, it shows that Syria still possesses significant chemical weapons capabilities.

So I do think that we tend to put too much weight on the inspectors' shoulders. You know, the inspectors in this agreement that has been reached with Iran will have to go through a lengthy back and forth if they suspect that there might be some undeclared activity to try to clarify that with Iran. And I do think there is a possibility that they will hesitate to make a formal request for access because they know that that starts that 24-day clock ticking, which could lead to the unraveling of the entire agreement. And so there will be that sort of psychological barrier of "how sure are you really?" Is it worth risking the entire agreement for this request for access. And, again, if they don't have U.S. intelligence, if they don't have the sort of weight of the international community behind them backing them up, I do question whether they will be willing to go forward with that.

Mr. EISENSTADT. If I could just build on Mike's comment. I mentioned in my presentation the whole issue of P5+1 unity because in the mechanism for dealing with situations where there is a suspect site and they can't get resolution with Iran for access, there is a procedure whereby you have five of the eight members of the

joint commission agree—they have to agree on a way forward and recommendations. And that is based on the assumption that the Russians and the Chinese and the Iranians might not agree, but the rest of the other five will maintain unity on this. But we saw in the course of our inspections in Iraq in the 1990s is that in the course of the decade, the French and the Russians eventually fell off and the P5 were no longer united, and this hindered the inspections towards the latter years. Although, of course, by then, Iraq had more or less been functionally disarmed, but in terms of tying up loose ends, it really hindered their efforts. So this will be an intensely political process and we can't assume that the unity that exists today might not shatter in coming years and hinder our ability to, you know, deal with this problem down the road.

The CHAIRMAN. Thank you.

Dr. Alterman, do you have a comment on this?

Dr. ALTERMAN. Just briefly, sir.

When I worked in the Senate 25 years ago for Senator Moynihan, we had a law professor in the office, and we were going through the SALT [Strategic Arms Limitation Talks] II negotiations. I asked him a very similar question about, well, how do you make sure that people are actually following international law? And he said it is like speed limits. The goal is not always 100 percent compliance of 100 percent of the people 100 percent of the time, but you certainly shape what people are able to do.

Mike mentioned Iraq. The fact is we had inspectors. Saddam Hussein played all sorts of stupid games. But he didn't have a nuclear program. We thought he had a nuclear program, but in fact he wasn't able to sustain a nuclear program in part because he never knew what the inspectors did; he never knew where the inspectors would go. We combined the inspections with all sorts of intelligence from all over the world. And it seems to me that while Iraq was frustrating in any number of ways, the arms control community, of which I am not a member, but the arms control community feels Iraq was generally successful because the goal was to keep Saddam Hussein from getting a nuclear bomb. And he was really far away—really far away.

The CHAIRMAN. Interesting question, why that he made that decision.

But I will yield to Mr. Smith.

Mr. SMITH. Yeah, just a couple quick points.

First of all, on the arms transfer issue from Iran, there is a separate U.N. law against that. So blaming this agreement for not stopping Iran from being able to transfer arms outside is completely beside the point. It is illegal now under international law for Iran to transfer those arms. That is why we occasionally and Israel and other places are able to seize ships that are doing that. This agreement doesn't affect that.

Now, certainly, Iran has found ways around that international agreement. I won't disagree with that in the least bit. But to blame this agreement for not stopping those arm shipments completely misses the point that there is a separate international law that is trying to do that, however difficult that may be.

The other point is to emphasize what Dr. Alterman said about how inspections can clearly work, and Iraq is the best example.

They can work even where the country in question does not wish to cooperate. And I can't say anything better than Dr. Alterman did. You know, in that instance, it clearly did prove effective.

The other big question is, you know, if in fact the P5+1 is going to unravel over the course of this deal, one of my big concerns going into this is if the status quo could be held, if the P5+1 was going to hold those sanctions and continue to punish Iran in that way, and we knew that was going to happen, that would be one thing. But if you are saying that this is going to unravel even with the agreement, the concern that a lot of people had is that China and Russia in particular, but even Europe, I mean, keep in mind Europe was doing business with Iran early on, that if we simply say: Look, we are just going to keep sanctioning them forever and use that as our approach, the concern was that Russia and China, in particular, that would unravel, and eventually you would have fewer and fewer restrictions on transfers of money to Iran as the rest of the world moved away from us. And as Dr. Alterman pointed out, the United States likes to think that we are the only ones that can have a banking community, but the world is changing. And if we tell the rest of the world: Look, you can't do business with us if you do business with Iran, a good chunk of the rest of the world is going to set up a separate system as China, by the way, was already doing a couple years ago before they stopped and entered into these negotiations. So the concern is if we keep things where they are at, that too will unravel, particularly if we reject an agreement that the whole rest of the world has agreed to. And that unravelling will leave Iran, not 10 years from now or 15 years from now, but now with 19,000 centrifuges, with a great deal more uranium, with a great deal more enrichment capability.

So I still haven't really heard the alternative approach. And one question I do have is, you know, I believe, Mr. Singh, you said we need to do, quote, "more," end quote, to check Iran's aggression in the region. What would that be exactly?

Mr. SINGH. Thank you, Ranking Member Smith. Some of the points you raised, let me just give you my clarifications. The arms export ban on Iran, the ban which prohibits Iran from exporting any arms whatsoever, was part of Resolution 1747. That has been lifted now.

I think what you are referring to are bans on the receipt on any country shipping arms to certain groups which are terrorist groups and so forth. Those are separate authorities. And so the arms ban which was in place on Iran is lifted as far as I can tell under this agreement. They still couldn't ship arms to these proscribed groups that nobody can ship arms to under, say, Resolution 1701, which addresses Hezbollah. I would say that, from my perspective having worked very closely on these issues, it is a lot easier if we can stop the arms from getting to Iran in the first place because interdictions are hard. You need to have intelligence. You need to have the will and capability of the local partners and so forth. And those things often are where we fall down.

The Iraq inspections, the main point about the Iraq inspections I would say here is that these are not Iraq-style inspections. And so whatever point you may make about how it worked in the 1990s,

these won't be the same. And so it is not an apt analogy from my point of view.

The P5+1, I don't—

Mr. SMITH. I am sorry. They won't be the same how exactly?

Mr. SINGH. These are not Iraq-style inspections. These are not the sort of anytime, anywhere inspections. These are inspections where you have continuous monitoring at a list of declared sites. If you have suspect activity elsewhere, the IAEA has to make a request to the Iranians which starts that clock. So you have a separate, quite a different inspection regime under this agreement than I think Dr. Alterman was referring to, although he can clarify that if he chooses.

Was the P5+1 in danger of unravelling prior to this accord? I don't think so. I don't see signs of that. I didn't hear too many estimates saying that that was happening. In fact—

Mr. SMITH. Well, what about the fact that 2 years ago China was setting up this separate banking system to try to get around doing business with—if they had to live with the sanction regime, they would set up a separate banking system to do business with the U.S. and do business with Iran.

Mr. SINGH. So I think that Secretary Kerry was actually quite explicit in saying that he felt that Russia and China were being more helpful in the talks recently than they had been in the past. Our EU partners certainly weren't threatening to walk away—

Mr. SMITH. More helpful to get an agreement.

Mr. SINGH. Yes. Absolutely. They wanted to—

Mr. SMITH [continuing]. Not going to be an agreement—

Mr. SINGH. But I don't think there was a threat from those members to walk away if it wasn't this deal. I think, frankly, this was mainly a negotiation at the end between Iran and the United States with the support of the P5+1 members. The banking system—

Mr. SMITH. So you feel if we reject this deal, that Russia, China, the P5, will hold onto the sanctions just as strongly, will go right back in there, will not be looking for ways to break away from the U.S. position.

Mr. SINGH. So the situation obviously has changed now. Because normally these countries really couldn't do this deal without U.S. participation because they would need the United States to stay with the U.N. Security Council sanctions.

The new U.N. Security Council resolution sort of locks that in. And so, from my point of view, there are no easy scenarios here by any means. But there is really sort of two paths that could be taken. If the deal is disapproved here, they could either try to implement it anyway. The text of the agreement doesn't make it clear whether that could happen or not. But they could choose to simply go forward with it without U.S. participation when it comes to the sanctions waivers.

They could also choose to walk away. I guess I would argue, Congressman, that if they walk away, if the Iranians walk away and choose to resume their nuclear activities, our allies were motivated to do this by their desire not to see Iran develop a nuclear weapon. I don't think that desire will suddenly go away out of pique at the Congress. And so I think they will have little choice but to then get

back together with us and figure out what do we do now. And I think that would look a lot like diplomacy and pressure in the way that it did before. Not that they will be happy with us. Remember, we have had this situation in the past where we have walked away or another party has walked away, whether from these negotiations or another arms control agreement, like SALT II, for example, where generally the trend is if there is still the same interests at play, ultimately you resume a process of diplomacy.

The banking system I don't think is in danger from China. I think that our prominence in the international financial system depends a lot on the role of the dollar as a sort of global reserve currency. And, frankly, I don't see that as being under significant threat at this time. And so I don't think it is a matter of good will. I think it is a matter of the fact that the U.S. dollar enjoys that status. And so I don't think that the two things are quite as explicitly linked as that suggests.

Mr. SMITH. All right. Anybody else?

Dr. ALTERMAN. Mr. Ranking Member, it is true that the dollar has an unusual position of prominence now. I don't think that is guaranteed. I think the rise of the Asian Infrastructure Investment Bank with 50 founding members, including many close allies of the United States, is the sign of a potential for a different global financial role, and I think that in the event that the United States were seen to be going rogue to seeking its own agreements above and beyond the international agreements, I think that would certainly drive China and other countries to devise some alternative way around the centrality that the U.S. enjoys.

I think one of the things that also is underappreciated in all of this is that the Russians and the Chinese have been unusually good team players since 2003 with the United States on the nuclear negotiations. We can talk about the possibility that this whole coalition would fray and fragment and everybody would go their own way. But it seems to me notable that we have actually been able to get quite good cooperation from countries with which we don't cooperate on a whole range of things. But on the Iranian nuclear deal, we have been working side by side with them for 12 years. I think we can count on continued support, and I worry that if we were to turn away, we were to turn away, then we wouldn't have that support, and we wouldn't be able to pick it up the way we have been building it for a dozen years.

Mr. SMITH. Thank you. I have taken up a lot of time.

I will yield back.

The CHAIRMAN. Mr. Forbes.

Mr. FORBES. Mr. Chairman, first of all, I want to thank you for having this hearing. Thank our witnesses for being here. But it is amazing to me, you know, we are a Nation that put a man on the moon. We built the Panama Canal. We revolutionized the computer technology, and what a low bar we now set for ourselves. We no longer have as our goal to have winning strategies. We no longer have as our goal to have the best deal we can get. We no longer have as our goal even to have a good deal. We seem to settle for a new standard, which is just the deal isn't as bad as it could be. And I know we have people that actually believe the government when our government says, "if you want to keep your healthcare

plan, you can keep your healthcare plan,” and then when they don’t, we just say, “Whoops, live with it.” I know there are people that believe when the Syrian Government says they are going to dispose of their chemical weapons and then they don’t do it, and we just say, “Whoops, you have to live with it.” I know there are people that believe when China says, “Give us your technology, we are going to use it for civilian purposes, we are not going to use it for the military,” when we find out they use it for the military, they just say, “Whoops, you are going to live with it.”

Well, I firmly believe we are going to say “whoops” on this deal. You know, probably shorter time period rather than longer.

So, Mr. Singh and Mr. Eisenstadt, can you tell me what the world is going to look like 5 years from now with Iran in terms of this deal? Is it going to strengthen their economic situation or weaken their economic situation, and how is it going to strengthen it if it does? What with these assets can they do militarily to increase their military capabilities? And then the third thing, for our allies in that region, what concerns them most about this deal, and what kind of implications is it going to have on them? So if you would just respond to any of those three.

Mr. SINGH. Well, thank you, Congressman.

I think that there is no doubt that Iran economically is better off with the deal than without the deal because of the lifting of sanctions or because of the unfreezing of their assets. It won’t be a silver bullet for Iran. They still have economic problems related to mismanagement of the economy and so forth. But this will free up the space that they need to repair their economy, essentially.

I think Dr. Alterman was right. The Iranian economy was in a very difficult state as a result in part of American and international sanctions. This relieves that pressure.

In terms of how will they use this to now build up, say, their military capabilities and the implications for the region, I do think that it is very significant that, within 5 years, the ban on imports of arms by Iran will be lifted. And then, remember, under this agreement there is a mechanism to actually allow arms transfers to Iran before that time. And so we are talking about Russia and China being with us. Russia and China are the largest providers of arms to Iran.

One question I have is if the Russians, as they have already said that they intend to, want to provide arms to Iran before that 5 years is up, it is up to the United States, essentially, to veto that in the Security Council. And so one question will be, are we willing to sort of brook these confrontations with Russia and China and the U.N. Security Council to stop literally every arms transfer to Iran within these 5 years? I don’t know that the answer is an absolute yes. I would hope that we would do that, but I think that it will depend upon the circumstances at the time.

And then if you look at the question of arms exports, where Mr. Eisenstadt is a bigger expert than I am on the question, there have been reports that groups like Hezbollah, groups like Palestinian Islamic Jihad, have felt a financial squeeze in recent years in part as a result of reduced Iranian assistance. I think that there is every prospect that that assistance could now grow under this agreement. While those arms transfers are proscribed, because

those are terrorist groups and there is various laws proscribed—or I should say international resolutions proscribing such arms transfers, Iran hasn't abided by those in the past. And so, again, it is a question of our will and our allies' will to address those types of things. And right now my fear is that not only have we signed up to a deal that our allies will find insufficient, but we are not projecting that kind of will to stand up to Iranian activity in the region.

Mr. EISENSTADT. The only thing I will add to that is, first of all, with the influx of unfrozen funds, keep in mind Iran has a pretty robust defense arms industry, and they will probably increase procurement of the kind of weapons that they and their allies in Syria and Iraq and their proxies in Yemen need right now, and they will increase exports of those weapons to enhance their allies' ability to prosecute the conflicts they are in now.

The additional money also will enable them to probably enhance or expand recruitment of proxies. Keep in mind, Iran's approach to warfare is what in the military realm is referred to as economy of force. They prefer to fight to the last proxy. Their last Arab proxy or now they have been recruiting Afghan Shiites and Pakistani Shiites. So more money will enable them to do more of that.

And then, finally, in terms of arms imports, the first thing I suspect they will want to do is get the S-300 [ground-to-air] missiles when they can from Russia in order to provide an umbrella over their nuclear program to create the foundation so that if they want to go down the path of creating a clandestine parallel program, it will be protected from preventive strike. And they will also bury it and harden it as well.

Mr. FORBES. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman.

And thank you all for being here. As you can tell, obviously, everybody is very serious and intense in looking at these issues, and I appreciate your help.

Dr. Alterman, one of the questions that the ranking chair asked initially was this issue of legitimizing Iranian nuclear potential. Could you respond to that? And also in terms of the standing, both among our P5+1 partners and in the Middle Eastern countries as well, what do you see is the really problematic role around that, and what in the implementation plan that you spoke about we might be doing to ameliorate some of that?

Dr. ALTERMAN. I am sorry. I am not sure I understand the question of standing.

Mrs. DAVIS. Pardon me?

Dr. ALTERMAN. I am not sure I understand the question of standing. Do you mean Iran's standing in the region?

Mrs. DAVIS. No, the U.S. standing among P5+1 and also the countries within the Middle East.

Dr. ALTERMAN. Okay.

Mrs. DAVIS. But, first, on the legitimizing by virtue of the process that we have come to in this agreement.

Dr. ALTERMAN. Well, Iran is allowed by international law, by the treaties it has signed, by the treaties we are a party to, also to

have a domestic nuclear program. It is not allowed to have a nuclear weapons program. And what this agreement does is it brings Iran into fuller coordination with all of the international safeguards and standards of having a domestic program which is not a weapons program. What I have heard directly from Secretary Moniz several times, who I think has probably forgotten more physics today than I will ever know in my life, is that we have spectacular capabilities to detect cheating, that nuclear products leave all sorts of remnants that we will be able to detect. We understand a tremendous amount about the way the Iranian system works because we have been trying to understand the system along with our allies for decades. And he has relative confidence as a nuclear physicist that a combination of having an allowed pathway with all sorts of international standards and safeguards and processes that the world has developed over decades, combined with the inspections, combined with our covert capabilities, that we are going to retain a very good understanding of where the Iranians are, where the Iranians are cheating.

The question which Mr. Singh and Mr. Eisenstadt raised, which is an absolute valid one, is what happens when they cheat? And I can't imagine there is not going to be some effort to see if anybody really serious about this. And to my mind, that is really where the role of Congress comes in. The goal of this is to have the best agreement possible. The goal of this is to keep Iran from developing a nuclear weapon. The decision before Congress is, is this adequate to meet that goal. And it seems to me that it is adequate to meet the goal, and this is something that we have worked very closely with our allies on that they have trusted us to follow through, and I am really worried that if we in their minds abdicate the leadership that we have taken in this agreement, that we are going to be fighting the very same problems from a much, much weaker position than we would have. And the job of Congress, the decisions Congress will face, will be much more difficult decisions than we face now.

Mrs. DAVIS. Thank you. On the standing issue, it sounds like, then, you would refute the notion that somehow by creating—you know, the question here really is, is there a pathway, or is there not, or is it something that is so problematic that it, after 5 years or 10 years and certainly into the 15-year period, that something that certainly Israel is going to be very, very fearful of.

Dr. ALTERMAN. It seems to me that if there comes a point where the Iranians decide that all their commitments don't mean anything, that they really do want to have a bomb, that any of those negative possibilities, let's say we get to that point, then what position do we want to be at that point? Do we want to be alone? Do we want to be in a head-to-head confrontation with the Iranians, or do we want to be standing with the world, with all the economies, all the people Iran trades with, and say, "If you go down that road, there will be severe consequences for everything you care about, or you can continue to comply"? I think there is partly a bet in this that over time, as the Iranians decide they like being integrated with the world, they will want to continue to be integrated with the world. But even if that bet doesn't play out, even if it doesn't produce better Iranian behavior, to my mind, we want the

world with us and not the world saying: You guys are maximalists, and we can't—you are both maximalists. We don't want to deal with either one of you. Doesn't matter.

I don't think that is the position the United States wants to be in.

Mrs. DAVIS. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Chairman Miller.

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

Thank you to the witnesses. We appreciate your testimony. You are obviously very well educated, and I hope you will allow me to ask because I am a pretty simple guy—not a doctor—some pretty simple questions. And yes or no, I think, will answer most of them.

Would unfettered access have made this a better deal?

Mr. SINGH. Well, sure. Absolutely. Unfettered access would make it a better deal.

Mr. EISENSTADT. Yes.

Dr. ALTERMAN. If one could get that deal, that would be great.

Mr. MILLER. Dr. Alterman, you said that Iran is not a near peer, and I concur. But my question is, would this agreement elevate them closer to near-peer status? And what if China and Russia infuse conventional military capabilities? Does that move them closer to a near-peer status?

Dr. ALTERMAN. Sir, as I said, they are somewhere right now in GDP between Maryland and Washington State. That still leaves them a considerable way to go. As I said, it is remarkable over the last dozen years how much Iran has been an issue of cooperation between the U.S., Russia, and China. And I am not sure, as an analytical point, it is wise to make a premise that Russia and China will seek to use Iran as a club against the United States rather than continue the path that they have been following for a dozen years.

Mr. MILLER. Can any of you think of a way that the administration can guarantee that the lifted sanctions would not be used to finance international terrorism?

Mr. SINGH. Well, Congressman, let me also address the previous question.

Mr. MILLER. No. If you would, just answer my question.

Mr. SINGH. Of course, although I think that is a wrong way to look at it, the way that Dr. Alterman put it. Because I think that the question isn't, will Iran somehow match the United States? Of course not. Iran is not going to reach that level. There is no doubt.

But can Iran use, as you suggested, the considerable amount of money that it is going to receive as a result of this agreement in increased oil exports to further finance proxies? It could certainly spend more than the United States is willing to spend in Iraq, for example, the billion plus that we have spent right now in the Iraq train-and-equip mission. For example, Iran could easily spend far more than that. And we do have, absolutely, sanctions and laws against that would target Iranian support for terrorism, and those aren't being lifted under this accord. But, practically speaking, the effect of the sanctions mean that Iran will have a lot more money

to use, and it will be up to us to try to plug those holes. And that will be difficult.

Mr. MILLER. Okay. Could you answer the question I asked?

Mr. SINGH. That last part was the answer to your question, sir, that Iran will have far more assets to use.

Mr. MILLER. Let's go to this. Would it be easier for Iran to get weapons to Hamas and Hezbollah or easier for them to get money for them to buy weapons?

Mr. EISENSTADT. Yeah. Well, right now, the Israelis enforce a blockade of Gaza. So getting in weapons, they can't. Money is a lot easier, and many times there are reports [of] people coming in with suitcases and the like. And also Iran provides them with, you know, blueprints for, you know, how to use—how to make better rockets and the like.

Hezbollah, they have more options. They are able to get both arms and money to Hezbollah, and both are important for Hezbollah.

So our ability to, you know, even though, despite the fact that there is a U.N. Resolution 1701, which proscribes Iran from arming Hezbollah, Hezbollah started the last war in 2006 with, I think, 20,000, 25,000 missiles and rockets. They have now 80,000 to 100,000, and that is largely due to Iranian largesse. So our efforts have not been succeeding. And it is going to only get worse in the future now.

Mr. MILLER. And I apologize. My time is very short. And I would like any of you to answer this question. And, again, I apologize, it is a very simple question. Secretary Kerry is quoted in the press saying, "I am absolutely convinced beyond any doubt this deal makes Israel safer." If that is a true statement, why is Israel opposed to the deal?

Mr. EISENSTADT. Yeah. I would just note that it is not just the government, but it is also the opposition in Israel which is opposed. And there is wide, I think, consensus on that. And I guess it is a matter of where you stand depends upon where you sit. And they are a lot closer to the problem.

Mr. MILLER. Dr. Alterman.

Dr. ALTERMAN. Parts of my testimony talks somewhat about Israeli politics. It seems to me there is a political opposition that is very strong in Israel for Israeli political reasons, and in my judgment, the Israeli security establishment is much more mixed, and several senior retired heads of Mossad, Shin Bet, and other organizations have argued in favor of the agreement.

The CHAIRMAN. Mr. Larsen.

Mr. LARSEN. Thank you. Thank you, Mr. Chairman.

I just want to underscore Dr. Alterman's last point about the variety of opinion in Israel. I think within the government and opposition, there isn't variety. Outside of the government and the official opposition there is a wider variety of opinion on the deal, none of which we have a lot of influence over, which is why we are having this discussion here about what our opinions are.

Dr. Alterman, the issue about Syrian and Iranian weapons inspections has come up. Some of us have an opportunity later this afternoon to meet with the former weapons inspector. Can you give

us your assessment of an apples-to-apples comparison, and what the apples-to-orange comparison is? Do you have a view on that?

Dr. ALTERMAN. I have tremendous respect for all the weapons inspectors I have met. They tend to be spectacular scientists. They are meticulous in what they do. It makes all of the investigators I have ever met in the United States pale by comparison, because this really is about getting every detail down. I, therefore, do not feel comfortable telling you how much of this is apples, how much is oranges, how much is a combination.

It certainly matters that you have a war zone versus not a war zone. It certainly matters that, I think, the intelligence communities have spent much more time trying to understand the Iranian program than trying to understand the Syrian program. It certainly matters that there are more trace elements involved in a nuclear program than there are in a chemical weapons program.

But if you are interested, I can certainly put you in touch with some tremendous people who are arms control experts, both at CSIS and at other institutions, who can help prep you for this afternoon's meeting.

Mr. LARSEN. I value that. I don't have time before the meeting, but we have another several—many days and weeks before we have to make a decision on this so.

Dr. Singh, is it Dr. or Mr.?

Mr. SINGH. Mr.

Mr. LARSEN. Can you be clear a little bit more about what you assess Iran's options are for use of additional revenue, beyond supporting terrorism, but including supporting terrorism? And then assess what the likelihood, if you can give me a likelihood about how they might use that?

Mr. SINGH. Well, so money is fungible. They will get somewhere between \$50- to \$150 billion. Secretary Lew, the Treasury Secretary, has said that a good portion of that is already tied up in some overseas projects. So let's say it is \$50 billion for the sake of this answer, my expectation is that like just about every other country, given additional revenue, Iran will spend it in a variety of ways, and these aren't mutually exclusive. I would expect they would use some for domestic purposes, and some for foreign policy concerns.

If you look at the 2013 budget that President Rouhani put in, there were some increases on domestic accounts, but also very substantial increase on military spending, security spending, the IRGC's [Iranian Revolutionary Guard Corps] budget went up considerably, and the Ministry of Intelligence and Security's budget went up considerably.

There is a good reason not to repatriate all the funds right away, because that would have an inflationary effect inside Iran, if suddenly, in a \$400 billion economy, you added \$50 billion. So there is a macroeconomic reason to keep some of it overseas. That could either then be used for regional, sort of foreign policy concerns, or you could use it to purchase investments overseas or any other number of things.

I don't think we can know with certainty exactly what Iran will do, but we have to assume it will be a variety of things. And a little goes a long way when it comes to the regional stuff.

Mr. LARSEN. Mr. Eisenstadt.

Mr. EISENSTADT. If I can just make a comment about the apples-and-oranges comparison.

Mr. LARSEN. Yeah. Great.

Mr. EISENSTADT. And I just wanted to get back to the Iraq inspections. I think it is important to mention why I think in many ways there are some aspects of the Iraqi inspections that are relevant, but many that are not. First, Iraq in the 1990s was a defeated country, and the international community had a lot of leverage. Iran sees itself now as a rising power.

We were willing to use force to support weapons inspections in the 1990s in Iraq. We are not willing to really put out the threat of the military option and to articulate it in a way that I think is credible in Iranian eyes today. And back then, Iraq was sanctioned and they were not able to rebuild their industrial infrastructure, so you had pretty much a static baseline that you were trying to inspect.

Iraq—Iran, as a result of all the funds they are going to be getting, will be able to have all kinds of industrial projects in which they can hide a clandestine program.

Mr. LARSEN. Okay. How much more clearer can we be when we say we keep all options on the table?

Mr. EISENSTADT. It is a very passive formulation, I would just argue. And the Iranians mock it all the time. And so I—

Mr. LARSEN. Anyone's free to mock that, I am pretty sure.

Thank you, Mr. Chairman.

Mr. EISENSTADT. But it comes in against the background of the Syrian CW [chemical weapons] red line. That is all.

The CHAIRMAN. Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman, for your leadership. And thank you for your very thoughtful presentation earlier today on Fox News explaining the issues that we are facing right now.

And, I appreciate the panel being here today.

Mr. Singh, there is bipartisan opposition to the nuclear deal. I was grateful 2 weeks ago at a Foreign Affairs Committee meeting to be present with Senator Joe Lieberman of Connecticut, where he expressed opposition to the deal, and then, in fact, he indicated that there needed to be an override in the event of a veto.

I expressed to him my concern, quote, that, "The Secretary of State designated Iran a state sponsor of terrorism January 23, 1984, over 30 years ago. This was in response to the October 1983 bombing of the U.S. Marine Barracks in Beirut, killing hundreds of U.S. Marines," end of quote.

Subsequently, I asked Senator Lieberman, has there been any change of course by this regime leading up to the negotiations? Senator Lieberman made a chilling response, I believe. Quote, "This Iranian Government, the Islamic Republic of Iran, has the blood of a lot of Americans on its hands. The Marines in the barracks in Beirut, the soldiers at Khobar Towers. I could go on and on. Incidentally, hundreds of American soldiers were killed in Iraq by Shia militias that were trained in Iran by the IRGC. Sir, your question is a good one. Has the government changed? There is no evidence of it," end of quote.

Mr. Singh, do you believe there has been any change prior to the execution of this agreement?

Mr. SINGH. I don't see that change, Congressman. I don't see any evidence to suggest that there has been a kind of strategic shift. We still see Iran actively supporting proxies in Syria, Iraq, Yemen, and elsewhere. We still see them funding terrorism. That was clarified by the State Department recently when it released its terrorism report.

Mr. WILSON. And then incredibly, yesterday, Congressman Berman indicated that support of terrorism continues with the Houthis, with Hezbollah, with Hamas. And as he correctly stated, that is just terrorist groups that begin with the letter H, and so people should know this.

Additionally, Mr. Eisenstadt, what role do you believe the estimated \$150 billion infusion to the Iranian economy will play in their well-documented support of terrorist activities in Syria, in Gaza, in Lebanon, in Yemen, and worldwide? And what type of beneficial impact will \$150 billion have on the Iranian economy, and what mechanisms instituted by the U.S. prevent any use of the funds for destabilization or terrorist activities?

Mr. EISENSTADT. Yeah. Well, again, I think they will be able to provide money to their allies throughout the region, which they can use, in turn, to buy arms, for patronage networks, for—in the case for those who are involved in politics, such as Hezbollah, you know, to provide additional funds for their support base, which ensures their popularity.

And also, you know, we have seen at least reports recently that as a result of sanctions over the last 2 years, they have had to cut back financing or aid to groups such as Hezbollah and Hamas, and that will be able to reverse that trend of the last few years.

Mr. WILSON. And as we look at Hamas and Hezbollah, could you give an estimate of the number of rockets that have been provided to those terrorists directed at Israel?

Mr. EISENSTADT. Yeah. Hamas, a lot of the rockets are home-made, although they are supplemented by both Syrian and, I think, Iranian rockets; although, I don't have the number of the breakdown between the two. And I think Hamas, at the end of the last war, they started the war with 10,000, and the Israelis believe they destroyed about two-thirds of it. But we know they have been showing videos that they have been rebuilding.

Hezbollah, the estimate is about 80,000 to 100,000. A lot of those are Iranian or Syrian. Again, I don't have really a breakdown of that. But to a large extent, Iran has been providing the wherewithal for the way of war, as practiced by these parties.

Mr. WILSON. And Dr. Alterman, according to Human Rights Watch, in 2014, Iran had the second highest number of executions in the world and executed the largest number of juvenile offenders. The country remains one of the biggest jailers in the world. Journalists, bloggers, and social-media activists, 46 behind bars now. What message does this deal send to human rights violators around the world?

Dr. ALTERMAN. Congressman, I have friends who have been imprisoned in Iran. I take that all very seriously. I take the human rights considerations very seriously. The goal of some people in

Iran is if Iran becomes more integrated in the world, then the world's standards will get more integrated into Iran. There will be incentives for Iran to behave. There will be incentives for Iran not to be in an area of instability because companies won't want to invest in areas of instability.

The CHAIRMAN. Mr. Courtney.

Mr. COURTNEY. Thank you, Mr. Chairman.

Thank you to the witnesses for being here today.

Dr. Alterman, I particularly appreciate in your testimony on pages 2 and 3, you directly sort of focused on this committee's jurisdiction in terms of obviously arming our national security system and the role that this Congress can play if, let's just hypothetically agree that the agreement does go into effect as far as shaping the perception of our Gulf Arab states, in particular, that we are committed to their security and also to restraining Iran.

And you talked about, in your testimony, that "overall force structure, basing, arms sales, and training all have a profound effect on these countries' estimates of U.S. intentions and U.S. commitments, and I would argue that a very large number of these decisions come through this committee."

So looking today, where we have got the 5th Fleet in Bahrain, the 6th Fleet in Mediterranean, we have bases in Qatar, you know, we actually did intercept an Iranian arms shipment on its way to Yemen last April with the USS *Theodore Roosevelt*. I mean, are these sort of some of the components of trying to shape that perception of our commitment to pushing back against Iranian aggression in the region?

Dr. ALTERMAN. Sir, we have bases not just in Manama for the 5th Fleet, and in Qatar for CENTCOM [U.S. Central Command]. We have U.S. military bases in all of the GCC [Gulf Cooperation Council] countries, save Saudi Arabia. We have requests from allies for all kinds of weapons systems. And their argument to us is, we are fighting alongside you in Syria. We are fighting alongside you in Iraq. Why is it so hard to get resupplied for the fight that we are in together?

The Emirates will tell you, as they have told me, that we fought alongside you in 11 wars, and we would like more signs of friendship as we try to defend ourselves. It is not my role to give you a list of what the allies have requested to show that we are committed to them or to love them. But it seems to me that if you are looking at the U.S. position in the Middle East, our allies fear that we are looking to get out.

I got emails from Chinese scholars this week who said we think you cut a soft deal on Iran because you want to get out of the Middle East and pivot to Asia, and that makes us worry. I told him, of course, that if all of our Asian allies weren't so concerned about China, they would be less concerned with getting us out there.

But I think that there are any number of things we can do to send signals of what we care about, to send signals of what we are committed to. A tremendous number of those come through this committee. I think it is a very constructive area of engagement for this committee to discuss.

Mr. COURTNEY. And Secretary Kerry, as he testified yesterday, I mean, he is on his way to Doha in a few days to really sort of,

I guess, enhance that discussion or dialogue, which, again, I think almost regardless of what Congress does, that is something that we need to sort of be focused on, particularly, again, in this committee.

Last question I just have is, nothing in this agreement takes the military alternative off the table for this Congress or this country today, or 15 years from today.

Dr. ALTERMAN. Sir, not only does it not take it off the table, but it also doesn't excuse any Iranian behavior. It doesn't give the Iranians any carte blanche to do anything in the region. All those things remain on the table. This is a narrowly derived agreement to focus on the threat of Iran developing a nuclear weapon, with which it would both threaten U.S. allies, and kick off proliferation throughout the region, which, in the judgment of many people, would not contribute to regional stability.

Mr. COURTNEY. I mean, it seems like a fairly obvious point, but sometimes I think it is sort of lost in some of the discussion here. And I would just say, again, that I checked the DOD [Department of Defense] manifest over the last couple of days where we have been flying about 30 to 40 air strikes a day, just this week, off, again our carrier that is stationed over there, and now with Turkey, there is going to be more.

So the notion that somehow this country is just sort of standing by in the Middle East and wringing its hands, passive, I think was the quote that was used earlier, I frankly just think people should sometimes sort of check the basic facts about what our military is actually doing and where it is stationed.

And I would yield back.

The CHAIRMAN. Chairman Kline.

Mr. KLINE. Thank you, Mr. Chairman.

Thank you to the witnesses.

We hear the term, and we have heard it here today and we use it all the time, "in the region." And I was in the region back in March, right before Easter, and had a wonderful opportunity to visit with leaders in Jordan and Saudi Arabia, for example, earlier to visit with leaders in the Emirates. And in this trip—remember, this is March timeframe when the deal was much being talked about but when it wasn't "the deal"—what I heard repeatedly from our Arab friends was a great deal of concern about what Iran was doing.

And as we know—we don't know, but when I was there, this was the fourth day, when I was in Riyadh, it was the fourth day of the bombing strikes that the Saudis and others were conducting in Yemen against the Houthis. So there was a great deal of distrust everywhere we went about Iran and what their activities were and what this deal might yield.

When we were in Riyadh and talking to the minister of defense, who happens to be the King's son, he said to us as we were leaving this meeting, "When you see the Israelis, tell them they're right." And this is in the context of Iran. And you look at this deal, which allows an infusion of some unspecified amount of money between \$50- and \$150 billion, I think Mr. Singh, you said, and I think I heard Secretary Lew use some number like \$56 billion or something like that, that is a lot of money in the region.

I guess, I am looking for some sort of sense, for those of you in Near East policy, I guess, Mr. Singh and Mr. Eisenstadt, what are our friends—what are the Arabs, what are the Egyptians, the Saudis, the Emirates, the Jordanians—what are they now saying, thinking about this deal? Are they safer? Are they less safe? Is Israel safer? Less safe? Please.

Mr. SINGH. Well, Congressman, I think that the concerns that our allies in the region have are not just about this deal, but they are about our overall policy in the region predating the deal. I think they worry that we are no longer strategically on the same page.

And that is why when we talk about what do we do from here, it is fine to talk about assistance in tangible ways to allies; it's fine to talk about a robust American military presence in the region; it's fine to talk about sort of intel resources and making sure that, you know, we are keeping a close eye on the Iranians. But none of those are really, I think, get at the core concern of allies, which is that strategically we are not in the same place, because they see us countering ISIS [Islamic State of Iraq and Syria], and, of course, they welcome that, but they don't see us countering Iranian proxies, whether in Iraq or in Syria, for example.

You see, for example, this recent story about a safe zone in northern Syria where it looked like we might be willing to sort of more actively take on the Assad regime, and then it seems like we are backing off of that. Although, maybe that is just sort of a garbling of a news story. And so I think they feel that we are just not strategically on the same page.

And so they will accept this assistance, absolutely. They will accept the increase in exercises. But they worry about fundamentally, are we going in different directions, as Dr. Alterman said. Are we looking to simply disengage or realign ourselves? And I think that is what we need to convince them that, in fact that is not happening.

And that is why I have written that one of the problems with this agreement is that it is not nested in any sort of coherent strategy for the region and, in fact, it seems at odds with our stated strategy of the region that gives rise to suspicions.

Mr. EISENSTADT. If I could just add to that and build on it. I agree. It comes against the background of the perception among many of our friends in the region that we invaded Iraq, and either through, by design or incompetence, we handed it over to, you know, the Shiites in Iran and perception that we threw President Mubarak under the bus, although, frankly, I am not sure what other option we had at that point, you know, but to switch horses.

So some of the problems are, you know, longstanding, you know, the rebalancing to Asia and then this with, you know, creating the perception that we have a tacit kind of arrangement with the Islamic Republic to empower them in order to create some kind of balance in the region. So it just kind of feeds these kind of fears and perceptions.

But let me just also say, look, one of the things that our allies are most concerned about, because they are dealing with proxy wars and the like around them, and from the point of view of both Israel and our Gulf allies, they see themselves being encircled by

Iran and their proxies, is that this agreement, again, as we have talked, frees up a lot of funds which will enable these activities.

Plus, as I mentioned before, 5 years from now, as the arms embargo on transfers to Iran is lifted, they will be able to get S-300 missiles, if not sooner, that will foreclose, or at least constrain some of our military options, so that even though maybe the military option is technically on the table, it will be much harder as a result of things that we have agreed to.

And the final point I just wanted to make is that no agreement is self-implementing. You have to have a conducive policy context in order for it to succeed. And that is why, you know, Mr. Singh and myself have argued that we need to push back against Iranian activities in the region in order to show them that they will be less inclined to cheat in the nuclear part. If there was a more permissive regional environment, they will be more inclined to cheat.

Mr. KLINE. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Ms. Tsongas.

Ms. TSONGAS. Thank you, Mr. Chairman. And thank you for pulling together this set of people to testify.

And I appreciate your testimony, because I think we all recognize that we are at a real crossroads, that it is a historic moment reflective of a deep commitment this country has made to finding a way forward to constrain Iran from developing a nuclear weapon. And so it is very important, I think. And I think you see here that we are all taking advantage of your testimony to really ask some of the hard questions that I think we all have to be comfortable with as we make our decisions going forward.

And so, number one, I think much of the discussion has sort of strayed away from the goal of the agreement. And the goal of this agreement as set out by Secretary Kerry, President Obama, Secretary Moniz, who is so much a part of it, was to prevent Iran from developing a nuclear weapon, at least for the next 10 to 15 years. And I think much of our discussion has sort of strayed from that to focus more on the impact of sanctions relief, the kind of funding opportunities that it will present.

And in that context, Mr. Singh, I appreciate that you sort of validated the \$50 billion figure that Secretary Lew has put out there as a reasonable number that might be made available to Iran. Not a small one, but we have heard much larger numbers. So as we have this discussion, I think it is good that it is rooted in what really is possible.

But I wanted to get to you, Mr. Alterman, because you have said that it is an adequate deal. That in the context of preventing Iran from developing a nuclear weapon for the next 10 to 15 years, that it is adequate to holding Iran accountable. But you have also said in your written statement, the success or failure of the agreement hinges on implementation, and I think we all know that. Many of our questions do resolve around that.

So can you tell me, in your mind, what the key factors are to a successful implementation, what that would look like? We have heard some concerns about the human dimension, that in the end, it is up to people, part of the IAEA sort of making decisions as to how to move forward, where they suspect that there is some she-

nanigans going on. So we can never get away from that altogether. That is the nature of this agreement in general, any agreement in general.

But what do you see successful implementation hinging upon, going forward?

Dr. ALTERMAN. Congresswoman, it seems to me there are two aspects. One is that you can keep the countries that are enforcing this agreement, intent on enforcing the agreement; that if somebody sees something that is distressing, that the countries will act together to investigate something distressing and be determined to hold the Iranians to account for that.

That, of course, comes in a whole complex set of relationships that we all have with each other and other kinds of interests. But, again, I think the last dozen years we have worked reasonably closely on this. The Russians and the Chinese haven't gone their own way. And so I am cautiously optimistic, although certainly not certain that we can keep this inspection side moving.

The other piece, of course, is what the Iranians decide to do. In my studies of Iran, it seems to me that we often assume that they don't really have politics; that we assume that they don't have factions; that we assume there is one guy with a beard in a room making all decisions. And the more I understand about Iran, the more I understand they have brutal politics: People fighting for resources, people fighting for power, people fighting for influence.

I think one of the uncertainties in all of this is, are there ways that this deal would lead to more constructive Iranian politics that would lead to more constructive Iranian behavior? And that is certainly the hope of this deal. I am not sure it is necessary. But I think one of the promises of the deal is that you can create enough incentives for people who want Iran to be much more of a normal state, much less of a revolutionary cause, to have more influence in Iran.

Ms. TSONGAS. What do you see Congress' role being in encouraging the successful implementation of this?

Mr. SINGH. And I think also making clear that if Iran is to improve its behavior, that American companies would feel much freer to go into Iran. And if Iran is playing games, then Congress would be very serious about not allowing American companies to go in there.

In my conversations with people in oil companies, one of the interesting things is just how conscious they are of exactly where the legal line is for what they can talk about what they would want to do in Iran. And they keep that line very bright and very far away from anything they want to say or do. And I think that is helpful. And the Iranians should know that we are paying attention to what they do, and we will act accordingly.

Ms. TSONGAS. Thank you. My time is up.

Mr. FRANKS [presiding]. I thank the gentlelady.

Thank all of you for being here today.

I think it is probably important at times to just back up and consider just the sweep of military history and the fact that we are over 70 years into the nuclear age now, and we find ourselves in a moment when one of our primary foundations for security in this country is our nuclear deterrent. It is based on a principle that if

someone should attack us, that the response would be unacceptable to them. In other words, the fact that our military capability is on the table if someone attacks us.

And in this situation, I feel like that is probably the fundamental mistake that was made in this agreement; that Iran never really feared a military—being on the table, a military response. And I am convinced that that was because they had to watch this President as ISIS beheaded its way across Iraq, and they knew they had nothing to fear from him.

With that in context, I would suggest that whatever the cost is of preventing Iran from gaining nuclear weapons, it will pale in insignificance, or pale in comparison to the cost of dealing with Iran once it has a nuclear weapons capability.

Mr. Alterman, you suggested that Iran was “writhing in pain,” to use your words, and that this situation was not going to really change that a great deal. But I would suggest that North Korea, when we dealt with them, they were even more economically disadvantaged. And yet, we made a deal with them that, it occurs to me, was much more robust than this one, much more favorable, and the result was that Korea gained nuclear weapons a few years later.

Mr. Singh, I want to point my question directly to you, sir. You laid out three prime components to the nuclear weapons capability: One was the fissile material, the ability to enrich and have fissile material; the second was to weaponize; and the third was to have a delivery system. Given that two and three in circumstances could be accomplished in fairly rudimentary ways, the real fundamental mechanism here is the gaining of fissile material, the ability to have indigenous enrichment or plutonium production.

And under this agreement, where the Iranians now have 19,000 centrifuges, mostly IR-1s, they would back off to 5- to 6,000 centrifuges. Yet, they have, under a protected protocol, the ability to enhance to IR-8s. Would you tell this committee how much more capable an IR-8 is compared to an IR-1, how much that then would compare to their existing capability? And also, would you tell us if one part of Iran’s nuclear infrastructure has been or will be destroyed under this agreement?

Mr. SINGH. Well, thank you, Congressman.

The IR-8 centrifuge you referred to, the Iranians have claimed it is 16 times more powerful than their existing IR-1 centrifuges. The IR-1 centrifuge is an antiquated design. It would take far more of them operating for longer, compared to the IR-8, to make one bomb’s worth of uranium.

How efficient it will actually be in practice, we don’t know, because we haven’t seen it in practice yet. But one concern that you might have about this agreement is that it actually creates a safe space for the Iranians to continue the testing of the IR-6 and the IR-8, and then after 8½ years, begin deploying those centrifuges in cascades, and after 10 years, totally swapping out the IR-1s.

As I said, this is tremendously concerning, because if you wanted to have a clandestine nuclear facility that was small, you would want to use these more advanced centrifuges to do that. I am also concerned about them getting international assistance with the centrifuges. There are various stop-gaps against that, but that is

going to be something we are going to have to pay a lot of attention to in this agreement.

Is anything dismantled in this agreement? I would say they are left in possession of their entire nuclear infrastructure. Their heavy water reactor is going to be modified with a new core. Their centrifuges will be deactivated in parts. But those are limits which expire after a period of 10 to 15 years. So you are talking about temporary freezes on certain parts of it, but not really dismantling.

Mr. FRANKS. Well, I guess, my time is almost up. So I would just suggest that the great concern that some of us have is not only the danger to Israel, but the utter unenforceability of this agreement. And I hope that somehow the American Congress will respond in a way that would give us the best chance going forward to seeing our children walk in the light of freedom.

And with that, I am going to recognize Mr. Veasey for his questions.

Mr. VEASEY. Thank you, Mr. Chairman.

I wanted to ask Dr. Alterman and Mr. Singh specifically about stretching out the inspections. There has been some concerns raised that perhaps these inspections could be stretched out. Like for instance, let's say that there is a—and Mr. Eisenstadt, I would definitely like your opinion as well, if you would like to weigh in—if there is a site that inspectors feel need to be examined, of course, you know, going with the 24-day rule that is put in place.

Will the Iranians be able to, you know, offer any sort of explanations, or any sort of delay mechanisms to stop that 24 days from being, you know, fully enforced? And the reason I was wanting to know that was because, as someone that is thinking about, you know, how I am going to ultimately vote on this, I want to know, is this 24-day number something that is firm?

Dr. ALTERMAN. Congressman, my understanding from the briefings I have gotten from Secretary Moniz and others is that it is adequate because the radioactivity and the traces that these materials leave behind cannot be eliminated within 24 days, or even a little bit longer. I think they have repaved the Parchin site six times in order to try to cover up evidence of what they have done before. They have done that over years.

What I have heard from the nuclear experts I have spoken to is that this window is sufficiently small that if something prohibited has been going on, there will be sufficient residue that our capabilities will pick up.

Mr. VEASEY. But—I mean, but absent any sort of, you know, them trying to clean up a particular site that may have contained radioactive materials, do you feel that the 24-day rule that is in place, that it means 24 days and that it can't be stretched out? The Iranians can't say, Oh, well, wait. Hold on a second. We want you to send us something in writing. We want to have an opportunity to go and look at this a little bit longer.

Dr. ALTERMAN. Every arms control expert I have spoken to, and there have been more than a dozen, have all told me that they feel that that provision is sufficiently specific and rigorous enough to give people clarity.

Mr. SINGH. Well, I have a different view, and I have—actually, Olli Heinonen, who was in charge of verification for the IAEA has

said the same thing. So there are arms control experts who have said this isn't sufficient. Part of the reason is that the 24-day period is proceeded by a back and forth between Iran and the IAEA. The IAEA needs to ask Iran to clarify any suspect activity. That is an indefinite process. We don't know exactly how long that lasts.

If the IAEA is not satisfied, then the formal access request is made. That starts a 24-day clock. If after 24 days that joint commission says, Iran, you have got to give access, Iran could still say no and we would have to take them to a dispute resolution mechanism. That dispute resolution mechanism could last anywhere from 30 to 35 days, and could be extended by consensus of the joint commission, which would have to include the United States, bear in mind.

If Iran still says no at the end of that, then it goes to the Security Council. And the question is, do you want to collapse the entire agreement over this issue? And I think everyone, including the United States, is going to have to look real hard at that request of access and say, is it worth it?

Now, when it comes to radioactive elements, here, look, the question is, is the work in question work that was being done with nuclear material? There is nuclear weapons design work that could be done without nuclear weapons material, in which case, this issue is not relevant to this question. And even if you detect traces of material, if they have had that time to demolish the site, the question is, what specifically can you actually tell about what was going on at that site beyond the fact that there was nuclear material there?

And so I don't think we should take that as sort of a silver bullet. It certainly hasn't been in the past, when it comes to inspections.

Mr. EISENSTADT. If I could just add to that, to build on Mr. Singh's comments, I do agree with Jon in that we have very, very sensitive technologies to deal—to detect nuclear materials. It is something like a billionth of a billionth of a part can be detected, and very often years and sometimes decades later, and it is very hard to sanitize those sites. But that is only one subset of the type of nuclear activities that we would want to prevent.

Now, if somebody is doing nuclear computer modeling stuff, you know, they could get rid of the evidence in as long as it takes to pull out the hard drive and take it home and put it in a different hard drive. And it would be very hard to stop that. If we are dealing with the manufacturer of non-nuclear components for a weapon, well, that would take a bit longer. That might take maybe a couple of days to clean up or so.

It all depends on exactly what kind of activity you are talking about. So it would have been preferable to have a much smaller time window to be able to detect more than just stuff related to, you know, radioactive materials.

Mr. VEASEY. Interesting. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Wittman.

Mr. WITTMAN. Thank you, Mr. Chairman.

I would like to thank our witnesses for joining us today.

Mr. Singh, Mr. Eisenstadt, I would like to propose to you three questions to get you to give us your perspective. We have been told

that this choice is between the deal before us versus going to war. I want to get your perspective. Is that truly the only choices that we have in this? And we are also told that this is the best deal we can get. Is this truly the case? Is this the best deal that we can get?

Dr. Alterman also said, in his testimony, that it was an adequate deal, and that Congress could subsequently go back and fix things that might be a problem from the adequate deal. Can you give us your perspective on how Congress has performed in fixing things that it has put in place that are less than adequate?

Mr. SINGH. Well, look, on the first question, is this really a choice between the deal and war, the deal on the table and war, I think that is a false choice, frankly. The United States, ultimately, obviously, we decide when we go to war. I don't see any preparations for doing that. I didn't detect that in President Obama's policy. If it was really a choice between this deal and war, the Iranians may still reject this deal, which means we should all be preparing ourselves for some pretty nasty options.

I think that that underestimates that deterrent power of the United States. Yes, the Iranians could rush forward for a weapon if we walk away from this, or they could in any circumstance. In the past, they haven't done that. They have been deliberate. They have been slow, in part, I think, because of the deterrent power of the United States. We have said if they do that, there will be this military option.

In fact, I would say that the downplaying of our deterrent option and the alternatives and the consequences for Iran helped us get into what was a relatively weak negotiating position.

Is this the best deal we can get? As I said in my written testimony, I think that we could have gotten a stronger agreement. I think you could argue, well, that is water under the bridge now. We have the deal that we have. And so could we get a stronger agreement in the future? I think that there is no easy scenario for that. I think now it is quite difficult having gone to the U.N. Security Council to endorse this particular deal.

But, you know, frankly, I would say the question is really, do it now or do it later, because once these restrictions start expiring, we are going to need to have some sort of new policy anyway. Unless the Iranian strategy changes, which, as I said, we haven't seen any evidence for, we are going to be worrying about this in 5 to 10 to 15 years and confronting this problem, yet again, without those constraints.

Mr. EISENSTADT. The only thing I would add to that is, first of all, I don't know if we could have gotten a better deal but, you know, because that is kind of counterfactual. But I could point to—and, in fact, I wrote a whole monograph about how the U.S. could better marshal all the instruments of national power to increase leverage over Iran in the negotiations. And there were a lot of—I think there is a number of instruments that we didn't use as effectively as we could have.

So it stands to measure—you know, stands to reason that had we more effectively used the leverage we had—in particular, you know, one of those had to do with a credible military threat, which

I don't think really was on the table—I think we may have come out with a better deal. Again, it is counterfactual.

In terms of can Congress fix it, I mean, actually, you know, I think it is probably too late to do intrusive kind of surgery, because, as Mr. Singh has said, you know, there is already a U.N. Security Council resolution, and I don't think politics will allow that. But I think the role that Congress can play is forcing the administration to create, as I mentioned, for that conducive political context, whereby, again, if Iran believes that the regional environment it is operating in is permissive, it will also believe that it will have more latitude to perhaps push back in terms of its observance of the agreement and perhaps cheat.

And if the regional environment is less conducive, and we are pushing back at Iranian activities throughout the region, that will be a signal to them that—and hopefully will deter them from challenging the agreement, because there is a lot of ambiguity. If you look at this text, I never read—I read U.N. Security Council resolutions all the time; I read these kind of documents all the time. It is the most convoluted, opaque document I have ever read in my life.

And there will be differences in interpretation. And that is why it is very important that the United States and its partners in this agreement clarify, this is our understanding of what Iran has committed to so that they cannot engage in wedge strategies to play us off against each other down the road when people have moved on from the jobs and nobody remembers exactly what it was agreed to. We have got to nail this down now.

And that is where Congress can, I think, be constructive. That is one area.

Mr. WITTMAN. Mr. Singh, within that context, give me your historical perspective about how successful Congress has been in coming back to these issues where there has been these problems with the accuracy of what has been passed here, and the Congress' record of coming back and truly fixing those things. Just give me your perspective on that, or maybe an example about where you have seen that either successful or not successful.

Mr. SINGH. Well, I am not an expert when it comes to the history of arms control agreements. I will say, though, that obviously, revising them after the fact can be difficult. Look at the conventional forces in Europe treaty where we have tried to fix it in the face of Russian aggression in Georgia and Ukraine, that hasn't been terribly successful. And I think it is quite tough to change these things after the fact, once we are in them.

The CHAIRMAN. Mr. O'Rourke.

Mr. O'ROURKE. Thank you, Mr. Chairman.

Dr. Alterman, I would like to continue the conversation about the credibility of a military threat from the U.S. One, I would like to know how you think Iran would respond if we were more explicit about sign this deal with a more ideal standard than the one we currently have, or else we will invade.

And then I would like you to address this concern that our military threat is not credible enough. It is hard for me to understand, considering that we invaded the country to Iran's immediate west and changed that regime. We invaded the country to Iran's imme-

diate east and changed that regime at the cost of hundreds of billions of dollars, thousands of U.S. service member lives, and hundreds of thousands of lives lost in those two countries. So I would like you to begin by addressing that credibility of a military threat.

And then I would just add that this President has made it clear that no option, including a military one, is off the table. There is not a single Member of Congress who would say that the military option is off the table, and not a single Presidential candidate in the current primaries who would say that. So tell me how this message is being lost on Iran, if that is, in fact, the case.

Dr. ALTERMAN. My reading from talking to Iranians is they don't doubt Americans' capabilities do anything anywhere around the world. The question they are confronting is the American will to do things. The question they are confronting is after an open-ended war in Iraq, which accomplished a fraction of American goals, after the longest war in American history in Afghanistan, is the U.S. really prepared to invade Iran, to occupy the country, and impose a different regime?

Members of this committee may have different views on that. I assume that your constituents all have different views on that. But if that is what people think we should be telling the Iranians, that if you don't make this deal, we are going to occupy your country, throw out your government, impose somebody we would like better, I think the Iranians would judge whether the United States really wants to do that or not.

The other side to the spectrum is the U.S. can strike anything anywhere at any time with impunity, and we have been doing it in Syria and Iraq for the last year. And the question is, if you do that, how much difference does that make? And then in between those things, how to use military instruments to get political objectives?

And I think any country struggles with the challenge of how to use military tools for political outcomes, and we have done it sometimes successfully; we have done it sometimes unsuccessfully. But the Iranians, I think, look at all these questions with a fair degree of sophistication. I think they evaluate the threats. They evaluate what they think our intentions are. And they do it with a remarkable degree of sophistication that we don't apply to their system.

There are a lot of Iranians who live in the United States. There are a lot of Iranians who report back. I spoke at a small synagogue in Rockville, Maryland, on a Sunday, and then 2 months later, I saw somebody from the Iranian U.N. Mission who said, "Oh, I thought your presentation in August was really interesting." Because somebody had reported on it.

So this idea that we are going to be able to bluff the Iranians, I think, is a mistake. The idea that we are going to occupy Iran is not something I see a lot of American support for. And I agree very much with many of the things that my friends Michael and Michael have said, this doesn't obviate our need for a genuine strategy. It doesn't remove our need for a regional strategy.

Whatever we do here, we are going to have to have a 5-year plan, a 10-year plan, where Iran will play an important role. But I also agree with Mike Eisenstadt that the time to fix this is probably passed, and the question we have to deal with is going forward

with an Iran, which I think we are going to continue to have trouble with, what is the best position to do that from, with the world or against the world?

Mr. O'ROURKE. I think that is a really compelling point. And I think if the collapse of a deal makes war not certain, but, perhaps, more likely, I would want to be with the world community if we are to reimpose even harsher sanctions, or if we have to go to war. I think it is preferable if we have to make that choice that we go in with allies and with a higher standing in the global community. And the alternative is one that we have lived through before and I think is unthinkable going forward.

So appreciate your comments.

Mr. EISENSTADT. May I clarify a point with permission?

The CHAIRMAN. Just briefly.

Mr. EISENSTADT. Thank you, sir.

Just want to make a point. Nobody wants invasion, and we are not talking about that. But in 2003, the U.S. presence on the ground in Iraq and Afghanistan did apparently cause Iran to suspend their weapons work, and it did help bring them to the negotiations with Europeans at the time, I would argue. But since then, our credibility, I think, has slipped.

And I would argue, we don't want to threaten them in their face. This should not be an ultimatum. It should be subtle, because that works better in this part of the world, and indirect threats and telegraphed threats are much more effective, I think. So nobody's talking about getting in their face and threatening invasion.

The CHAIRMAN. Dr. Fleming.

Dr. FLEMING. Thank you, Mr. Chairman.

Gentlemen, I, for one, do not believe that a bad deal is ever better than no deal, and I am very disappointed about what we have. I see this as a terrible agreement, and we should not support it, and it is a high water mark. It can only go down from here. I would say that it is equivalent to the 1938 Munich Agreement. I think it will lead to not peace, but to more war.

We are already hearing that neighbors in the region of the Middle East are planning to build their own nuclear facilities, develop nuclear weapons in a very bad neighborhood. And certainly, our closest friends and allies, Israel, I think, are virtually unanimous in their belief that this is a bad deal, and I think we should listen to what they have to say.

But there are some interesting points here. This deal provides Iran with a signing bonus of \$50 billion to \$150 billion of assets in overseas accounts and provides economic growth associated with sanctions relief. And I am particularly concerned about how the regime might use these funds to build up conventional capabilities of its own military, as well as those of its allies and terrorist proxies in the region, such as Hezbollah.

General Dunford, the President's nominee to be the next Chairman of Joint Chiefs really recently testified, and I quote, "I think it is reasonable to assume that if sanctions are lifted, the Iranians would have more money available for malign activities," end quote.

So my question to Mr. Singh and Mr. Eisenstadt, could you describe how Iran might prioritize its money to support such malign military activities in the region?

Mr. SINGH. Well, Congressman, as I mentioned before, my anticipation is that Iran will use whatever financial windfall it gets for a variety of purposes. And they have shown in the past that even under sanctions, even when they were under duress, they increased the amount they were willing to spend on security accounts, for the IRGC, the Revolutionary Guards, the Ministry of Intelligence and Security, and overall military spending. So, I don't see why that would change under these new circumstances, except they will have a lot more money to spend, frankly.

We care about this stuff because the things that Iran does, supporting proxies, like Hezbollah, Hamas, Palestinian Islamic Jihad, undermining the sovereignty of governments in the region directly threaten our interests and objectives in the region. Iran also—I think, General Dempsey recently pointed out—is engaged in cyber activities, which we perceive as a threat. They have invested in sea-based mines and other means of sort of compromising freedom of navigation in regional waterways that are a threat.

I don't think we should assume that this strategy will change; in fact, I think there is every reason to believe this strategy will continue. And all we can say for certain is that they will have more resources at their disposal, and fewer sanctions impediments for pursuing that strategy.

And I should just point out as a corollary that, to me, the nuclear weapons program was not a standalone thing, not a lark. I think it was part of this strategy. And so that determination also remains there. And my big concern about the agreement is not that we shouldn't have a negotiated agreement—I think we should—I just don't believe that this one is sufficient to reliably prevent them from continuing to pursue that.

Dr. FLEMING. Mr. Eisenstadt.

Mr. EISENSTADT. The only thing I would add is that they would probably prioritize proxies over their conventional military capabilities except for the SAMs, which I think are important for them to provide an umbrella over their nuclear programs going forward. And then among the proxies, it is Syria, Hezbollah, then Iraq, then probably the Houthis.

Dr. FLEMING. And doesn't this agreement also allow over the course of the first 8 years or so, or maybe the first 10 years, for Iran to import more ballistic technology, which could not only enhance the threat regionally, but also even to the U.S.?

Mr. EISENSTADT. This is something which I have not been able to get my arms around looking at this agreement. I mean, in the annex where they discuss ballistic missiles, there is a paragraph which discusses a continued ban on the importation of technologies that could be used for the production of delivery systems for nuclear weapons. So that remains in place. You still have other sanctions related to missiles and the Missile Technology Control Regime [MTCR].

But we know, because they have published pictures of their missile production facilities, they are still able to get stuff which they should not have been able to get under the MTCR, and very large pieces of equipment and special materials and the like. So, it is a leaky system before this agreement. I don't think the agreement will change anything in that regard.

And, in fact, after 8 years with the missiles, in some ways, it might become a little bit easier for them and they will have more money, which you need to facilitate smuggling and violation of export controls and the like. Money helps a lot in that area.

Dr. FLEMING. Thank you. I yield back.

The CHAIRMAN. Ms. Duckworth.

Ms. DUCKWORTH. Thank you, Mr. Chairman.

I would like to continue this line of questioning. I think we can all agree that Iran is unlikely to change its regional behavior in the wake of this agreement, and I think that we have sort of talked about that—they will have more funds—in addition to expending the funds in other places, they will have more funds to expend for their proxies in the region.

But I want to know what post-deal confrontation looks like. What should the U.S. response be? Are we more involved in getting more engaged in Syria? Are we going to end up having to spend more time holding the Gulf States back from their attempts to now develop nuclear weapons themselves?

What is the U.S. involvement in the region? Are we going to be more involved in places like Lebanon, Yemen, and will we need to do that in order to reassure our Gulf State allies? Mr. Singh.

Mr. SINGH. I do think that as a result of the agreement, but also as a result of just the chaotic regional situation and Iran's involvement in these conflicts, we will need to be more involved, not less involved, in the Middle East going forward. And I think that will take any number of forms. Jon talked about some of them. I mentioned some of them.

It will take the form of assistance and exercises and things like that with allies. It will take the form of intelligence focus on Iran and on its proxies and so forth to keep a close eye. It will mean a robust, forward presence in the region, which we have now, maintaining that or even enhancing it so that we can respond quickly, if, for example, there is an Iranian breakout attempt or some conflict flares up far worse than we see now.

But I do think it will also mean trying to do more to counter Iranian regional ambitions. And exactly what that looks like, it could be any number of things. It could be more involvement in the situation in Syria, getting finally a little bit more serious about trying to bring that conflict to an end, putting more pressure on the Assad regime. It could look like responding more forcefully to Iranian provocation through the Strait of Hormuz.

Remember, one thing that we saw just a few months ago was a more aggressive posture by Iranian fast ships in the Strait of Hormuz, taking some cargo ships captive. We didn't really respond to that. And so I think one thing we will need to think about is responding more forcefully in such situations.

Ms. DUCKWORTH. So if the deal fails, what does U.S. involvement look like? And specifically, I want to know what the Gulf States will—how will they react? And then are we then dealing with the Gulf States attempting to amp up their nuclear ambitions and feeling the need that with no restraints on Iran, they need to develop nuclear weapon capability themselves? What is that alternative?

Mr. SINGH. So I don't think that if this deal doesn't go forward, for any number of reasons, I don't think it is right to say there are

no restraints on Iran. In the sense that, remember, Iran still was careful in the past because of the U.S. military threat not to rush forward, not to cross certain lines. Iran still has to worry about American deterrence. We shouldn't sort of factor that out of the equation. It is not as though the deal—the deal doesn't limit them at all, in fact, in these areas. It is our deterrence, our posture in the region that deters them.

I think all the deal does, is number one, in this front, send conflicting signals to allies and cause them to worry more about what is our strategy in the region; and number two, it lifts some key sanctions on Iran and provides Iran with more financial assets to pursue that strategy. So I don't think the regional situation looks dramatically different except for the U.S. standing and the Iranian capability in that circumstance.

Ms. DUCKWORTH. I don't know who wants to answer this one. What is the Gulf States' reaction to no deal?

Dr. ALTERMAN. I don't think they can contemplate it, to be honest. They are used to having governments that make executive agreements. The idea of powerful legislators who tell the princes you are not going to do this is not something they think a lot about. What they are thinking mostly about is what does this mean for American intentions, American commitment, American assurances. They will try to read that.

I think they will see a less-constrained Iran as more menacing, and they will want to feel us even more, and they will want to feel other countries even more, because they will want an array of support. I think they also will get increasingly concerned that the White House doesn't speak for the U.S. Government, and they will want to deemphasize the United States to the extent they can in their strategies because of a lack of confidence that when U.S. Government officials tell them something, it will represent U.S. Government policy.

Ms. DUCKWORTH. And would that carry over to whichever party controls the White House?

Dr. ALTERMAN. I think it would. You know, one of the concerns in the Gulf States that I have heard, I have sort of picked up reading between the lines, is their concern sometimes that Americans don't always understand there are evil people in the world, and we should really have enemies. And I think the Gulf States, on the one hand, understand they really have enemies, but they also talk to their enemies.

For all the UAE [United Arab Emirates] is staunchly opposed to the Iranian nuclear program, there is billions of dollars in trade between the UAE and Iran. And I think that they want us to figure out what we were really trying to do.

Ms. DUCKWORTH. Thank you.

I yield back, Mr. Chairman.

The CHAIRMAN. Mr. Coffman.

Mr. COFFMAN. Thank you, Mr. Chairman.

And thank you all for being here today and for sharing your expertise with us.

Can you reflect on why the President of the United States took this agreement before the United Nations for a vote prior to allow-

ing Congress to vote on the agreement? Anybody like to comment on that?

Mr. EISENSTADT. Well, I suspect you know the answer. I suspect he wanted to be unencumbered and, you know, I mean, if possible, to present Congress with a *fait accompli*. I mean, I think that is kind of the logic of executive prerogative.

Mr. COFFMAN. It seems to me that the President has a view about foreign policy and national security based off sort of a peace-through-diplomacy approach. But I had met in 2009, went to Israel and met separately with Prime Minister Netanyahu, President Peres, and the chief of staff of the IDF [Israeli Defense Force]. And I asked them the same question. And I said: Well, how would you best propose to stop Iran? What is your recommendation for stopping Iran to obtain a nuclear weapon? And they all actually had the same answer in separate meetings, and they said that you should impose economic sanctions that are harsh enough to where the government of Iran worries about a collapsing economy and losing power, political power, as a result of that.

I wonder if you all would comment on that.

Mr. SINGH. Well, I think that that is right, and that was the U.S. approach for a long time. It was to combine diplomacy with these coercive elements to try to produce a sort of cost-benefit analysis by Iran that it had no choice but to sort of give up its nuclear weapons ambitions and maybe to embark on a broader strategic shift.

I think that when we get ourselves into trouble is when we sort of just choose one tactic over the others and sort of reject all the other tools in our tool kit. And I think what happened here was that we lost the coercive element to it. You know, in negotiations, you have got the deal, and then you have got, what are the consequences for not accepting the deal? It is sort of what we talk about here. What are the alternatives?

But I think when we posed the alternatives to Iran, they simply weren't very threatening because the language that we were using was simply that we needed a deal, that we didn't have good alternatives to the deal, and this gets to the question of the credibility of the military threat. And so I think that what was coercive diplomacy lost the coercive element. And if we had kept that in play, if we had used that more smartly, I think we could have gotten a stronger agreement.

Dr. ALTERMAN. Congressman, I think the Iranians—certainly Hassan Rouhani—thinks that if this doesn't go through, he will be out of power. I think his strategic view has been for about 15 years that the level of animus between Iran and the world harms Iranian national security. He argued when he was the Secretary General of the Supreme Council on National Security back in about 2000, 2001, that we should knock down the walls of mistrust between Iran and the West with bulldozers. That is not because he doesn't think that the West has malign intent toward Iran—and a lot of Iranians give you a whole litany of Western offenses against Iran—but because he thinks that level of antagonism, a level of violence between our societies undermines Iranian national security, and I think that he has made the decision not that the West is really a warm and friendly place that is going to respect Iranian interests,

but that level of hatred and animus is harmful, and this deal provides a way to lower the temperature. I would argue that would also serve American security interests and stability—

Mr. COFFMAN. And let us not pretend that this is a democracy. There is a vetting process for anybody to run that is through the Supreme Leader. And so I think that one of the problems with American foreign policy is we want to believe that everybody is really, at the end of the day, just like us, and if given the opportunity, they will be like us and—let me finish here—I think that is a fundamental flaw in this agreement, in this agreement because I think that was the basis of the President's view when he came into the White House, it was that he didn't believe in sanctions, he didn't believe in economic sanctions. He believed that if we treat Iran just like any other country, they will behave like any other country, and that is a very high-risk strategy with a very low probability of success.

Mr. Chairman, I yield back.

The CHAIRMAN. Dr. Wenstrup.

Dr. WENSTRUP. Thank you, Mr. Chairman.

Gentlemen, I do appreciate you being here and having frank discussion with us today.

Mr. Alterman, you mention that this deal is adequate. And, frankly, I think it is far less than adequate. And the notion of no deal, to me, is actually more adequate than the deal that is on the table. What we are doing today does more to keep us safe than what this deal does.

And you mentioned Iranians writhing in pain, and I would like to point out, as a surgeon in Iraq, what writhing in pain looks like. And when you see an American soldier that has been hit by an IED [improvised explosive device] provided by Iran, that is writhing in pain. And if they are writhing in pain, it is because of the actions of their government and their people. And I can't find anything since 1979 that would give us any indication that we should trust in this government, in these people.

You mention Rouhani. He is not the leader. Khamenei is. And he has publicly stated before and after this agreement that they will continue to be an adversary of the United States and attack the United States. This agreement allows them to be more capable of that. It enhances their opportunity for weapons to kill Americans.

And the other thing that has been said is it is this deal or war. I would like to ask you a question. What is war? Is war going to battle? Is that what war means to you? I am just trying to get your opinion of what that statement might mean.

Dr. ALTERMAN. First, I don't agree with the idea that it is this agreement or—

Dr. WENSTRUP. I am asking a different question.

Dr. ALTERMAN. No, but I don't agree that—I don't agree with the formulation that it is this deal or war. I think it is this deal with the world behind us, or it is this deal with us sailing against the world. And I think that makes a whole—

Dr. WENSTRUP. Okay. Let me point something out. You mentioned how cooperative Russia and China have been. They are not being threatened by this government. We are. Russia and China is not hearing "Death to Russia," "Death to China." It is a lot easier

for them to be cooperative and to give in on this stuff. But I asked you the question: So this deal or war, what does war mean to you?

Dr. ALTERMAN. So you talked about the writhing in pain. And I know veterans, and I am sure you do, and I live right behind Naval Medical Center, and I have seen unspeakable injuries. So I don't diminish that at all.

I have also met Iranian veterans of the war with Iraq who they believe have been crippled for life by chemical weapons that the U.S. turned a blind eye to.

Dr. WENSTRUP. My question right now—thank you very much for your comments on my comment.

My question right now is, what do you conceive to be war? We have heard the statement, "It is this deal or war." What do you perceive that as? Going to battle? What does that mean to you?

Dr. ALTERMAN. War can be any number of covert actions, overt actions, limited war, unlimited war, efforts to depose the government, efforts to punish the government. We could see any number of things with any number of people on our side and any number of people on their side.

I think what we are sometimes missing about Iran, not that Iran is a democracy, but Iran has genuine politics. I think Iran has genuine politics. It is hard to be serious about the history of Iran since 1979 from Ayatollah Khomeini, who had dominant control because of his spiritual position, to Ayatollah Khamenei, who has much less of the gravitas that his leader did. He sort of got a cheap promotion up to being Ayatollah to make things work. It is a country of politics.

And I think what the administration has tried to do is to see if there is something to unlock in the politics that will make Iran less of a threat. But I think the whole spectrum of war is available to us. The whole spectrum of war is available to the Iranians. I think we will win. I don't think the Iranians can beat us, but what does that look like in the alternatives to—

Dr. WENSTRUP. Well, the point I am trying to make is we have given up so much that down the road liberates the Iranians to do what they say they want to do, which is to kill Americans. Okay? And so when it comes to war, there are other components. And I think that when we hear that statement coming from a high level in our government, people in America perceive that as going to battle. These gentlemen talked about it. I believe they understand all the components of war, which is diplomacy; military sometimes is a deterrent, often is a deterrent like the Cold War; sanctions, which we are giving up; and sharing of intelligence and building a relationship with our allies that also look at this enemy as an adversary. And I'd like maybe you to comment on some of the other components of war that we could be using and are not, if you would.

Mr. SINGH. Well, look, I think the question of deterrence is a very important question. And I think that the idea that we had no choice but to make this deal does discount the role that deterrence plays in shaping the decisions of other countries, of adversaries. And I think that going forward, maintaining that deterrence is going to be awfully important to any successful U.S. policy in the region.

Dr. WENSTRUP. Thank you.

And, unfortunately, my time is expired. I yield back.

The CHAIRMAN. Mrs. Walorski.

Mrs. WALORSKI. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here.

And I guess, Mr. Alterman, I think just—and we have sat here for two hours, and I appreciate you indulging us. But I think to your point that you have just been talking about for the last couple of minutes here about Iran being a country of politics and alluding to the fact that one of the issues is, from the world's point of view and from an Iranian point of view, they are used to dealing with other nations that have princes, that don't have a legislative body.

And I think that is one of the reasons why there is such a disconnect in this country because we are talking about—you know, we are not talking about little treaties and little things about tanks and small arms. The American people in the United States of America do understand this is an existential threat we're talking about. It is an existential threat. Now, we're talking about nuclear weapons. We're talking about an existential threat to Israel, and we're talking about an existential threat to our homeland. That is what we are talking about, or we would not be involved in this, quote-unquote, "agreement."

And, you know, that is where I think a lot of the issue comes down to. We do have a separation of powers. Before we enter into something like this, which existentially is a threat to all of us, the American people do have a right to know through their representatives sitting here today and having a look at that document and being allowed to vote.

My question is on the perception of what is going to happen after this vote, and whether we have enough votes to override a Presidential veto. I happen to think it is going to be very close, or what the President has been up to he wouldn't have been up to, and he is really calling everybody, and he needs every single vote.

What are we going to look like to the rest of the world as a split nation? There is no mandate. There is no giant majority. There is a couple of votes over the top that gets this bill through, which is where I think we are going to be.

What perception, then, does the world take on that, a President that doesn't even have a majority of agreement in his own nation?

Dr. ALTERMAN. What I have read in foreign newspapers in the last week is something of surprise that there is the debate going on in the United States that is not going on in other places. We have people invoking the Holocaust. We have all sorts of things that in the rest of the world, is just considered to be strange.

Mrs. WALORSKI. Because the rest of the world is not a superpower. The rest of the world doesn't dictate peace and freedom and fight for those things, and fight for the freedom of people. The rest of the world are apples to us being an orange. So, in the peer level that we had with Russia and China, and to my Representative colleague's point, they are not victims or targets of this aggression. We are the victim and the target of the aggression. We are the ones that have watched Iran operate in Iraq, killing Americans, involving themselves in Yemen, involving themselves as the largest state sponsor of terrorism with Hezbollah and Hamas. We are the

ones that have watched that. We are ones that sent American blood and money to free these countries from the oppression of these terrorist regimes. Largest state sponsor of terror. No changing the mind of the Ayatollah. And here we sit. That is why the American people are so divided. And I think we are going to see a divided answer to this question on the agreement. It may lose by a couple. It might win by a couple. But at the end of the day, the perception, then, doesn't change.

Dr. ALTERMAN. The perception that we are—

Mrs. WALORSKI. The perception of the world. The perception of Iran doesn't change. There is no major majority.

Mr. SINGH. If I could just weigh in here, I think you—there is an important point here I think which is it is an open secret that I think a lot of folks on both sides of the aisle are concerned about whether this agreement is sufficient. So what I anticipate will happen going forward as we look ahead is that whoever comes into office next as President, regardless of party, may find that this is insufficient, may find themselves wanting to strengthen the nuclear constraints on Iran. And that is going to be very tough to do. It is going to be very tough to get allied support for that, frankly, because, you know, when we talk are the P5+1 with us, you know, I was working on this in the mid-2000s, and I remember how hard it was to get even European support when they had the business deals they had with Iran. And I think getting support to strengthen the nuclear constraints in the future, which I think any President is inevitably going to want to do, is going to be quite hard. And then if you look at the agreement itself, it is clear that there are ambiguities over other relevant issues, like does the agreement give us the authority, give us the ability, to impose sanctions on Iran for terrorism and human rights that sort of mirror the effects of the sanctions we are now relieving? We think that it does. And I think Secretary Kerry has testified to that point. It is not clear to me, though, that our allies agree with that. And so that sets up a very difficult situation for us because, you know, who knows if we will have that support.

Mrs. WALORSKI. Can I ask you one quick question before I run out of time? Other than Iran, I think in this agreement, personally I think the United States is a loser, and I think Israel is a loser. Who are the other winners in this agreement besides Iran? Who gains the most?

Mr. SINGH. Well, I think those who gain the most are anyone who wants to do business with Iran, anyone who sees Iran as a strategic partner, frankly.

Mrs. WALORSKI. I yield back.

Thanks, Mr. Chair.

The CHAIRMAN. Ms. Stefanik.

Ms. STEFANIK. Thank you, Mr. Chairman.

And I want to follow up on Dr. Fleming's questions. This deal does not shut down or even limit the production of Iran's ballistic missile program. Iran will continue to maintain a ballistic missile capability that is the largest inventory in the Middle East as well as develop an ICBM [intercontinental ballistic missile] capable of reaching the U.S. So, as you know, this type of capability is a very real threat to our national security. And we need all possible tools

available to deter and protect ourselves and our allies from the devastation potentially from Iranian ballistic weapons. So given that this deal rolls back the missile embargo on Iran, how will increased ballistic missile cooperation by Russia and China impact Iran's ICBM program?

And I will start with you, Mr. Singh.

Mr. SINGH. Well, Congresswoman, I think this is a big gap in the agreement. And if you will remember with the [1994] Agreed Framework, what happened after the Agreed Framework was suddenly the conversation turned to missiles and the North Korean missile launches, which happened in the second part of the 1990s. And my concern is that that is what will happen here because, as you said, the ban on launches, especially, goes away with this agreement. It turns from a binding ban to nonbinding hortatory language in the new resolution. I think we need to be concerned with Iran's medium-range ballistic missiles, which could put our bases and our forces within range, which are inherently, according to what I have seen reported, nuclear capable. And I think we need to worry about those ICBMs. And if you look at past testimony, open testimony, by U.S. intelligence officials, the sort of timelines for ICBMs always specify "with critical foreign assistance." That critical foreign assistance becomes a lot easier as sanctions are lifted in 8 years, or if sanctions are lifted before 8 years under certain stipulations here. And so, again, my worry is that this is inherently part of a nuclear weapons program. You need a delivery vehicle. My worry is that the deal will actually allow them to perfect this relatively underdeveloped component of their nuclear weapons program.

Ms. STEFANIK. And one more follow-up, Mr. Singh, before we go to the other witnesses.

Can you give me your full personal assessment on the threat to U.S. soil today from the Iran ICBM at its current stage in development?

Mr. SINGH. I don't know that I have the details to do that. I don't think that we have seen anything to indicate the Iranians have reached that capability yet. They have engaged in space launch activities and so forth. That is out in the open, but I couldn't tell you sort of a timeline as to when will they get there and so forth. I think it depends on a lot of variables. But in a classified setting, I am sure that is a question that should be posed to U.S. officials.

Ms. STEFANIK. Thank you.

Mr. Eisenstadt.

Mr. EISENSTADT. I will just add a few points.

First of all, as I mentioned before, they already seem to be able to get, despite the restrictions that have been on them in the form of U.N. resolutions and Missile Technology Control Regime constraints, they still have been able to get technology and move forward slowly but surely with their program. So the addition—their access to frozen funds will, I think, enable them to ramp up the smuggling activities. Again, money facilitates kind of, you know, shell companies and the activities of middle men who are engaged in this kind of smuggling. So I assume they will be able to ramp that up.

Secondly, I will mention that there is no mention of cruise missiles in this—in the deal. And they recently unveiled in the last year a cruise missile they call the Soumar, which is based on the old Soviet Kh-55 air-launch cruise missile. They modified it to make it a land attack cruise missile. If it has the range of the original Soviet system, that is 2,500 to 3,000 kilometers. That is a very—that is a long-range cruise missile. We don't know how successful they were with the reverse engineering. But I am very concerned that this is—this was in the Soviet inventory their primary air force—their air force's primary nuclear delivery system. And now the Iranians are producing their own version of it. And there is absolutely—the agreement says nothing about that. So that is something I am very concerned about.

In terms of their ability to reach the U.S., they are not here yet. I mean, they have been working on—they have missiles that have 2,000-kilometer range which means they could range southeastern Europe from their part of the world. If they were to put them on a ship, on a—and people have speculated about this possibility, put it on a civilian transport ship and put it off the coast of the U.S., they could reach us conceivably, or if they were to get a land base in this hemisphere.

And then, finally, this will just simply complicate our missile defense challenge. We have been selling a lot of missile defenses to our allies in this part of the world, and as they move forward with their capabilities in this area, we are going to have to do more. But there is a lot more we need to do with our allies in terms of interoperability and sharing of information that they are not doing right now to ensure that the whole is greater than the sum of the parts.

Ms. STEFANIK. Thank you.

Dr. Alterman.

Dr. ALTERMAN. In the last 7 seconds, I will tell you I grew up in Poughkeepsie, and your district is one of my favorite places in the whole world.

Ms. STEFANIK. I am happy to hear that.

Thank you. I yield back.

The CHAIRMAN. Ms. McSally.

Ms. MCSALLY. Thank you, Mr. Chairman. Thank you, gentlemen, for your testimony today.

Mr. Singh, you mentioned that it seemed like, you know, this is fait accompli, like, you know, Congress can't change this, and there has been a lot of discussion on that really in the media, but, you know, the reality is this isn't a treaty like the CFE [Conventional Armed Forces in Europe] treaty. Now, maybe perhaps it should have been, but it is not. And if you look back in history, there has been, according to Mark Dubowitz, who talked to us yesterday, over 200 occasions where there has been a treaty or an agreement that came to Congress and Congress provided amendments to that treaty or international agreement and said: Look, we are going to vote on this thing, but you need to go back to the table, and you need to make this a better deal. And over 200 times this has happened.

So all of sudden there is this dynamic going on like we have forgotten that this is the way the three branches of the government work, and we have got to either take this deal; it is up or down;

it is, you know, Chicken Little; it is we go with this deal only because, you know, this administration has negotiated this deal or bad deal are we even in this situation; and somehow Congress really can't do anything about it. So why can't we go back and say, we will potentially agree to this deal if it has the following, you know, five, six, or seven amendments? Go back to the table. That is what leaders do. That is what leaders of the free world do, bring our allies back together and say, Congress will approve this under the following restraints. Why can't we do that? Why is this narrative continuing to, you know, perpetuate that Congress is, you know, we are just spectators in this whole thing as opposed to demanding we have a better deal like we have done in the past?

Mr. SINGH. Well, Congresswoman, look, I think in terms of the premise, I agree with you. If you look at the history of arms control agreements, there have been agreements that Congress didn't accept. For example, I mentioned before the SALT II agreement was withdrawn from consideration. We had other arms control agreements with the Soviets that never went forward because of opposition or because the situation on the ground changed, and we didn't think that it was any longer the appropriate agreement for what we were trying to accomplish. And certainly if this were considered a treaty and the administration couldn't muster the two-thirds support that it needed, then the logical option would be to go back and try to renegotiate the points that need to be renegotiated. You could argue that that also means that those who oppose it need to be specific in their opposition, say: Here is what isn't strong enough, and here is what we need to see improved. And I do think that is important here. And, you know, if you look at what we have written, and I know this is true of many of you as well, there are specific points which are not deemed sufficient.

I think the trouble here is the mechanism is obviously quite different. And you have acknowledged that. This has already been blessed by the U.N. Security Council. The adoption date is 90 days from when it was voted on, which is just 30 days, then, past when Congress will get to review it. And the question is what will happen. If Congress disapproves, could the parties go ahead and implement anyway, and then that sort of puts us in this position of opposing the agreement that we are ourselves negotiated. Or would the other party simply walk away and say, "This doesn't work without U.S. participation," in which case, as I have argued, because our allies still will oppose Iran developing a nuclear weapon, I think that they may not like the situation, but I think we are still then back to the drawing board and trying to renegotiate a stronger deal.

Look, under any other circumstance, if a deal doesn't have the sufficient domestic support, you go back and renegotiate it.

Ms. MCSALLY. Exactly. Thank you. I only have a little bit of time left, but another consideration—I was in the military. I deployed six times to the region. I, you know, put my life on the line as with many of my colleagues in order to defend our interests in this region. We have many dead American soldiers because of Iran and what they did in Iraq, what they have done in Lebanon as a state sponsor of terror.

This is very personal for those of us who served in uniform. We are deeply concerned that with the influx of cash that they are going to have, they are going to continue to grow their conventional capability, increase their air defenses, increase their ability to shoot down our pilots, close the Straits of Hormuz, do all the things—I mean, I have been briefed—I am well aware of the military option as it exists rights now. It becomes much more dangerous in the future, 10 years from now, for those of us who are like: Well, at least we buy time. So we buy time with a state sponsor of terror with an influx of cash to build their conventional and nonconventional capability that is going to kill more Americans if we actually have to do a military option later and the increase of risk to American lives. Could you just comment on that?

Mr. SINGH. Well, I do think that that is right. And my worry is that when you do a deal like this with a party which hasn't had any kind of strategic shift, if we know that Iran is still determined to carry out that strategy, then my worry is that we will be finding ourselves encountering those things in the future and that the military option does get more difficult as you go forward, as Iran arms itself, as you have international folks inside those nuclear facilities, and as they have been granted sort of international legitimization.

Ms. MCSALLY. Thank you. And I would say "difficult" is a clinical word. More Americans are going to die. That is what it comes down to.

Mr. EISENSTADT. I will just add as I see we are out of time, that given—I see the possibility that 10 years down road, 15 years down the road now, next time they will be—if they build another clandestine facility like they did at Fordow and Natanz those are relatively shallow. Next time it will be much deeper; they have world-class expertise in superhardened concrete and in tunneling, and I am not sure we a military option with our current conventional capabilities 10 or 15 years down the road.

Ms. MCSALLY. Great. Thank you.

My time is expired. I yield back.

The CHAIRMAN. You all have been very patient through a variety of questions. I am going to impose on you just a moment longer because—and you kind of talked around these things, but I just want to get each of your brief thoughts.

One of the things that concerns lots of people around the world is the growing conflict between Sunni and Shia. We see it in Iraq. We see it in Yemen. And the concern that that spreads to a, you know, even more violent, even more widespread sort of conflict, does this agreement have any effect on the likelihood of a Sunni versus Shia open war?

Mr. SINGH. Well, Congressman, you know, you have heard some folks say that in the wake of this agreement, maybe Iran would be a partner against ISIS. I think that is misguided because I think the more Iran is active in the region, the more it is engaged in these conflicts in places like Syria and Iraq and so forth—and in Syria, there is a very strong indication that Iran is really at the forefront of the battle that the regime is waging. I think that exacerbates sectarian conflict. I think that that feeds movements like ISIS rather than sort of diminishing them.

And so I think looking at Iran as a partner, when in fact Iran has been filling the same vacuum that some of these other groups are trying to fill, is mistaken. And I worry that that will get worse, not better, in the wake of the deal.

Mr. EISENSTADT. I will just add, I mean, I agree with that, and, you know, the idea that we partner with Iran as part of this campaign just will feed the impression that our idea of the best way to counter Sunni jihad is by partnering with Shia jihadists. And, again, that simply is a lethal combination that exacerbates the conflict in the region.

But even if we don't, you know, overtly partner with Iran, there is the perception that we are tacitly partnered with them. And even if we successfully, you know, parry those perceptions, you know, the fact is that the additional money that is available under this agreement will enable Iran to, you know, ramp up support for its allies and partners in the region that are key actors in the sectarian conflicts. So, I think we should expect further intensification. And also just the perception that Iran is coming out of this as, you know, if this from their point of view feeds into their narrative of a rising Iran that is, you know, triumphant in the region, and that will simply only further exacerbate the fears of the Sunnis in this part of the world and feed recruiting for ISIL [Islamic State of Iraq and the Levant] and Al Qaeda affiliates.

Dr. ALTERMAN. Mr. Chairman, I think we have gotten a little fixated on how fixed sectarian identity is and how important it is. It is not very long ago that there was lots of intermarriage between Sunnis and Shia throughout the region. There were mass conversions to Shia Islam in Iraq in the late 19th century. We are not really sure why. These categories have gotten more fixed, and it is partly because people have seen this as a proxy for a state battle, and they have used religious terms, religious categories, in order to fight between Saudi Arabia and its allies, on one hand, and Iran on the other.

I think the goal of this agreement, in part, is that it creates incentives for Iran to try to be like a more normal country, a country which wants to have investors come in. It needs tens of billions, hundreds of billions of dollars invested in its oil industry, its gas industry. They want trade. I mean, there are a lot of signs that there are parties in Iran who want Iran to be a much more normal place. Try going somewhere on an Iranian passport as a tourist. There aren't a lot of places to go. And you don't have money to spend. And so there, I think, there is the possibility of incentives that Iran will cease to be the kind of country Congresswoman McSally described, in many cases very accurately, that the long history of antagonism between us and Iran will diminish. They talk about how we helped overthrow Mossadegh in 1953, and we were involved supporting Saddam Hussein in the 1980s and so on. And they can be more normal. And a more normal Iran is not going to be an Iran that is feeding the flames of this sectarian violence. A more normal Iran is going to act like a more normal state. I am not sure that will happen. I hope it happens. And if it happens or if it doesn't, I think we want the world with us.

The CHAIRMAN. Yeah.

Mr. SINGH. If I could—Mr. Chairman, if I could just comment on that because I think that if you look at the deal, I don't think it does provide that incentive. The sanctions are rolled back maybe to where they were in, say, 2006 or 2007. I was working on Iran policy at the time, and I can tell you before these sanctions were imposed, Iran was not being helpful. Before the sanctions were imposed in the mid-1990s, on preventing U.S. oil companies from going in, Iran was not acting as a sort of more helpful, more normal state.

And so I think, yes, we would all like to see Iran shift its strategy. We would all like to see Iran change its behavior in the region, but I think that actually we are not confronting Iran with that strategic choice. My worry is that we have allowed them to escape that strategic choice by sort of having their cake and eating it too; keeping their current strategy, their current nuclear weapons capability, and getting the sanctions relief on top of that.

The CHAIRMAN. Okay. Well, I guess some people describe this as the big bet, whether more contact with Iran, the investment and so forth, will lead to a different sort of regime or not.

One more, right quick, and you all talked about this kind of, but nuclear proliferation, does this make it more or less likely? You know, you can argue it from both sides, which is why I ask the question.

Dr. Alterman, I will start with you this time.

Dr. ALTERMAN. I think creating a structure of rigorous inspections creates anticipation that the world will take any nudge toward nuclear weapons capability from any state very seriously. Deciding that this is just too hard, that we are not going to ask intrusive questions, I think, will send a signal for people that the Iranians are likely to go their way, and if the Iranians go their way, if they are going to have a bomb, I want a bomb.

The CHAIRMAN. So, on balance, you think that signal to the world outweighs the pressure that will be on the Gulf States and other Sunni Arabs to have some sort of capability?

Dr. ALTERMAN. So if we go forward with this agreement will the Gulf States feel they need—

The CHAIRMAN. Yeah, yeah.

Dr. ALTERMAN. No. I think if we go forward with the agreement, the Gulf States will be whispering in our ear every day saying: Make sure you are serious. Make sure you enforce it.

The CHAIRMAN. Yeah, okay.

Mr. EISENSTADT. If I could just—actually in a way the kind of the cat's out of the bag because we have already started seeing, since around 2005 or so, a series of contracts that have been concluded by—I think the Turks have their contracts with Russian companies. The Egyptians have some contracts. And the Gulf GCC decided I think in 2005 as well to kind of enhance their civilian nuclear infrastructure. So we are already seeing hedging behavior, and it—this is a long-term process. It'll last decades.

So I think this will perhaps reinforce this trend, but the trend really is already underway. But, again, it's in the form of creating civilian infrastructures which are inherently dual-use, and then, down the road, you know, countries have options. But this is going to be a very long-term thing, and I think the administration made

a mistake in thinking that if you prevent Iran from getting the bomb, then you can prevent a proliferation cascade. But the problem is, you know, people hedge before that. They don't wait until you already got the bomb. And if you have a robust infrastructure, that is the trigger for kind of a proliferation cascade of similar infrastructures throughout the region. And that is already underway. So—

Mr. SINGH. And, you know, Mr. Chairman, right now, the United States seems to love timetables. We set a timetable for withdrawal from Afghanistan. We set a timetable in Iraq. This agreement has a timetable as well. It has these sunset clauses. After 10 years, you know what restrictions are going to be lifted from Iran. After 15 years, you know what restrictions are going to be lifted. And so if you are another country in the region, those restrictions being lifted isn't based—they are not based on Iranian performance. It's not based on the IAEA having a finding that Iran's program is exclusively peaceful. It is just based on the passage of time. And so you have got to circle that date on your calendar and say: By this date I have to make certain assumptions about where Iran will be and what it might do. And you have got to then plan against that.

And my worry is, look, there is no impediment, really, to them doing that. There is no impediment to them starting up their own programs. And they certainly have the means and the resources to do that. It is not easy, but they have a lot of resources at their disposal, as Secretary Kerry has noted.

The CHAIRMAN. Okay. All very helpful.

Obviously, this is a big vote for all Members, and I really appreciate your all's insights in helping us work our way through many of these issues. So thank you, again, for being here.

With that, the hearing stands adjourned.

[Whereupon, at 12:35 p.m., the committee was adjourned.]

A P P E N D I X

JULY 29, 2015

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

JULY 29, 2015

Opening Remarks of Chairman William M. “Mac” Thornberry
HEARING ON
“Potential Implications in the Region of the Iran Deal”
July 29, 2015

The Committee meets today to consider the potential implications of the Iranian nuclear agreement for the Middle East and the world. Last week, most of us attended a classified session where Administration negotiators explained and argued for approval of the agreement. Today we have the opportunity to hear perspectives from a distinguished panel of experts.

One point on which supporters and opponents of the agreement concur—this agreement will have wide-ranging, far-reaching consequences. Of course, they differ on whether those consequences will be on balance positive or negative.

It seems to me that the issues of concern can be broken down into three areas:

First are the variety of issues about verification and enforcement. And I would point Members to an in-depth report by the Wall Street Journal that details how Syria has thwarted and defied inspectors who have now concluded that Assad did not give up all of his chemical weapons as promised.

Second is whether even if the inspections go perfectly and Iran stays in full compliance with the letter and spirit of the agreement, it is a good deal. As Secretaries Shultz and Kissinger wrote back in April, negotiations that began as an effort to prevent Iran from developing a nuclear arsenal are ending with an agreement that concedes that very capability, although several years down the road. The Administration argues, of course, that a better agreement was not possible.

Third are the basket of Iran’s activities beyond its nuclear program to include long-range missile development, support for terrorism, and instigating regional instability.

Huge stakes, long-lasting consequences and a vote in Congress shortly after we return in September combine to make this a weighty issue for us all.

Statement of Ranking Member Adam Smith
HEARING ON
“Potential Implications in the Region of the Iran Deal”
July 29, 2015

Thank you, Mr. Chairman, and I would like to join you in welcoming our witnesses here today. The agreement with Iran covering their nuclear program is an important topic, and I suspect that this is just the first of many conversations we'll be having on it.

At its core, the debate Congress will be having on the nuclear agreement is about risk—risk associated with approving, or at least not rejecting, the agreement and the risks if Congress rejects the deal. We should also discuss, in either case, what Congress should do to mitigate those risks.

The risks of leaving Iran's nuclear program as it is now should be obvious. Iran has built an industrial scale nuclear program, with 19,000 centrifuges, an advanced research and development program, deeply buried and hardened facilities, and a sophisticated procurement program that would leave that country only months from building a nuclear weapon, were the Iranian leadership to make that decision. We should be clear—that cannot be allowed to happen. A nuclear-armed Iran would, at the minimum, be able to pursue strategies designed to undermine U.S. national security interests in the Middle East and to support terrorists and proxy forces that attack Israel and our Arab allies in the region almost without concern that the U.S. or other countries would respond with military force. Some observers have pointed to North Korea as a warning about making deals with rogue states, but the real lesson of North Korea may be that the possession of a nuclear deterrent allows a rogue state to freely engage in all sorts of trouble making.

History suggests that over time, sanctions regimes begin to decay and leak. Logic suggests that as Iran approached the point of being able to put together a nuclear weapon so quickly that it would not be detected, countries would be less likely to support sanctions that had clearly failed to prevent Iran from getting to this point. The risks of this would be obvious—over time, Iran would become a virtual nuclear weapons state, bound only by a rapidly decaying international sanctions regime. It is an unacceptable scenario for many of our allies and clearly a threat to our vital national security interests.

There are similar risks if Congress forces the Administration to walk away from the deal. It is almost inconceivable that an Iranian regime would reenter negotiations with us anytime soon, and even the other members of the P5+1 would likely conclude that Congress was moving the goalposts and they could not trust the United States to negotiate in good faith. Walking away from this deal would likely undermine the ability of this, or any Administration, to negotiate any multilateral agreement for years to come.

Walking away from this deal would almost certainly cause the Chinese and Russians to conclude that the United States isn't serious about a deal and to begin to reverse their support for the sanctions that brought Iran to the table. In such a situation, Iran would be the clear benefactor—the sanctions regime would be decaying, their nuclear program would be free of most restraints, and there would be almost no chance of concerted international cooperation, either on sanctions or kinetic action, to push back on them.

There are longer-term effects as well. As countries moved to restart business with Iran, they would be incentivized to find ways to do so without triggering U.S. secondary sanctions that penalize those who do business with Iran, particularly in the oil and gas industry. It is not in our interests, for a variety of reasons, to push countries to develop pathways for investment outside the banking structure over which we have a great deal of interest. We cannot forget this as a possible side effect, and I would hope we would put a significant amount of thought into how to preserve these sorts of advantages, or if that is even possible, before we act to potentially force the administration to walk away from this deal.

There are some who believe that we can walk away from this deal and simply negotiate a better one. I would encourage those who believe this to explain how exactly we would convince the P5+1, who just spent two years working on this deal, who cooperated for many years on sanctions to bring Iran to the table, and all of whom have signed off on the deal as sufficient to curb the threat of a nuclear-armed Iran, to tear up the agreement and start over with no guarantee that it would get better. It might well be possible, but until we're sure that it's likely we have to think about this very carefully.

Finally, there are risks associated with approving the deal. Let me be perfectly clear—this is not a perfect deal. Like any diplomatic agreement between countries that are not friends, it is clearly a compromise. The Administration clearly adjusted their desired goals to build international support and reach what they believe is a good enough agreement. For those who oppose on principle such

compromises, we should remember that for years it was the U.S. position that Iran had to give up everything and we achieved nothing, while Iran built a large nuclear program. So compromise of some sort was clearly necessary, the question is if this compromise does enough to protect our interests and those of our allies.

In the period the deal is most in effect, the first 10 to 15 years, the largest downside of the nuclear agreement is clearly Iran's increased access to additional funds which could easily be used to support terrorist groups and Iranian proxies in the region, groups which threaten the security of our allies. This is a real concern. Many have pointed out that collectively, and in many cases individually, Israel and our Arab allies vastly outspend the Iranians on defense. Nonetheless, we must not dismiss the very real harm that could be caused by proxies with increased funding.

Instead, the question we are faced with and with which I hope this panel can help is, assuming Congress approves the deal, how can we mitigate this going forward? Are there diplomatic agreements we can sign with our Arab allies that would extend some level of protection to them? Are there additional arms sales or training that we should be offering? How can we best share intelligence and coordinate efforts to intercept illicit Iranian arms shipments? Should we be altering our posture in the region to present a better deterrent to Iranian malign actions?

Many observers have also expressed concern that Iran would be able to restart its program at the end of ten or fifteen years, when most of the restrictions from this agreement expire. I share that concern. We need to think through, seriously and soon, what, assuming the agreement enters into effect, we can do to stop Iran from taking this step. This will require close consultation with our allies. I am somewhat consoled by the idea that we will have much more knowledge of the Iranian program at the end of that period than we do now, which is a huge advantage. Unless there are major changes in the works, an Iran with a nuclear weapon in 15 years is still an uncomfortable idea to contemplate, although it would gain us an additional 15 years.

I hope our witnesses here today can help us think these questions through. This is a complex and difficult matter, and one with which I think many members will struggle.

Again, I thank our witnesses for appearing. I yield back my time.



Potential Regional Implications of the Iran Deal

Michael Singh

Lane-Swig Senior Fellow and Managing Director,
The Washington Institute for Near East Policy

Testimony submitted to the House Armed Services Committee

July 29, 2015

Chairman Thornberry, Ranking Member Smith, and Members of the Committee, thank you for this opportunity to appear before you today to discuss the nuclear agreement with Iran and its implications for the United States and the Middle East.

America's Objectives and Iran's

When we analyze foreign policy, the first question should be what interest or objective is served by a particular policy. A good policy should clearly advance U.S. interests and should complement rather than clash with our larger strategy, unless the policy in question heralds an entirely new strategy that can be clearly articulated and implemented. A prudent, conservative foreign policy should clearly deliver benefits that outweigh its costs or, by incurring certain costs, forestall an even greater projected cost.

The objective in this case is not—and has never been—simply to conclude a nuclear agreement with Iran. A deal is a means toward an end, not an end in itself. The intended end in this case is to prevent Iran from possessing a nuclear weapon, in order to safeguard our interests in the Middle East and beyond, which would be clearly threatened by such a development. While this objective has long enjoyed consensus bipartisan support, the question that has divided policymakers—acutely in recent years—is how to accomplish it when faced with an Iranian leadership apparently willing to entertain great cost and risk to expand Iran's nuclear weapons capability.

At the outset of the recently concluded diplomacy—the P5+1 process devised in 2005—the U.S. strategy was to persuade Iranian leaders to embark on a broad "strategic shift," recognizing that the costs of their regional strategy outweighed the benefits. The logic of this approach was that Iran's nuclear weapons ambitions were not separate from but an integral part of a larger security strategy, and only a strategic shift would sustainably end those ambitions.

Absent such a strategic shift, the sensible stance was to insist on the suspension of Iran's nuclear efforts and dismantlement of its nuclear infrastructure. Even if Iran retained the desire for nuclear weapons, it would be denied the means to develop them, and a ban on nuclear fuel cycle and related activities would be less challenging to police than limitations on the same activities would be. Such an approach would also offer an

appealing symmetry—the dismantling of Iran's nuclear fuel cycle infrastructure and related activities in exchange for the dismantling of sanctions.

Absent such dismantling, the most sensible approach would have been to deny Iran at least those elements of its nuclear program most essential to retaining the option to build a nuclear weapon in the future—to deny it a nuclear weapons capability, practically speaking. Yet retaining that option appears to have been a key Iranian objective in these negotiations.

Iran's negotiating positions over the past decade-plus of nuclear talks suggest a twofold objective: securing the removal of sanctions while retaining a nuclear weapons capability. While Iran has throughout the negotiations proven willing to brook temporary limitations on certain nuclear activities, it has steadfastly refused to consider steps—for example, forgoing advanced enrichment R&D, providing access to suspected weaponization sites and scientists, or accepting limitations on missile activities or permanent constraints of any kind—that would foreclose the future development of a nuclear weapon.

Indeed, Iran's behavior makes little sense absent a desire for nuclear weapons. It can obtain reactor fuel from abroad, as do most countries that utilize nuclear energy. Furthermore, an indigenous fuel cycle is marginal to Iran's energy security, given its rich endowment of fossil fuels. Rather, it is Iran's secret pursuit of that fuel cycle and other nuclear weapons-applicable technology that has proven a greater threat to its energy security in the form of sanctions on its hydrocarbon, financial, and other sectors.

Assessing the Nuclear Accord

It is instructive to assess the extent to which the agreement advances the U.S. and Iranian objectives described above. Nuclear weapons development requires three lines of action—fuel fabrication, weaponization, and development of a delivery vehicle. It also presumably requires secrecy, since being caught at the task would entail risk of a military response.

When it comes to *fuel fabrication*, the nuclear agreement leaves Iran in possession of a full nuclear supply chain from uranium mining to enrichment, and also leaves in place the heavy water reactor at Arak. These are subject to various temporary restrictions—Iran agrees to cap the number and type of centrifuges installed, the level to which it enriches, and the amount of low-enriched uranium it stockpiles, and converts its heavy water reactor at Arak to avoid producing weapons-grade plutonium. It also agrees not to build new enrichment, heavy water, and reprocessing facilities.

Two points stand out as most concerning, however: Iran is permitted to continue research and development on advanced centrifuges and to begin deploying such centrifuges after just eight and a half years. Because such centrifuges are designed to enrich uranium much more efficiently than Iran's existing "IR-1" centrifuges, they are far better suited to a covert weapons-development effort—far fewer of them, operating for less time, would be required to produce weapons-grade fuel. Second, the restrictions described above phase out ten to fifteen years from now, meaning that at that time Iran would face few technical impediments to reducing its breakout time substantially.

When it comes to *weaponization*, the agreement commits Iran not to "engage in activities, including at the R&D level, which could contribute to the development of a nuclear explosive device."¹ But the question is how Iran's adherence to this commitment can be verified, especially since such activities tend to be secretive by their very nature. Indeed, International Atomic Energy Agency (IAEA) reporting suggests that Iran has already

¹ Joint Comprehensive Plan of Action, part C, para 16

engaged in various "activities related to the development of a nuclear explosive device,"² part of what the IAEA terms the "possible military dimensions" (PMD) of Iran's nuclear program.

Many analysts have urged that Iran be required as part of any agreement to disclose the extent of its past (and possibly ongoing) weaponization and other clandestine nuclear efforts so that inspectors understand what progress Iran made, and provide the IAEA with the necessary access to ensure that such efforts are not resumed. The agreement does not appear to meet these criteria. It does not specify that inspectors must be given access to weapons-related sites and personnel, or that full disclosure of past weaponization and other clandestine nuclear work is required for the agreement's implementation to proceed. Without such provisions, I do not believe we can have confidence that Iran's work on nuclear weapons will not be resumed (perhaps by elements of Iran's security apparatus, and perhaps even without the knowledge of the civilian officials with whom inspectors interact) or even that it has ceased.

In the area of *delivery vehicles*, the agreement contains no limitations whatsoever as far as I can tell. Iran is not required to limit its ballistic missile development and testing, nor does the list of "activities which could contribute to the design and development of a nuclear explosive device" from which Iran agrees to refrain in Annex I of the agreement include any mention of missile reentry vehicles, despite their inclusion in the IAEA's accounting of PMD. Indeed, the binding ban on Iran "undertak[ing] any activity related to ballistic missiles capable of delivering nuclear weapons, including launches using ballistic missile technology"³ contained in UN Security Council Resolution 1929, is replaced with nonbinding, hortatory language⁴ in UN Security Council Resolution 2231.

The effect of this shift is that as of "Implementation Day" of the nuclear accord, Iran will not be barred from conducting ballistic missile launches or pursuing nuclear-capable ballistic missiles, which are an essential part of any modern nuclear weapons program. This concern has even been voiced in the past by Russian officials. In 2008, following a failed Iranian missile test, then-Deputy Foreign Minister Aleksandr Losyukov said the test added "to general suspicions of Iran regarding its potential desire to build nuclear weapons."⁵ When sanctions on Iran's ballistic missile program are lifted in eight years, it will also be able to receive foreign assistance, which has been described in the past by U.S. officials as essential to its ability to produce intercontinental ballistic missiles (ICBMs).

Taken together, these weaknesses suggest that the agreement will permit Iran to retain the option to build a nuclear weapon in the future. Indeed, the agreement could be seen as a means by which Iran buys time to perfect, in some cases with international assistance, the technologies—advanced centrifuges, weaponization, and long-range ballistic missiles—required to build a nuclear weapon in the future. In my view, this is not by accident—Iran's "redlines" seem to have been designed to shape this outcome, implying again that Iran's purpose in the talks has been to obtain sanctions relief while retaining or even improving its nuclear weapons capability.

The strength of the agreement must instead rest, then, on our ability to detect and deter any such weapons-development effort, whether covert or overt. Unfortunately, the inspection mechanism in the accord does not appear up to this task. While robust monitoring will be in place at declared sites, the U.S. intelligence community assessed in 2007 that Iran "probably would use covert facilities—rather than its declared nuclear

² IAEA GOV/2011/65

³ UN Security Council Resolution 1929, op9

⁴ UN Security Council Resolution 2231, Annex B, para 3

⁵ "Iran: Russia Says New Rocket Raises Nuclear 'Suspicions,'" Associated Press, February 7, 2008.

sites—for the production of highly-enriched uranium for a weapon.”⁶ The agreement does not, however, permit inspectors anything approaching unfettered access to suspect sites.

Rather, after an indefinite back-and-forth with Iran regarding suspicious activity, the IAEA could formally request access to a site, which would initiate a deliberative process lasting as many as twenty-four days. If, however, Iran continued to deny inspectors access at the end of this period, the matter might not be resolved for another thirty to sixty-five days—bringing the delay to fifty-four to eighty-nine days—or even longer if any of these periods were extended by consensus of a “Joint Commission” consisting of Iran, the EU, and the P5+1. This is far too long a delay to permit inspectors to do their jobs effectively.

Combined with Iran potentially not being required to disclose and provide access to PMD-related sites, personnel, and documentation, and a missile program that is not subject to inspection at all to my knowledge, the result is an inspection regime that falls short of what is necessary to detect covert nuclear activity. This inadequacy is compounded by the fact that Iran’s breakout time even at declared sites could potentially diminish to near zero once the restrictions on its enrichment- and reprocessing-related activities phase out in ten to fifteen years, rendering it practically improbable to halt a breakout attempt even with monitoring in place.

The inspection regime is further undermined by the agreement’s enforcement mechanism. The only remedy for noncompliance—whether the refusal of access to inspectors by Iran or any other violation—is the termination of the accord and the reimposition of previous UN resolutions, in which case Iran has asserted that it would consider its obligations under the agreement null and void. The implication is that small violations of Iran’s obligations are likely to go unpunished, and access requests are likely to face a high bar, for fear of unraveling the accord entirely—the IAEA may hesitate to make a formal access request for fear of being party to the agreement’s collapse, and the other parties to the accord may hesitate to support the IAEA if they do. Violations of Iran’s other obligations may be explained away as inadvertent, the work of rogue elements within Iran, or otherwise not worth risking the entire accord over.

As is often the case with such agreements, the leverage will be with the less risk-averse party. The U.S. has not, for example, imposed any cost on Russia for its reported violation of the INF Treaty, nor on Syria for apparently violating its commitment to destroy its chemical weapons. Indeed, in both cases U.S. officials have appeared loath even to acknowledge the violations. Iran has already indicated its intention to test the inspection regime by asserting that access to military sites will be refused as a rule. The absence of “snap” inspections will remove a psychological barrier to cheating and further encourage such risk-taking. Even in the event sanctions snap back, their initial effect is likely to be only psychological or symbolic—their economic impact will take far more time to be felt, much less to affect Iran’s decisions.

Military force remains an option in extremis to enforce the agreement. However, the military option may prove more difficult to exercise in the future given the international legitimacy the accord grants to Iran’s nuclear activities, the international involvement in those activities that it permits, and the likely return of international investment and commerce to Iran.

In sum, the nuclear agreement is best thought of as a form of containment: Iran will retain its nuclear weapons capability, and the U.S. and our allies will attempt to prevent it from being used. But it is a containment policy in which we agree in advance to gradually lower our defenses by phasing out the limitations on Iran’s nuclear activities by a date certain, and limit our own toolkit by lifting sanctions nearly comprehensively up front. In past proposals, the U.S. had made the easing of restrictions dependent on Iran’s own behavior. Under this

⁶ 2007 Iran Nuclear NIE

accord, all Iran need do is bide its time and the restrictions will be lifted regardless of its policies. The incentive for Iran is therefore simply to wait: to avoid significant nonperformance under the accord, but not to alter in any fundamental way its nuclear ambitions or regional strategy.

Broader Implications of the Nuclear Agreement

The challenge to U.S. interests posed by Iran goes well beyond its nuclear and missile program. Chairman of the Joint Chiefs of Staff General Martin Dempsey recently told the Senate Armed Services Committee that the threats posed by Iran also included its support for proxies, arms trafficking, sea-based mines, and cyber activities. These and other Iranian activities threaten our interest in nonproliferation, counterterrorism, freedom of navigation, and cybersecurity, and directly challenge a U.S. regional strategy focused on ensuring regional stability and bolstering the security of our allies.

President Obama has asserted that the agreement does not presume any improvement in Iranian behavior on these fronts. Indeed, in the short term at least, Iran's behavior in the region is likely to worsen for several reasons.

Anti-Americanism is central to the ideology of the Iranian regime, and Iranian leaders—having just reached a diplomatic compromise with the U.S.—may feel the need to reaffirm its anti-American bona fides. The agreement is also widely perceived as a victory for Iranian pragmatists led by President Hassan Rouhani and was, according to Secretary of State John Kerry,⁷ opposed by the Islamic Revolutionary Guard Corps (IRGC) and other hardliners. Iran's Supreme Leader, widely regarded as seeking to balance the regime's contentious factions, may feel the need in the agreement's wake to give freer rein to those hardliners to prevent one faction from becoming too powerful.

Finally, Iranian regional behavior is not driven solely by U.S. policy or this nuclear accord, but by events in the region themselves. Iran's security strategy, in part compensating for a lack of conventional military power, has focused on building asymmetric power through proxies and surrogates who are able to project Iranian power and keep potential foes such as Israel and Sunni Arab states occupied far from Iran's borders.

There is nothing in the agreement that requires Iran to change this strategy, or that would forestall a spike in malign Iranian behavior. Quite the opposite—the agreement will provide Iran with an influx of financial resources, some portion of which seem likely to go to foreign priorities such as Lebanon, Syria, Iraq, or Yemen. It will lift the ban on ballistic missile tests and the designations of certain entities involved in Iran's regional troublemaking, such as (in eight years) the IRGC-Qods Force. It will also remove, in no more than five years, sanctions barring the transfer of arms to Iran—paving the way for the possible modernization of Iran's relatively antiquated conventional forces—and will lift by my reading the ban on Iran exporting arms itself.⁸ As a result, and seeing as regional conflicts in which Iran is embroiled show little sign of abating, there is more reason to believe that Iran's regional activities will increase rather than diminish.

While some regard Iran as a potential partner against the likes of ISIS, in fact any uptick in Iranian regional troublemaking stands to benefit ISIS and its ilk, which feed off the sectarian polarization Iran's activities foster. In addition, because many U.S. allies in the region see Iran and its proxies as a major threat to their security, they are likely to respond to any increase in Iranian adventurism. To an extent, we are already witnessing these dynamics playing out around the region. To make matters worse, U.S. allies may also seek in the wake of the accord to match Iran's nuclear capabilities to ensure they could respond rapidly to any Iranian

⁷ Secretary of State John Kerry at the Council on Foreign Relations, July 24, 2015

⁸ UN Security Council Resolution 1747, op5

nuclear breakout; while there is no guarantee they will do so, the incentive is clear. Our reassurances to them will be met with skepticism in light of our relative inaction thus far to counter Iranian regional aggression, and in light of our failure to follow through on similar assurances given to Ukraine in 1994 as part of our pursuit of a different arms control treaty.

This incentive will remain even if, as some hope, the Iranian regime becomes friendlier or more constructive in the coming years. Even a different regime in Tehran may not wish to concede a nuclear capability that has been granted international legitimacy. And given the long history of rivalry between Iran and its major neighbors, the presence of a large, advanced nuclear program in Iran will likely prompt a balancing reaction in the region regardless of Tehran's attitude toward the United States.

The agreement also seems likely to foster closer diplomatic, economic, and military ties between Iran and a host of states outside the region, including India, Pakistan, Russia, and especially China. Sino-Iranian trade has been growing despite sanctions, and even China's energy imports from Iran have reached record highs in 2014–2015 despite NDAA sanctions calling for states to reduce their oil trade with Iran. In addition, China-Iran military ties have increased, with Chinese fighter jets landing in Iran to refuel and Chinese warships paying a call to the Iranian port of Bandar Abbas in recent years. Chinese and Iranian defense officials have called for expansion of these ties, and the lifting or phasing out of sanctions will smooth the way for this to occur.

All of this is on its face would appear to constitute a significant strategic reversal by the United States—accommodating Iranian nuclear expansion after years of opposing it, lifting sanctions on Iran after years of expanding them, and facilitating Iran's financial and diplomatic reintegration into the international community after years of seeking to isolate it. These actions stand in opposition to longstanding U.S. strategy in the Middle East, which aimed to foster regional stability and prosperity by bolstering the security of allies, effectively countering those who challenged our mutual interests, and preventing inroads by hegemony from inside or outside the region. This conflict between our actions and our stated strategy inevitably leads allies to conclude either that our commitment to that strategy and to the region itself is diminished, or that we are embarking on a broader strategic realignment.

Looking Ahead

One of the chief defenses offered for the nuclear agreement is that, whatever its shortcomings, it is preferable to the alternatives. It is one thing to say, however, that a negotiated agreement of some sort was preferable to alternatives such as military conflict or acquiescence, and another entirely to claim that this is the best accord that could have been negotiated. I have little doubt that different tactics could have produced a stronger agreement. Indeed, it is the very denigration of our alternatives and failure to credibly project consequences—whether sanctions or military force—for Iran of failing to accept strict limitations on its nuclear activities that in my view most contributed to the weakness of this accord. The notion that Iran would have marched inexorably toward a nuclear weapon were it not for this deal ignores the considerable deterrent effect that further sanctions and the credible threat of military force would likely have had on Iranian decisionmaking.

Such assertions on both sides, however, are now largely a matter for historical debate. The more immediately relevant question is whether to implement the accord. If the deal cannot muster sufficient domestic support, it should like any rejected agreement be renegotiated. There is no particular reason it cannot be, though the other parties are likely to resist. Ordinarily they would nevertheless require U.S. participation for the termination of international sanctions, but the recent passage of a UN Security Council resolution endorsing the accord and setting a schedule for lifting sanctions gives rise to the possibility—the text of the deal is not clear on this point—that the deal's implementation could proceed even without the United States fulfilling our obligations.

It is also possible that Iran would refuse to implement its obligations were the deal rejected by the United States, and that it would find sympathy from partners such as Russia and China. Because, however, our allies would remain committed to preventing Iran from developing a nuclear weapon, Iranian noncompliance would not be met with resignation but would likely lead to a resumption of previous efforts to resolve the crisis through diplomacy and pressure. None of these scenarios is by any means an easy one; our policy to date will not be without consequences.

If the nuclear accord is implemented, U.S. policymakers will need to contend with the new reality it creates. The next president will need to contemplate how to strengthen the U.S. position in the Middle East and our regional alliances, to restore the credibility of U.S. military deterrence, to counter Iranian regional actions, and to respond quickly to violations of Iran's nuclear obligations as well as activities such as provocative missile tests not covered by the agreement. Frankly these are objectives we should have been pursuing now for years—not merely considering as a consequence of a nuclear accord—but have neglected. Most difficult of all, the next president is almost certain to find the nuclear constraints imposed on Iran by this accord to be unsatisfactory—if for no other reason than they will begin to expire by the end of his or her tenure in office if he or she is reelected for a second term—and will need to rebuild international support for strengthening those constraints with fewer tools at his or her disposal and in a less favorable international context than in the past.

As I noted at the outset, sensible foreign policy must clearly advance American interests at a cost that is outweighed by the policy's projected benefits. It is not clear that the nuclear agreement with Iran meets these criteria. It does not clearly achieve the objective it sets out to—the prevention of a nuclear-armed Iran—nor does it complement our broader strategy in the Middle East or our global nonproliferation strategy. Instead, it entails significant costs that are justified primarily by conjuring the specter of an even more costly war no analyst believed was imminent.

BIOGRAPHY

Michael Singh is the Lane-Swig Senior Fellow and managing director at The Washington Institute and a former senior director for Middle East affairs at the National Security Council. During his tenure at the White House from 2005 to 2008, Mr. Singh was responsible for devising and coordinating U.S. national security policy toward the region stretching from Morocco to Iran, with a particular emphasis on Iran's nuclear and regional activities, the Israeli-Palestinian conflict, Syria, and security cooperation in the broader Middle East. Previously, Mr. Singh served as special assistant to secretaries of state Condoleezza Rice and Colin Powell and at the U.S. embassy in Tel Aviv.

Mr. Singh served as a Middle East advisor to the Romney presidential campaign from 2011-2012, and co-chaired Mr. Romney's State Department transition team in 2012. He served as an adjunct fellow at the Belfer Center for Science and International Security at Harvard's Kennedy School of Government and as an economics instructor at Harvard College. Mr. Singh serves on the advisory boards of United Against Nuclear Iran and the *Harvard International Review*, and is a former term member of the Council on Foreign Relations.

Mr. Singh has written extensively on the Middle East, broader US national security strategy, and the organization and management of the US national security apparatus. His writings have appeared in the *Washington Post*, *New York Times*, *Wall Street Journal*, *Foreign Affairs*, *International Security*, and elsewhere, and he has appeared as a commentator on CNN, Fox News, MSNBC, and other outlets.

As the Institute's managing director, Mr. Singh conducts policy research and participates in the public debate over the direction and content of U.S. Middle East policy. In addition, he works closely with Institute executive director Robert Satloff to strengthen the Institute's policy impact, develop new initiatives, and oversee its broader work.

EDUCATION

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COMMITTEE ON ARMED SERVICES
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2014

Foreign contract/ payment	Foreign government	Dollar value	Subject of contract or payment

2013

Foreign contract/ payment	Foreign government	Dollar value	Subject of contract or payment

The Nuclear Deal with Iran: Regional Implications

Testimony of Michael Eisenstadt
Kahn Fellow and Director, Military and Security Studies Program
The Washington Institute for Near East Policy

Armed Services Committee, U.S. House of Representatives
Hearing on “Potential Implications in the Region of the Iran Deal”
July 29, 2015

Chairman Thornberry, Ranking Member Smith, distinguished committee members, thank you for inviting me to testify on the potential regional implications of the nuclear deal with Iran. It is an honor for me to be here to testify regarding this fateful, historic agreement.

The nuclear deal between Iran and the E3/EU+3 will have a major impact on Iran’s role in the Middle East, America’s role in the world, and the future of the nuclear nonproliferation regime. Despite the many flaws of the Joint Comprehensive Plan of Action (JCPOA), much will depend on how the U.S. and its partners implement it. Accordingly, concerned Americans, as well as allies of the United States, will want to hear from the Obama administration about how it plans to deal with potential challenges in implementing the JCPOA, and dealing with a resurgent Iran that will likely be strengthened by the agreement.

Iran’s strategic circumstances have been transformed in the past decade. It has gone from a country fearing encirclement (by the U.S.) to practicing encirclement (of GCC and Israel); from a strategically lonely power to the leader of the region’s most cohesive axis (the so-called “axis of resistance”); from a country that traditionally emphasized “soft power” in its foreign policy to one pursuing a mixed “soft/hard power” regional strategy that includes the dispatch of small numbers of advisors and troops to conflicts across the region, and potentially; from an isolated nuclear rogue to a confirmed nuclear threshold state enjoying largely unfettered access to world markets.

By contrast, the United States is seen by many of its traditional regional allies as a fading Middle Eastern power whose competence, credibility, and judgment are in question. The origins of this perception can be traced to its handling of the 2003 invasion of Iraq and the perception that through incompetence or design, it turned Iraq over to “the Shiites” and Iran. This perception was reinforced by the belief that the Obama Administration too eagerly courted adversaries such as the Islamic Republic of Iran and too quickly abandoned allies such as Egypt’s Hosni Mubarak, by its so-called “rebalance to Asia,” and by the president’s recent statement that oil is no longer a core U.S. interest in the region.¹

These parallel developments have fed a narrative (accurate or not) which has been encouraged by Tehran of Iran’s rise and American decline in the Middle East. The nuclear deal with Iran will therefore be seen by many American allies (and adversaries) as a litmus test of American leadership, of U.S. intentions in a region that is still of great importance to the United States and the world, and of its commitment to nuclear nonproliferation norms.

More importantly, the nuclear deal—if not implemented in tandem with a mitigating strategy that addresses its shortcomings—is a potential game-changer for Iran that could enhance the latter’s ability to meet growing regional military commitments, bolster its regional alliance system, undermine U.S. influence in the region

¹ Thomas Friedman, “Iran and the Obama Doctrine,” New York Times, April 5, 2015, <http://www.nytimes.com/2015/04/06/opinion/thomas-friedman-the-obama-doctrine-and-iran-interview.html>.

(thereby enhancing Iran's freedom of action vis-à-vis Israel and the Gulf Cooperation Council states), and that could in the long run, pave the way for the Islamic Republic's emergence as a nuclear weapons state.

The nuclear deal with Iran, consisting of the JCPOA and an endorsing United Nations Security Council Resolution (UNSCR 2231), is a lengthy, complex agreement, couched in often convoluted and opaque language. It will take some time to understand its full significance. While a comprehensive assessment of the deal is beyond the scope of my testimony today, I hope to provide an initial assessment of those aspects of the deal that will most affect Iran's ability to garner and project influence in the region. These include: 1) the ban on arms transfers; 2) the impact of unfrozen funds on its proxy and influence operations; 3) the ban on missile activities; 4) constraints on its nuclear program, and; 5) the battle of the narratives.

Constraining Iran's Military Capabilities

Past efforts by Iran to build large, capable conventional force have been thwarted by sanctions, U.S. pressure on potential suppliers, and a lack of hard currency. Tehran, moreover, may have also eschewed large conventional arms purchases due to its prioritization of domestic stability over external security (causing it to splurge on subsidies), of proxy militias over conventional forces, and of 'soft power' and guile over *force majeure* in its foreign policy. With the availability of hard currency thanks to the JCPOA, and new military commitments in conflicts throughout the Middle East, this is likely to change.

Arms Transfers by Iran: With Iran's proxies and allies and small numbers of its own advisors and forces engaged in fighting in Lebanon, Syria, Iraq, and Yemen, and with tens of billions of dollars of funds from formerly blocked accounts coming available to Tehran following the JCPOA's "Implementation Day," Iran will likely devote a small (in relative terms) but potentially significant chunk of the total (in absolute terms) to procurement from its domestic arms industry. Iran's large, diverse, and increasingly sophisticated domestic arms manufacturers can provide its proxies and allies in Lebanon, Syria, Iraq, and Yemen with what they need most at this time: ammunition, small arms and light weapons, and light tactical vehicles.

UNSCR 2231 bans arms transfers by Iran without the permission of the UN Security Council until the ban is lifted in five years; Iran rejects this restriction.² (The ban is located in an annex to the resolution and relies on what seems to be an implied, rather than explicit prohibition).³ Moreover, Iran has successfully transferred arms to its regional proxies and allies for years, even though it was prohibited from doing so by UNSCR 1701 (2006)—which banned arms transfers to Hizballah, and UNSCRs 1747 (2007) and 1929 (2010)—which banned all Iranian arms exports. Iran will almost certainly continue to export arms to its proxies and allies by all ways and means available to it.

Obtaining a secure overland supply route to Syria and Lebanon by way of Iraq would be of great importance to Iran in its efforts to sustain the core members of its "axis of resistance." In this regard, the lifting of the ban on sales of civilian passenger aircraft and spares (Article 22 of the JCPOA) may indirectly contribute to Iran's ability to sustain its allies and its own forces throughout the region, much as it has used civilian Iran Air Boeing 747s to resupply its Hizballah and Syrian allies for decades through Damascus International Airport.

² Deputy Foreign Minister Abbas Araghchi has stated on Iranian state TV that "We will provide weapons to whomever and whenever we consider appropriate. And we will buy weapons from wherever we can." Adam Kredo, "Iran Vows to Buy Weapons Anytime, Anywhere," July 22, 2015, Washington Free Beacon, <http://freebeacon.com/national-security/iran-vows-to-buy-weapons-anytime-anywhere/>. Likewise, on the occasion of Eid al-Fitr, Supreme Leader Khamenei vowed regarding the JCPOA that Iran "will never give in to the enemy's greed in the area of protecting its defense capabilities and security—particularly in this environment filled with the enemies' threats" nor would it "abandon our regional friends: the oppressed people of Palestine, the oppressed people of Yemen, the people and government of Syria, the people and government of Iraq, the oppressed people of Bahrain and the sincere mujahids of the Resistance in Lebanon and Palestine. These people will always enjoy our support." He continued, saying that "our policy towards the arrogant government of America will not change in any way despite these negotiations and the document that has been prepared." Supreme Leader's Sermons at Eid ul-Fitr Prayers, July 18, 2015, Khamenei.ir at http://english.khamenei.ir/index.php?option=com_content&task=view&id=2192&Itemid=4.

³ Apparently, the "all states" reference initiating article 5 of Annex B of UNSCR 2231 refers to Iran as well as other arms suppliers. It will be interesting to see if other states share this interpretation. At any rate, administration officials are relying on other UNSCRs to justify the possible interdiction of Iranian arms transfers to designated organizations.

U.S. officials have stated that they would work with regional partners to interdict Iranian arms transfers to terrorist proxies and allies based on authorities existing outside UNSCR 2231.⁴ Tehran may try to deter such actions by insisting that they would be a violation of the accord that would provide justification for it to cease performing its commitments under Article 37 of the JCPOA, thereby blowing up the agreement.

Iran has generally preferred to wage 'economy of force' operations, fighting to the last Arab proxy, while keeping its own people out of the line of fire if at all possible. Its Hizballah, Syrian, Iraqi, and Houthi allies, however, are overstretched and it has reportedly committed Iranian military personnel to combat, on a limited basis, in Iraq and Syria. A fresh infusion of cash might therefore enable it to expand recruitment of proxies in the region, including Afghani and Pakistani Shiites (who are already fighting in Syria—though whether they are useful fighters is another matter). In sum, in a series of thus-far inconclusive fights in which its allies are clearly fatigued, and which shows no sign of abating, even incremental enhancements in recruiting and combat capabilities might make a difference to the eventual outcome, and ensure that it can sustain its military commitments to its proxies and allies. And fresh infusions of cash will enable Tehran to disperse funds to its regional proxies and allies to enable them to bolster their patronage networks and to influence politics and elections in places like Lebanon and Iraq.

Arms Transfers to Iran: UNSCR 2231 bans the sale of major weapons systems to Iran without the approval of the UN Security Council until the ban is lifted five years hence. Iran claims that this ban—located in an annex to the UNSCR—lacks legal standing, and that it will fight it. To this end, it will likely try to acquire major weapons systems from foreign sellers—such as the S300 surface-to-air missile that it contracted for from Russia in 2007— in order to test the provisions of the UNSCR and impose its interpretation of the resolution on the international community.

It is not clear, however, that the bans on arms transfers to Iran (or by Iran) apply to ammunition, small arms and light weapons, and light tactical vehicles—the kinds of arms that its proxies and allies need most in their campaigns in Lebanon, Syria, Iraq, and Yemen. This is because only major weapons systems are specifically mentioned in the list of banned weapons in UNSCR 2231. Iran can be expected to try to exploit this possible loophole if it is not closed by the E3/EU+3.

Once the ban on arms transfers to Iran is lifted five years after "Adoption Day," Iran will probably seek to more extensively modernize its conventional forces in niche areas. (A major makeover would cost many tens of billions, and is not necessary given Iran's current defense concept, which emphasizes deterring a conventional military conflict, while waging proxy and psychological warfare against its adversaries.) In addition to the Russian S300 to protect its nuclear infrastructure against a U.S. or Israeli military strike (if it had not yet succeeded in acquiring it by then), it is likely to seek advanced munitions, armored vehicles, attack helicopters, and ground support aircraft for its allies and proxies as well as its own forces fighting in Syria and Iraq— assuming that conflict is still simmering five years from now.

Ballistic Missiles: UNSCR 2231 calls upon Iran to avoid the testing and development of ballistic missiles designed to be capable of delivery nuclear weapons for eight years after "Adoption Day," although there is no prescribed penalty for it continuing with such activities (Annex B, Article 3). Iran claims that since it does not seek nuclear weapons, none of its missiles are designed for this purpose, and consequently, this article is null and void.

⁴ Thus, according to President Obama, "part of the reason why we were willing to extend [the ban on arms sales] only for five [years], let's say, as opposed to a longer period of time, is because we have other U.N. resolutions that prohibit arms sales by Iran to organizations like Hezbollah. We have other U.N. resolutions and multilateral agreements that give us authority to interdict arms shipments from Iran throughout the region.... These legal authorities under the nuclear program may lapse after five or eight years, but we'll still be in possession of other legal authorities that allow us to interdict those arms." White House Press Secretary, Press Conference by President Obama, July 15, 2015, <https://www.whitehouse.gov/the-press-office/2015/07/15/press-conference-president>. And according to Secretary of State John Kerry, "There is a U.N. resolution that specifically applies to [Iran] not being allowed to transfer to Hezbollah. They are specifically not allowed under another U.N. resolution to transfer to the Shia militia in Iraq. They are specifically not allowed to transfer to the Houthis. And I will be meeting with all of the Gulf states in about two weeks in Doha, and we are laying down — and Secretary [of Defense Ashton] Carter is meeting with them in Riyadh next week. We are laying down the steps we will take to work with our friends and allies in the region to push back against this behavior." PBS News Hour, July 17, 2015, <http://www.pbs.org/newshour/bb/iran-nuclear-deal-deserves-responsible-analysis-says-kerry/>.

Moreover, although Iran recently unveiled a land attack cruise missile, the Soumar, based on the Russian Kh-55 (which once was the Soviet air force's primary nuclear delivery system), UNSCR 2231 is silent on the testing and development of cruise missiles.

UNSCR 2231 also bans the transfer to Iran, without Security Council approval, of materials, equipment, and technologies that could contribute to the development of nuclear weapon delivery systems (Annex B, Article 4). It is not clear what kind of impact this ban will have, as it appears to replicate existing sanctions and MTCR restrictions on Iran's missile program, which have failed to prevent Iran from acquiring key equipment and special materials needed by its ballistic and cruise missile programs.⁵ The influx of fresh cash due to the unfreezing of Iranian overseas accounts on "Implementation Day" will probably exacerbate this problem, as new cash can be used to pay off the middle-men and fund the various legal and illicit entities that make such proscribed transfers possible. The lifting of these sanctions eight years from now will further complicate matters.

As a result, Iran can be expected to continue to make continued incremental progress with its liquid- and solid-fuel MRBM and ICBM programs for the duration of UNSCR 2231, but particularly during the out years when many of the restrictions currently on Iran's missile program are lifted—though presumably MTCR restrictions will remain in place.

Because UNSCR 2231 does not require the monitoring of labs and personnel involved in alleged past efforts to modify conventional missile warheads to accommodate nuclear payloads, it is possible that Iran might be able to continue such work for the duration of the deal, ensuring that its missiles are ready to accommodate a nuclear warhead, if and when it opts to build one. This could enable Iran to deploy its first nuclear weapon atop a medium-range ballistic missile—an achievement that took most nuclear weapons states, including the United States and Soviet Union, nearly a decade to accomplish after they acquired the bomb. This development would in turn magnify the destabilizing impact of an Iranian breakout, while incentivizing other regional states to either take preventive action or move toward nuclear capabilities of their own before Iran crosses that threshold.⁶

Finally, it should be noted that Iran's ability to evade current restrictions on the procurement of missile technology raises questions about its ability to evade the dedicated nuclear procurement channel called for in the JCPOA (Annex IV, Article 6) should it once again try to create a clandestine parallel nuclear program.

Constraining Iran's Nuclear Weapons Ambitions

The JCPOA imposes important constraints on Iran's declared nuclear program and its known facilities, including monitoring of its supply chain and all aspects of its nuclear fuel cycle. This will have the effect of capping the most important elements of Iran's declared nuclear program for 10-15 years, or at least for as long as UNSCR 2231 remains in force. After that time, should Iran decide to build an industrial-scale nuclear program, as foreseen by the JCPOA, detecting possible efforts to create a clandestine parallel program could become a major challenge, while an attempted breakout using declared facilities might take no more than a week or two. The latter, however, would probably be detected very quickly as long as arrangements called for under the JCPOA remain in place.

For this reason, Iran's declared program does not pose the greatest near-term proliferation threat. Rather, Iran is more likely to attempt a breakout using undeclared facilities that are part of a parallel clandestine program. The JCPOA greatly complicates such an option, though if Iran succeeds in carving out sanctuaries (for instance, in military facilities) where IAEA access may be highly circumscribed, it could be very difficult to detect). Much will depend on the modalities worked out between the IAEA and Iran. And the JCPOA will not be able to prevent low-signature nuclear weapons research activities, such as computer simulations and the manufacture of non-nuclear weapons components and the like.

⁵ Uzi Rubin, "Showcase of Missile Proliferation: Iran's Missile and Space Program," *Arms Control Today*, Vol. 42, No. 1, January/February 2012, https://www.armscontrol.org/act/2012_01-02/Showcase_of_Missile_Proliferation_Irans_Missile_and_Space_Program.

⁶ Michael Eisenstadt, *Missiles and the Nuclear Negotiations with Iran*, Washington Institute for Near East Policy, Policy Watch No. 2450, July 6, 2015, <http://www.washingtoninstitute.org/policy-analysis/view/missiles-and-the-nuclear-negotiations-with-iran>.

In assessing the efficacy of monitoring arrangements established by the JCPOA as well as the ability of national intelligence (i.e. foreign intelligence services) to detect a clandestine parallel program in Iran, it is critical to not only assess their capabilities on “Implementation Day,” but also their capabilities in the out-years, when technological, political, and geostrategic developments may have a dramatic impact on their effectiveness, and on the ability of the United States to act. In this regard, there are ample reasons for concern.

Maintaining intelligence focus. A clandestine program is much less likely to be detected by an alert nuclear inspector, than by an alert foreign intelligence service. However, the record of U.S. (and allied) proliferation intelligence is decidedly mixed, and while Iran is a prime target of U.S. (and allied) intelligence right now, future crises in the Ukraine, East Asia, or elsewhere, could divert U.S. intelligence assets, greatly diminishing Washington’s ability to track developments in Iran.⁷

Disunity among the E3/EU+3. The ability of the IAEA to follow-up intelligence reports regarding a clandestine program will be greatly diminished if disunity or diverging interests among the E3/EU+3 undermine the efficacy of the monitoring arrangements described in the JCPOA. For instance, in the event that IAEA inspectors are denied access to a site, five of eight members of the Joint Commission established by the JCPOA need to agree on a means to resolve the IAEA’s concerns (JCPOA, Article 78). If they are unable to do so, due to political differences, the inspection effort will languish. This is what happened in Iraq in the late 1990s, when diverging interests among the P5 eventually hamstrung UN weapons inspections, and efforts to resolve remaining questions about possible residual Iraqi WMD capabilities (e.g. possible stocks of the chemical agent VX).

‘Snapback’ concerns. The U.S. cannot rely on “snapback” to deter Iran from cheating. Despite much discussion of the topic, it is still not clear exactly how snapback would work in practice. While under snapback, the seven UNSCRs sanctioning Iran’s nuclear and missile programs and banning arms transfers would automatically be reinstated, the E3/EU+3 enjoy a degree of latitude with regard to how each handle national sanctions (e.g. sanctions on Iran’s Central Bank and its oil industry). For instance, it is not clear how the EU would handle snapback at this time, though the fact that some U.S. measures include secondary sanctions provides the U.S. with the means to influence EU activities in Iran, should it desire to do so. But such a decision would almost certainly be influenced by a host of political considerations. Perhaps most importantly, snapback would give Iran a pretext to act on its declaration, noted in Article 13 of UNSCR 2231, that it would consider snapback as grounds to cease performing its commitments under the JCPOA, and for blowing up the entire agreement. For that reason, the U.S. will likely be deterred from playing its snapback card, except *in extremis*.

Advanced centrifuges and small clandestine facilities. In the course of the next decade or two, as Iran builds up its expertise with more advanced, efficient centrifuges, the possibility that it might eventually build a small, efficient clandestine centrifuge enrichment plant, or a plutonium production reactor and reprocessing facility will be of increasing concern, especially if Iran eventually opts to build an extensive industrial-scale nuclear infrastructure that will stress the monitoring capabilities of the IAEA.⁸ Detecting a clandestine fissile material production facility against the ‘clutter’ and ‘background noise’ created by an extensive nuclear infrastructure will likely prove to be very challenging.

Hardening and protection. Iran will likely acquire advanced air defense systems like the S300 after the ban on arms transfers is lifted in five years—if not sooner—greatly complicating a possible preventive strike. Moreover, if Iran tries to build another buried and hardened clandestine nuclear facility in the future, it is likely to build it at a much greater depth than the enrichment plant at Fordow, greatly complicating efforts to detect or destroy it. Given Iran’s expertise with ultra-high performance concrete and in building deeply buried facilities (there are literally hundreds in Iran), it is possible that future underground fissile material production facilities will be

⁷ Michael Eisenstadt, *Detering an Iranian Nuclear Breakout*, Washington Institute for Near East Policy Research Note Number 26, May 2015, pp. 4-5, http://www.washingtoninstitute.org/uploads/ResearchNote26_Eisenstadt-2.pdf.

⁸ Iran stated that it intended not to build additional heavy water reactors or reprocessing facilities after year 15 in Articles 10-12 of the JCPOA, rather than committing not to do so.

immune to conventional penetrator munitions.⁹ Accordingly, the Obama administration's claim that 10-15 years hence it will retain the ability to prevent an Iranian breakout may prove wrong. The U.S. may in fact not have a conventional option—the only viable option might in fact be a nuclear penetrator munition. With the 30,000lb Massive Ordnance Penetrator (MOP) bomb, the U.S. may have reached the limits of what a conventional penetrator munition can accomplish, while with Fordow, Iran has probably not yet approached the limits of what it can eventually accomplish in the realm of hardened and buried facilities. And the provision of the JCPOA which commits the parties to help Iran counter attempts at sabotage (JCPOA Annex III, Article 10.2), could complicate U.S. efforts to keep up with Iran through cyber-spying, and limit its future nonlethal options against a clandestine parallel program.

A proliferation cascade... after all. Contrary to initial expectations that a nuclear deal would avert a proliferation cascade, it is likely to spur just such an outcome, albeit along an extended timeline. Saudi Arabia has vowed to match whatever nuclear infrastructure Iran is permitted to keep under the JCPOA, and Turkey and Egypt may reconsider their long-term nuclear options. In this long run, this development might put pressure on Iran to once again launch a clandestine parallel program, so that it can stay ahead of its neighbors.

PMD and Iranian compliance. One of the major wild cards right now is the PMD file, which is being dealt with by the IAEA.¹⁰ If Iran addresses the IAEA's questions in a way that resolves outstanding issues, this will be a major achievement. If Iran provides just enough information to get credit for the effort and to get sanctions lifted, without really answering the IAEA's questions, it will be an extremely damaging precedent, and will likely encourage Iran to cheat again in the future, in the belief that if it once again gets caught, it will be able to manage the political fallout by once again negotiating a deal with the international community.

Battle of the Narratives.

Tehran typically invests great effort in promoting its narrative regarding defense and foreign policy matters in order to cultivate support for the regime at home and to create a more conducive policy environment abroad. Tehran's most important goals in negotiating with the E3/EU+3 were to preserve its ability to enrich, to have sanctions lifted, and to win the war of the narratives. Reading UNSCR 2231, it is hard to avoid the conclusion that it succeeded in all three areas.

Regarding the battle of the narratives, Iran can claim that it succeeded in selling its claim regarding its putative "right to enrich." And given the way that the PMD file is being handled, Iran's narrative that it had not sought to develop nuclear weapons and that allegations about a nuclear weapons program are part of an American-Zionist conspiracy to smear the Islamic Republic, will likely remain intact. Washington did little to publicly challenge this narrative, and the JCPOA appears to have been drafted in such a way as to enable the Islamic Republic to save face and to emerge from the agreement with its narrative intact. This was a major mistake.

Perhaps the most important impact of the JCPOA will be to confirm—unless remedial steps are taken—Tehran's narrative that it is a rising power and that the United States is a power in decline, and that by resisting 'global arrogance,' the world's great powers ultimately bent to Iran's will. It will use the nuclear deal to burnish its triumphalist narrative and further shape the psychological environment in the Middle East in a manner conducive to its interests, and harmful to those of the United States.

In a part of the world where perception is often more important than reality, it would be a signal achievement for Iran, and a major setback for the United States, if the Islamic Republic were allowed to win the battle of the narratives surrounding the JCPOA.

⁹ Smart Concrete, *The Economist*, March 3, 2012, <http://www.economist.com/nodes/21548918>.

¹⁰ IAEA, "Road-map for the Clarification of Past and Present Outstanding Issues regarding Iran's Nuclear Program," July 14, 2015, <https://www.iaea.org/newscenter/pressreleases/iaea-director-generals-statement-and-road-map-clarification-past-present-outstanding-issues-regarding-irans-nuclear-program>.

Implications and Recommendations

Ensuring the successful implementation of nuclear deal with Iran will pose major challenges. It will require ongoing engagement with Iran, the management of tensions deriving from Iranian regional activities, and tending to the credibility of Washington's nuclear redline—the commitment to use 'all necessary measures' to keep Iran from the bomb.

To ensure it achieves its intended goals, the U.S. needs a credible implementation strategy that addresses the deals flaws, shows zero tolerance for cheating, and that pushes back at Iranian activities that undermine its interests and threatens its allies, as a means of bolstering the credibility of its commitment to deter an Iranian nuclear breakout. The main elements of such a strategy should include the following:

Eliminate ambiguities. Differing interpretations of the JCPOA is inevitable, since many of the articles do not lend themselves to a plain reading. And as those who negotiated the agreement move on to other jobs, and memories fade, it will be easier for Iran to contest the E3/EU+3's understanding of the agreement. Accordingly, the U.S. and its EU partners should publish a document that sets down their joint understanding of the meaning of as many ambiguous JCPOA articles as possible, to avoid future friction among the allies, to prevent Iran from exploiting ambiguities in the text, and to deter it from testing the agreement.

Block Iran's arms exports. U.S. officials claim that the nuclear accord bans Iranian arms transfers. Iran denies this is the case. Iran's arms transfers have fueled sectarian tensions and violence in the region, thereby undermining the U.S. campaign against ISIL and al-Qaida and its affiliates. To deter further Iranian cheating and to defuse regional violence, the U.S. and its allies should interdict future Iranian arms transfers and work to create a more moderate third way in Syria by arming members of the opposition there, in the hope of drawing off support from extremists. By pushing back against Iranian activities that violate the JCPOA and that undermine its interests by stoking violence in the region, the U.S. may also deter Iran from additional challenges to the nuclear accord.

Deter a nuclear breakout. The nuclear accord does not block Iran's path to the bomb; at best, it may defer the problem for an indeterminate amount of time. For this reason, deterring Iran from developing or acquiring nuclear weapons will remain the core imperative driving U.S. policy in the coming years. To do so, Washington needs to convince Tehran that if it tried to build a bomb, it would get caught, and would suffer unacceptable consequences: the reimposition of sanctions, and the use of force to block it from the bomb.¹¹ The U.S. and the EU need to respond firmly to even small Iranian violations of the agreement with a series of calibrated responses, lest laxity invite new challenges.¹² And President Obama needs to sharpen America's nuclear red line, by eschewing passive formulations regarding 'options on the table,' embracing unequivocal formulations that pledge the use of 'all necessary measures' to block Iran from the bomb, and by actions that demonstrate a willingness to do so if necessary.

Military deterrence is a wasting asset—develop alternative options. Finally, the U.S. should recognize that given technological trends, the conventional military option against Iran's program is a wasting asset. By the time that the core provisions of the nuclear accord expire 10-15 years hence (assuming the accord remains in force at that time) Iran is liable to have much more robust air defenses (S300s or better) and the means to ensure that a clandestine program is immune to a conventional U.S. strike. Iran has used past suspensions to advance parts of its program, and it will be sure to do so in this case. Accordingly, the U.S. should consider alternative ways of deterring an Iranian nuclear breakout when the MOP bomb—the conventional weapon of choice for use against deeply buried, hardened facilities—is no longer a viable option. These alternative options might include cyber and

¹¹ Michael Eisenstadt, *Deterring an Iranian Nuclear Breakout*, Washington Institute for Near East Policy Research Note Number 26, May 2015, http://www.washingtoninstitute.org/uploads/ResearchNote26_Eisenstadt-2.pdf.

¹² Dennis Ross, *Iran Will Cheat. Then What?* *Time*, July 15, 2015, <http://time.com/3960110/iran-will-cheat-then-what/>.

other forms of sabotage, and threats to destabilize the Islamic Republic by means of a campaign of political warfare.¹³

In sum: while the nuclear deal has a number of significant flaws, at least some can be rectified by a number of mitigation measures, which provide the basis for an effective implementation strategy. President Obama's willingness to commit to these measures and to such a strategy will be a leading indicator of whether the nuclear deal with Iran will achieve its intended goal of blocking Iran's path to the bomb, or will further destabilize the Middle East, further hasten the decline of America's fortunes in the region and beyond, and eventually pave the way for the emergence of Iran as a nuclear weapons state.

¹³ Eisenstadt, *op cit.*, pp. 9-10.

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Prior to joining the Institute in 1989, Mr. Eisenstadt worked as a military analyst with the U.S. government.

Mr. Eisenstadt served for twenty-six years as an officer in the U.S. Army Reserve before retiring in 2010. His military service included active-duty stints in Iraq with the United States Forces-Iraq headquarters (2010) and the Human Terrain System Assessment Team (2008); in Jerusalem, the West Bank, and Jordan with the U.S. Security Coordinator (USSC) for Israel and the Palestinian Authority (2008-2009); at U.S. Central Command headquarters and on the Joint Staff during Operation Enduring Freedom and the planning for Operation Iraqi Freedom (2001-2002); and in Turkey and Iraq during Operation Provide Comfort (1991).

He has also served in a civilian capacity on the Multinational Force-Iraq/U.S. Embassy Baghdad Joint Campaign Plan Assessment Team (2009) and as a consultant or advisor to the congressionally mandated Iraq Study Group (2006), the Multinational Corps-Iraq Information Operations Task Force (2005-2006), and the State Department's Future of Iraq defense policy working group (2002-2003). In 1992, he took a leave of absence from the Institute to work on the U.S. Air Force Gulf War Air Power Survey.

Mr. Eisenstadt earned an MA in Arab Studies from Georgetown University and has traveled widely in the Middle East. He speaks Arabic and Hebrew, and reads French.

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Statement before the House Armed Services Committee

***“POTENTIAL IMPLICATIONS IN THE REGION
OF THE IRAN DEAL”***

A Statement by:

Dr. Jon B. Alterman

Senior Vice President

Zbigniew Brzezinski Chair in Global Security and Geostrategy
and Director, Middle East Program

Center for Strategic and International Studies (CSIS)

July 29, 2015

2118 Rayburn House Office Building

Mr. Chairman, Ranking Member, and members of the Committee:

I am honored to appear before you today to discuss the regional implications of the Joint Comprehensive Plan of Action (JCPOA) between the P5+1 and Iran.

I'd like to divide my testimony into three parts: the responses of neighboring states to the Iran nuclear deal, likely scenarios should the deal go forward, and likely scenarios should the deal not go forward. In the latter two, I am especially mindful of the wisdom of the Danish nuclear physicist Niels Bohr, who was fond of observing, "It is exceedingly difficult to make predictions, especially about the future." The reality is that not only do we not know how Iran or its neighbors will act in five or ten years, time, we also do not know how the U.S. government will act in the face of any future provocation. It is my general advice to you to preserve options rather than cut them off, to prepare fallback positions, and to allow for the possibility that sometimes, just sometimes, things actually work out.

The neighbor that has been most vocal on the Iranian nuclear deal is the one that has been most disturbed by it and which faces the greatest potential threat. Israel's government has been preoccupied with the Iranian nuclear program since the late Prime Minister Yitzhak Rabin started warning of Iranian intentions and capabilities in the early 1990s. I would argue that in the years since, a fear of Iranian aggression has been one of the few unifying issues in a very polarized Israeli political landscape.

One might argue that hostility to Israel has been a unifying issue in polarized Iranian politics, but my own experience suggests a need for greater nuance. While Iranian political leaders rail in public against the so-called "Zionist entity," in my private conversations with Iranian government officials they have uniformly used the word "Israel." When I've spoken with Iranians outside of the country, and even inside the country, the private rhetoric has never resembled the public screeds. Of course, one can find large pockets both of deep anti-Semitism and deep hostility to Israel in Iran, but it's my judgment that many people see this as a sort of public piety that must be repeated rather than as an indication of broad and genuine sentiment. By contrast, I do not know many Israelis who do not feel genuinely imperiled by Iran, both through its missiles that can reach Israel directly and also through the wide range of asymmetrical tools that Iran supports against Israel, principally Hamas, Hezbollah and Palestinian Islamic Jihad.

Israel's Prime Minister, Binyamin Netanyahu, has been unsparing in his criticism of the JCPOA. Similarly, the leader of Israel's Labor Party, Isaac Herzog has been bitterly hostile to the deal since it has emerged. I would be reluctant, however, to take this at face value or to assume that Israel's security community is unified against the deal. Close analysts of Israeli politics have favored one of two explanations for Herzog's approach, although they are not mutually exclusive. The first assumes that if Herzog wants to be prime minister, he needs to demonstrate that he is strong on national security and that Netanyahu harms Israel's national interests. Criticizing the deal and blaming Netanyahu for its going forward serves this purpose. Leading opposition legislator Yair Lapid also

seems to be taking a similar tack. As legislators, you know as well as anyone that saying what you think is only part of politics, and shaping the way your opponent is perceived is just as important. Center-left politicians see the agreement as an opportunity to run to the right of Netanyahu on a security issue. Given their bet that the deal will go through anyway, they get a two-fer in that they also can argue that Netanyahu was incapable of preventing the United States government from doing precisely what he argued so vociferously against.

Another explanation is that Herzog seeks to be Netanyahu's foreign minister—still in service of becoming prime minister someday—and a hawkish attitude toward Iran serves that purpose. As most saw former Foreign Minister Avigdor Lieberman as a key rival of Netanyahu and an aspiring prime minister, the strategy of getting close to the leadership in order to topple it has ample precedent. Israeli politics are little different from the politics of any other democracy, and you should attune your political antennae to them.

The Israeli security establishment has a much more diverse set of views. Former Shin Bet chief Ami Ayalon, former Mossad head Ephraim HaLevy, and former head of Military Intelligence Amos Yadlin have all been more circumspect about the deal, highlighting the ways in which an agreement advances some Israeli interests even if it does not solve all of Israel's problems with Iran. I would argue that a life in the security services has persuaded these leaders that many of Israel's problems need to be managed and few can be solved. They also have intelligence analysts' distaste for the politicization of national security interests. To these veterans—intimately familiar both with Israel's threat environment as well as Israel's capacity to respond—the key strategic interest is ensuring that “the perfect does not become the enemy of the good.” They judge that the defeat of the deal would represent a serious mistake.

A similar approach seems to guide the view of most of the Gulf Cooperation Council (GCC) governments. The Saudi foreign minister has been the most explicit in his acquiescence to the deal, stating last week that it “generally seems to have achieved” the objectives of limiting Iran's nuclear program. The leadership of the United Arab Emirates, a close U.S. partner in the Gulf, sent separate messages of congratulations to the Iranian government upon conclusion of the deal.

In observing their seeming support, it is important to note that these governments start from a different premise than Israel. They see the nuclear program as a relatively small part of the array of Iranian threats, and they see Iran's regional behavior as much more worrying. As a former GCC foreign minister told me many years ago, “If someone has a gun pointed at your head, what does it matter if they point a cannon at your back?” The common view in the GCC is that Iran now controls four Arab capitals – Damascus, Baghdad, Beirut and Sanaa – and that its expansionist ambitions must be checked. In checking those ambitions, there is no more important element than a U.S. commitment to their security. For this reason, the governments are very reluctant to criticize the United States publicly. What they are seeking to do in their engagements with the United States, with U.S. allies, and with countries such as China and Russia, is induce the United States to play a sustained regional role while hedging against the possibility that the United

States will decide to abandon the Gulf.

If I may step back a moment, Congress has a large role to play in shaping perceptions of the U.S. commitment to the Gulf. Overall force structure, basing, arms sales, and training all have a profound effect on these countries' estimates of U.S. intentions and U.S. commitments, and I would argue that a very large number of those decisions come through this committee.

Seen broadly, none of the Gulf governments see their fundamental problems in Iran as being ripe for solution, and some may even see them as insoluble. When I was discussing Sunni-Shi'ite tensions with a senior Gulf prince several years ago, he took pity on what he saw as my naiveté. "You don't understand," he said, shaking his head. "Iran has only been Shia for 500 years. They have been Persians for millennia." Tensions across the Gulf not only predate the Islamic Republic, they arguably predate the rise of Islam in the seventh century. Even so, the Gulf Arabs can imagine a somewhat less hostile Iran with which some understandings can be reached, and they are open to pursuing those understandings.

Turkey, it seems to me, has the most complicated view of the agreement. In a basic sense, Turkey feels on the defensive against Iran in the Middle East. It is seeking to undermine Iranian influence in Syria, to protect Turkmen communities under siege from Iranian allies in Iraq, and to avoid encirclement by Shi'ite neighbors. Yet, Turkey stands to gain a bonanza from Iran's return to the global economy. Turkey already has about \$14 billion in annual trade with Iran, especially as Dubai has become a less welcoming venue for Iranian business. Turkish traders would make tens of billions more from an unsanctioned Iran, partly through supplying Iranian markets and partly through distributing Iranian oil and gas to the world.

Yet, commercial interests only go so far. As the remnants of two great historical empires, Iran and Turkey have a long history of animus between them. In fact, Iranian Shi'ism is partly the remnant of a 16th century Persian effort to more sharply delineate the eastern border of the Ottoman Empire. At the same time, the countries have long accustomed themselves to the notion that neither one is going away, and that they have more to gain from working with each other than through undermining each other.

Let me mention one other country here, and that is Iraq, a country into which the United States has put tremendous amounts of blood and treasure. While the government of Saddam Hussein seemed to be pursuing a nuclear weapon in large measure to deter Iran, the government of Haider Al-Abadi, as well as political leaders who are not part of the government, appear to view the agreement principally through the lens of regional stability. For that reason, any agreement between Iran and the Western powers is positive because it facilitates U.S.-Iranian cooperation against the Islamic State group and other jihadi organizations in the Middle East. Further, Iraqi leaders see a more normalized Iranian relationship with the region emerging from the agreement, holding with it the prospect of a more normalized Iraqi relationship with countries that feel threatened by Iran.

I could talk about other countries – Egypt, Lebanon, Jordan, and many others – but it seems to me that they fit somewhere on the spectrum I’ve described here. Only Iraq sees hope of a constructive Iranian regional role in the near future, although the Iraqi prime minister’s remarks at CSIS in April of this year showed clear Iraqi frustration with Iranian actions. Even so, most countries in the region think that some new relationship with Iran is worth exploring. They see this agreement as a useful step in that direction, provided that it is not the first step in an American withdrawal from the Gulf.

It is a separate and distinct question to judge what the impacts of the Iran deal will be on the region. If this agreement goes through, and if Iran complies with the requirements of the initial phase, Iran will receive something on the order of \$100 billion through repatriating Iranian funds currently held overseas, and perhaps another \$40 billion annually from the export of oil and gas. This sounds like a massive amount, but it still probably keeps Iranian oil earnings below the level they were at just five years ago, when sanctions bit less sharply and oil prices were more than double what they are now. Rather than leaving Iran flush with cash, sanctions relief may still be insufficient to get Iran back to where it was just a few years ago.

Malign actors in Iran will certainly try to reap a windfall from increased funds flowing into the country. How the government will divide those funds between current consumption, infrastructure investment, and foreign policy objectives is anyone’s guess. There will also be skirmishes internally in Iran to preserve financial empires built up in the shadow of sanctions, and in particular to lock in benefits that flow to para-statal foundations and Iranian Revolutionary Guard Corps (IRGC)-owned businesses that are either protected from competition by sanctions or which profit through circumventing sanctions. I can imagine this working out several ways, but it seems certain that there will be vicious political competition to capture additional revenues. As Congressional veterans who remember the Peace Dividend at the end of the Cold War can tell you, there will be powerful political reasons to invest the maximum amount in domestic consumption.

I would imagine that the nuclear deal will neither produce full Iranian compliance with the deal, nor will it mean the end of Iranian efforts to build influence in the Middle East, often at the expense of the United States and its friends in the region. Some of this will surely represent Iranian testing, to see just how much it can get away with and under what circumstances. Some will also represent an effort to demonstrate that Iran is not weak and has not surrendered. Some will represent the efforts of some parties in Iran to preserve what they have built as Iran has been ostracized, and some will represent the sincere efforts of some elements of the Iranian government to attack stability and undermine the status quo.

While I expect to see this, it is hard for me to imagine that there is not a consensus among the leadership that Iran no longer has the luxury of pursuing maximalist principles at the expense of the country’s very real material needs. All of Iran’s export partners seek stability and security of energy supply. Few companies will invest the billions of dollars

Iran's energy industry needs or lend the technology required to revive Iranian production if Iranian malfeasance raises the prospect of losing that investment. Iran has ample reason to improve its behavior, and those reasons multiply as long as increased production from Iraq and Saudi Arabia on the one hand, and flat demand curves in much of the developed world on the other, continue to suppress the price of Iran's principal export commodity. In many ways, Iran must run hard just to keep from falling further behind.

For that reason as well, I would expect to see at least general compliance with the terms of the JCPOA. Strident defiance would have a chilling effect on trade and investment, and quiet cheating is likely to be difficult given the kinds of intelligence tools the United States has applied to the Iranian nuclear program for decades. We are unlikely to see the sort of standoff with Iran that occurred between Saddam Hussein and the UNSCOM inspectors in 1998. That standoff occurred at a time when Iraq was isolated from the world and heavily sanctioned, and it had little to lose. Iran has a great deal to gain from a host of risk-averse actors with long time horizons, and that will work in the direction of stability.

Despite what I see as continued Iranian support for its proxy groups throughout the Middle East, for the most part, I would imagine regional trade with Iran would increase. This will certainly be true with Turkey and the UAE, robust trading partners already and necessarily avenues for investment in Iran. I would expect Gulf states would import more from Iran, which has a genuine manufacturing industry and much more water for agriculture than the arid states on the southern rim of the Gulf. I don't foresee much change in Iranian-Israeli hostility, in part because political elites in both societies have so much invested in narratives that see the others as a principal foe.

Much of this is predicated on energy prices remaining roughly where they are. A spike in prices may lead the Iranians to feel more comfortable and more protected, and it may embolden some of the more malign actors in Iran. A slide in prices would squeeze the Iranians still further, in part because they would be deriving less revenue, and in part because the risk premium global investors would face in their Iranian investments would outweigh diminishing profits. I cannot predict prices any better than you can, but they are an essential variable to consider in all of this.

The other variable to consider is that Iran is very likely to have a leadership transition over the course of this agreement. Ayatollah Khamenei is 76 now, and reports of his ill health have circulated for years. While we cannot determine with any certainty how long he will occupy a central position in Iranian politics, it is hard to imagine that he will not leave the scene sometime during the implementation of this agreement, and that there will be a consequent struggle for power and influence in his wake. Whether this struggle ends on terms more favorable to the United States or more unfavorable is unknowable now, and it will likely be unknowable until it happens, but it is another reason not to make a mere straight-line prediction of Iranian behavior.

While none of this is certain, under this agreement I think we are likely to see a modest improvement in Iranian conduct over the next five to ten years, but I think it is unlikely to

find “solutions” that end Iranian tensions with its neighbors or with the United States. Rather than be flush with cash, Iran is likely to experience sustained economic pressure, giving considerable continued leverage to the United States and its allies. After all, the agreement does nothing to bar sanctions against Iran for its non-nuclear activities.

All of that describes the region should the agreement go forward. It is also worth thinking deeply about what the consequences of a foiled agreement would be. One consequence would certainly not be a continuation of the current multilateral sanctions regime nor Iranian restraint on enrichment. Almost certainly, Iranians would feel betrayed and act out against U.S. demands. European and Asian partners would feel frustrated and misled. I would predict that Iran would aggressively seek investment in their energy sector, and countries such as China and India – likely followed by U.S. allies such as Japan and Korea and NATO allies such as France and Turkey – would move in. Broadly, the action would create distance between the United States and the world and diminish distance between Iran and the world after more than a decade when the reverse was the case. Further, it is hard to imagine any successful future U.S. negotiating effort with the Iranians on any topic for a decade or more. After all, Iran’s current political leadership has braved significant domestic criticism to pursue a deal with the United States, and it is hard to imagine that the collapse of the deal would not result in their being swept from office in favor of hardline figures. On other issues of tension between Iran and the United States, I would expect to see Iran turn even more aggressive, increasing support for proxies and attacking U.S. friends in the region.

Those consequences pale in comparison, though, to what would almost certainly happen to the U.S. position in the global financial system. The United States is so deeply integrated into that system that there are few international entities that U.S. law cannot touch. It was the United States, after all, that was able to attack years of bribery and corruption in the international soccer organization FIFA—not because bribes were offered on U.S. soil, but because they passed through entities connected to U.S. banks. Even far-flung networks of informal money transfer agents in South Asia, known as “hawalas,” are part of the web.

If the robust secondary sanctions contained in U.S. law were applied in defiance of international consensus, there would surely be a rush to develop financial instruments that would be beyond U.S. reach. Computer experts talk about creating an “air gap” to ensure that sensitive information is never put on a computer that can in turn be exposed to the public Internet. One could easily see a drive toward financial institutions that are protected from U.S. scrutiny, and from U.S. law enforcement. They would have no connections to U.S. banks or U.S. networks, and the U.S. Treasury Department would be unable to touch them. China’s new Asian Infrastructure Investment Bank (which has 50 founding members, including many U.S. allies) could be part of the architecture for this parallel organization, and even many Asian allies of the United States with keen energy interests in Iran would be tempted to sign up.

The establishment of a parallel banking system would be a blow to U.S. prestige, but that would be the least of it. Its establishment would destroy an apparatus that has been

painstakingly built—in large measure during the Bush administration—to give the U.S. government unprecedented visibility into criminal transactions around the world and to sanction individuals and institutions who abet terrorism. Americans would be at much greater risk.

There are few people involved in nonproliferation work who wouldn't like modifications to this agreement. The centrifuge number could be lower, the inspections could be more intrusive, the ban on arms sales more long lasting. It would be surprising if the U.S. negotiators themselves wouldn't want a slightly different agreement, but they must have concluded that this agreement represented the maximum they could get not only from the Iranians, but also the Russians, Chinese, and others in the negotiations. Every arms control expert I've spoken with has also said that the inspections protocols agreed to in this agreement are rigorous, and the procedure to handle violations is both specific and robust. The provisions are not perfect, but they are adequate. That is all good, because I suspect they will be tested.

The key question you need to consider is whether it is better for the United States to confront Iranian transgressions alone, or to do so with international backing. Militarily, the United States does not need others' participation to destroy any target in Iran. But influencing Iranian behavior in any durable way has a strong economic component, and in that, the United States is hard-pressed to act unilaterally. This will be even more the case when investment begins to flow into Iran in the wake of this agreement, led by Asian and European investors.

In my judgment, the agreement is adequate but not ideal for the purposes for which it was designed. Its success or failure hinges on implementation. And it is on this issue where you have an important role to play.

Like some of you, I was disappointed that the Obama administration did not take any military action against clear Syrian violations of its obligations under the Chemical Weapons Convention in mid-2013. While reasonable people can argue what the response should have been, I think it was a mistake to suggest that the use of chemical weapons would be a "red line" and not have a clear – and preferably, humiliating – consequence for Syria crossing that red line.

The White House had little appetite to strike, and its strategy was to put to onus on Congress, which was also reluctant to intervene. The message sent to adversaries around the world is that the United States sometimes has a problem following through on its threats. I understand the role that the law gives Congress to disapprove the JCPOA and even to block its implementation. Whatever the agreement's shortcomings, blocking it seems to me to be a serious strategic mistake, and seeking to improve it at this stage a self-defeating exercise that cannot meet success.

The agreement has a clear process for adjudicating disputes, with judgment rendered by a panel that is heavy with U.S. allies. Congress can, through legislation, ensure that this panel's judgments are honored through sanctioning violators. Congress also can make

clear its support for action against Iran in the face of material violations of the agreement that the Iranian government has made. It can strengthen the defenses of countries that face sustained Iranian threats, and it can ensure the U.S. military has the tools to meet Iranian malfeasance head-on.

To summarize, I am deeply afraid that a harsh Congressional action against the agreement will severely undermine U.S. interests and the interests of U.S. allies in the region. The important role for Congress is not to block the agreement, but instead to signal to the world that Congress' concerns about the agreement will drive it to insist that the agreement is followed to the letter, and that Iranian deviations from its obligations will be taken with the utmost seriousness.

I regret that I expect we will have difficulties with Iran for many years to come. Iranians have their fears of the United States as well. That is to say, I am sure that many Iranians are terrified that appearing to concede on the nuclear program will only embolden the United States to double down on efforts to weaken Iran. We each see ways in which opponents in the other country will see this agreement as an opportunity to undermine their adversary's interests, and I am not optimistic that the conflicts between us will disappear any time soon. Congress should not stop paying attention to Iran, and it should not stop being alarmed by Iranian actions that harm U.S. interests.

But this agreement gives us tools to influence Iranian decision making, and it provides unprecedented visibility into Iranian nuclear activities. It also binds the world together in a common cause, and it reasserts U.S. leadership in confronting threats to global peace. Insisting on a deal that successfully eliminates any threat of any kind from Iran will not make such deal come about. Instead, it will end up isolating the United States rather than Iran.

Jon B. Alterman is a senior vice president, holds the Zbigniew Brzezinski Chair in Global Security and Geostrategy, and is director of the Middle East Program at CSIS. Prior to joining CSIS in 2002, he served as a member of the Policy Planning Staff at the U.S. Department of State and as a special assistant to the assistant secretary of state for Near Eastern affairs. He is a member of the Chief of Naval Operations Executive Panel and served as an expert adviser to the Iraq Study Group (also known as the Baker-Hamilton Commission). In addition to his policy work, he teaches Middle Eastern studies at the Johns Hopkins School of Advanced International Studies and the George Washington University. Before entering government, he was a scholar at the U.S. Institute of Peace and at the Washington Institute for Near East Policy. From 1993 to 1997, Alterman was an award-winning teacher at Harvard University, where he received his Ph.D. in history. He also worked as a legislative aide to Senator Daniel P. Moynihan (D-NY), responsible for foreign policy and defense.

Alterman has lectured in more than 30 countries on five continents on subjects related to the Middle East and U.S. policy toward the region. He is the author or coauthor of four books on the Middle East and the editor of two more. In addition to his academic work, he is sought out as a consultant to business and government and is a frequent commentator in print, on radio, and on television. His opinion pieces have appeared in the New York Times, Washington Post, Wall Street Journal, Financial Times, and other major publications. He is a member of the Editorial Advisory Board of Arab Media and Society and is a former international affairs fellow at the Council on Foreign Relations, where he is now a life member. He received his A.B. from Princeton University's Woodrow Wilson School of Public and International Affairs.

**United States House of Representatives
Committee on Armed Services**

"TRUTH IN TESTIMONY" DISCLOSURE FORM

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee require the disclosure of the following information. A copy of this form should be attached to your written testimony and will be made publicly available in electronic format, as required by House rules.

1. Date of Hearing: July 29, 2015

2. Your Name: Jon Alterman

3. Organization or organizations you are representing: I work at the Center for Strategic and International Studies (CSIS), but I am testifying in my personal capacity and not on behalf of CSIS, which does not take policy positions.

4. Since January 1, 2013, have you or your organization(s) received any Federal grants or contracts (including subgrants and subcontracts) related to the subject of the hearing or your representational capacity at the hearing? X Yes No (select one)

5. Since January 1, 2013, have you or your organization(s) received any contract or payment originating with a foreign government related to the subject of the hearing or your representational capacity at the hearing? X Yes No (select one)

6. If you answered "Yes" to either item 4 or 5, list the source and amount of each grant, contract, or payment. You may list additional grants, contracts, or payments on additional sheets.

No funds originating from a Federal or a foreign government source in any way influenced the testimony to which I am to give to Congress. I will provide my best advice and recommendations to this Committee based on my experience and expertise.

- Since 2013, as the Director of the Middle East Program at CSIS, my program has received the following Federal grants or contracts related to the hearing topic:

-Department of Defense: Approximately \$125,000 for a study on global terrorism.

- Since 2013, as the Director of the Middle East Program at CSIS, my program has received the following funding originating with a foreign government related to the hearing topic:

--Government of the United Arab Emirates: Approximately \$450,000 over two years for policy papers, roundtables and other meetings run by CSIS, a portion of which concerned

Gulf security. Approximately \$400,000 over two years for support for the UAE's own conferencing, some of which related to Gulf security.

-Government of Singapore: Approximately \$125,000 for a study on global terrorism.

- Although I did not work on these projects and did not benefit from any of the financial support, since 2013, CSIS has received the following Federal grants or contracts related to the hearing topic: *None*
- Although I did not work on these projects and did not benefit from any of the financial support, since 2013, CSIS has received the following funding originating with a foreign government related to the hearing topic: *None*
- In my personal capacity since 2013—completely separate from CSIS—I received the following Federal grants or contracts or funding originating from a foreign government related to the hearing topic: *None*

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QUESTIONS SUBMITTED BY MEMBERS POST HEARING

JULY 29, 2015

QUESTIONS SUBMITTED BY MR. SHUSTER

Mr. SHUSTER. The unfortunate reality of this deal is that it does nothing to slow down Iran's development of ballistic missiles. This is a country that has managed to develop advanced missile technology even under the weight of U.S. sanctions, which makes it even more likely that they will speed development once those barriers are lifted, creating a direct threat to Israel regardless of whether Iran possesses nuclear weapons. Given this danger, how do you believe the United States should better support our allies in the region in the area of missile defense?

Mr. SINGH. The U.S. approach to missile defense in the Middle East should comprise four broad elements:

- Ensuring our allies exploit their existing capabilities in early warning and missile defense and have access to any additional required technological training or support necessary to counter missile threats from Iran, its proxies, and elsewhere;
- Coordinating the integration of regional missile defenses to enhance the capability and deterrent effect of those defenses;
- Using sanctions and other tools to prevent Iran and other potential adversaries from developing advanced missile capabilities, especially intercontinental ballistic missiles (ICBMs);
- Preventing the proliferation of missile and rocket technology from Iran to proxies such as Hezbollah, Palestinian Islamic Jihad (PIJ), Hamas, and others;

The nuclear deal does not require Iran to refrain from missile and proliferation activities. Instead, the deal in-fact eases the arms and missile sanctions on Iran in five and eight years, respectively, making the above efforts all the more important and urgent. They should be undertaken with renewed vigor in the context of sensible investments in the U.S. global defense posture and in the advancement of our own missile defense technology.

Mr. SHUSTER. For years, Israel has been defending itself from rocket attacks launched by terror groups that receive support from Iran. Indeed, Hamas has been directly assisted by Iran with the provision of technology to develop Fajr-5 missiles, which have been fired at civilians in Tel Aviv. Under this agreement, Iran will have free reign to continue building their arsenal of conventional munitions and missiles, which they can then continue providing to terror groups like Hamas for the purpose of attacking Israel. To date, Israel has relied on the Iron Dome system, which makes use of Patriot Missile batteries, to defend itself, but it is going to face an even greater challenge under this deal. Would the provision of additional Patriot batteries help Israel in the face of heightened rocket attacks?

Mr. SINGH. Congress has demonstrated leadership on this issue by consistently providing funding for Israeli missile defense. This includes the Iron Dome system, which targets short-range rockets, artillery, and mortars; the David's Sling system, which targets medium-range rockets and missiles; and the Arrow missile system, which targets longer-range and higher-altitude ballistic missiles.

The United States should continue to engage in continuous dialogue with the Government of Israel to ensure that together we are countering the existing threats posed by Iran, its proxies, and other adversaries in addition to anticipating future threats. This will require further investments in existing and new technologies as well as in intelligence on the threats that we jointly face. Our bilateral dialogue should also be conducted in the context of a broader effort to ensure Israel's security, integrate regional missile defenses and promote regional security cooperation to counter the missile and proliferation threats posed by Iran and others.

Mr. SHUSTER. Sanctions imposed on the Islamic Republic of Iran have had a dramatic effect on the nation's economy: revenue from oil exports have plummeted; its currency value has eroded, and disruptions to trade have resulted in business closures and inflation. In the face of this turbulent economic situation, Tehran has still managed to speed missile development and shore up their conventional munitions, with the intended aim of revitalizing their military in the coming decades. Without sanctions, it is likely that they will be able to achieve both these goals in a shortened amount of time. Do you believe this deal will result in Iran being able to more easily divert weapons and material to regional terror groups?

Mr. SINGH. As noted in my written testimony, I am concerned that the Joint Comprehensive Plan of Action (JCPOA) could worsen Iran's destabilizing regional activities in three respects:

- Providing Tehran with new financial resources with which it can support proxies and boost its security spending;
- Easing sanctions on the transfer of arms from and to Iran, and on the provision of missile technology to Iran, potentially paving the way for greater cooperation between Iran and international partners such as Russia and China;
- Emboldening those elements of the Iranian state, such as the Islamic Revolutionary Guards Corps (IRGC) which are most directly involved in destabilizing regional activities and provoking reactions by Iran's regional rivals which serve to deepen the region's existing conflicts.

In the wake of the JCPOA's adoption, it will be vital that the United States not merely adopt a strategy of hoping these things do not just come to pass, but to ensure that Iran faces steep costs for pursuing destabilizing activities and supporting terrorism in efforts to incentivize Iranian leaders to choose more constructive approaches to the region.

Mr. SHUSTER. The Department of Defense has steadily transitioned to an expeditionary force over the last 20 years, significantly reducing our overseas steady-state footprint. What impacts will a nuclear-capable Islamic Republic of Iran and a missile-saturated region have on future U.S. force posture? Do you foresee a necessary growth in defense spending to field a differently shaped or equipped force?

Mr. EISENSTADT. One of the ironic consequences of the nuclear deal with Iran is that it will likely deepen America's involvement in the region as a security provider for years to come. In the wake of the deal, the U.S. has pledged to become more actively involved in assisting its partners in interdicting destabilizing Iranian arms transfers to its proxies and allies, and the growing missile threat will result in increased U.S. transfers of missile defenses to the region, and its continued involvement as an integrator of regional missile defenses.

Moreover, in the long run, the likelihood that countries in the region will engage in nuclear hedging—building their own civilian nuclear infrastructure—to counter Iran's declared nuclear infrastructure, will also likely cause the United States to offer these countries ever larger conventional arms packages or other types of security assurances to dissuade them from moving forward with nuclear programs of their own. Thus, the deal is likely to accelerate the conventional arms race now underway in the region, and perhaps eventually lead to a nuclear arms race there.

Finally, Iran's growing missile capabilities will make the Persian/Arabian Gulf a much more challenging environment for the U.S. military—the Navy in particular—which will be operating in an environment saturated by Iranian low- and high-end anti-access/area denial capabilities. And as the accuracy of Iranian missiles increases, the U.S. will have to spend a lot more on hardening and dispersing its infrastructure in the region, to protect it from this growing threat.

Mr. SHUSTER. Buried within Annex 3 of the nuclear deal, sections 10.1 and 10.2 commit the P5+1 parties to cooperate with Iran in strengthening the protection of their nuclear program. To what extent do you believe the P5+1 parties should assist in this capacity and what are the implications to the United States should Iran fail to comply with the mandates of this agreement? Does strengthening Iran's defenses disadvantage the U.S. in the long-term?

Mr. EISENSTADT. The nuclear deal envisages the possibility of EU and P5+1 assistance to Iran to protect its nuclear infrastructure against sabotage. This may help Iran entice world-class information technology (IT) consultants, firms, and state entities to help it thwart the kind of cyber spying that is necessary prelude for hostile offensive cyber operations. Indeed, it was a Belarus-based firm working for an Iranian state entity that discovered the Stuxnet malware. The nuclear accord may thus enable Iran to more effectively counter one of the most effective means of gathering information available to its adversaries, greatly complicating U.S. and allied efforts to detect future Iranian clandestine activities. This may also deny the United States and its allies of one of the few non-kinetic means of disrupting an attempted Iranian breakout, at a time when U.S. kinetic options may be increasingly limited, for a variety of political and military reasons. (On the other hand, the employment of foreign consultants, firms, or state entities creates security risks for Iran, and opportunities for foreign intelligence services, though Iran will undoubtedly try to manage this risk, if they continue to rely on foreign consultants for IT trouble-shooting.) For these reasons, it would be highly desirable that the EU and P5+1 not assist Iran in these areas. Even if the parties to the agreement act with restraint, it may be very hard to keep unscrupulous private IT consultants from offering their services to Tehran, and helping it improve its counter-cyber capabilities.

QUESTIONS SUBMITTED BY MR. WALZ

Mr. WALZ. In your view, what are the shortcomings and risks associated with the Joint Comprehensive Plan of Action? What benefits to the United States and our allies do you believe this agreement offers?

Mr. SINGH. In my written testimony, I offer a thorough analysis of the JCPOA's likely implications. To summarize:

- The JCPOA contains provisions which will result in enhanced monitoring at Iran's declared nuclear facilities and of its nuclear supply chain;
- It also offers a provision to "snap back" previous UN sanctions on Iran that is not subject to veto by a member of the P-5 in the UN Security Council, and does not require that U.S. sanctions be lifted for the first eight years of the accord;
- It also requires Iran to recommit not to acquire nuclear weapons (having already done so by signing up to the NPT), or to engage in certain specified activities applicable to developing a nuclear explosive device;
- However, the agreement does not require Iran to dismantle any of its nuclear fuel fabrication infrastructure, apart from swapping out the core of the Arak heavy water reactor. Key facilities, including Arak, Natanz, and Fordow, remain operational;
- Nor does the agreement apparently require Iran to make a full declaration of its past or current weaponization activities, or provide related access to facilities, personnel, and documentation;
- Not only does the agreement fail to impose any limitations on Iran's nuclear-capable ballistic missile activities, it additionally drops the previous ban on Iranian missile activities and pledges the lifting of missile-related sanctions on Iran in eight years;
- The agreement does not, in my opinion, provide sufficient or timely access to suspect (undeclared) nuclear sites, nor does it stipulate any punishment for Iranian violations besides the full snapback of sanctions, which parties to the agreement are likely to be reluctant to exercise except in the case of major violations;
- Even the restrictions that the JCPOA does place on Iran expire in five to fifteen years, leaving open the prospect that by 2030 Iran would face no limits on its nuclear activities short of its broad NPT pledge not to pursue nuclear weapons. This would nevertheless enable Iran to expand its nuclear activities so that it is poised at the cusp of a nuclear weapon with near-zero breakout time;
- The agreement does not address Iran's regional behavior. It will provide Iran with tens of billions of dollars in cash and meanwhile, in five years it will lift sanctions on the provision of arms to Iran. This is likely to be destabilizing in itself and produce a reaction from Iran's regional rivals that may prove further destabilizing;
- Finally, from the point of view of U.S. policy, the agreement is not seemingly connected to a comprehensive American strategy for the Middle East or non-proliferation.

It is essential that the Obama Administration or the next administration devise policies to address these shortcomings, given the likelihood that the deal will be adopted and implemented on schedule.

Mr. WALZ. In your opinion, do you believe this agreement will "tip the balance of power" toward the Islamic Republic of Iran and create a nuclear arms race in the Middle East?

Mr. SINGH. Iran's regional strategy has long focused on cultivating asymmetric and anti-access/area denial capabilities to counter regional rivals, the United States, and our allies. This strategy has included funding, training, and equipping proxy non-state actors such as Hezbollah and Palestinian Islamic Jihad, and partnering with the Syrian regime. It has also comprised the development of missile, fast boat, and other capabilities that put freedom of navigation and regional security in the Gulf at risk. Iran's nuclear capabilities—which the JCPOA permits and which may be expanded upon the expiration of the JCPOA's restrictions—leave open the possibility that in the future it will possess a nuclear weapon, which would give Tehran additional resources to pursue its regional strategy with impunity. The agreement also provides an influx of funds to Iran and pledges to alleviate sanctions on arms and missile in five and eight years, respectively.

It is likely that the deal will therefore strengthen Iran in its neighborhood—both the Middle East and South and Central Asia. This could incentivize its rivals to take action to counter Iranian regional activities and perhaps pursue nuclear capabilities that at least match Iran's. It is essential that the United States work with our allies to devise a common approach to countering Iran and other regional

threats so that these responses to the JCPOA do not themselves further contribute to regional instability.

Mr. WALZ. There is an ongoing debate if this agreement truly does allow for “24/7” monitoring and inspections. Do you believe that this agreement will truly permit the P5+1 to monitor and inspect Iran facilities and programs to prevent the proliferation of a nuclear weapon?

Mr. EISENSTADT. I believe that the provisions of the nuclear agreement provide very robust monitoring of declared Iranian nuclear facilities. My main concern concerns possible covert facilities related to a clandestine nuclear program. While it would be very difficult for Iran to build a parallel clandestine program now without getting caught, I think its prospects improve greatly in the out years—10–15 years from now, and after.

And the provisions of the agreement will make it hard to investigate possible covert sites related to a potential clandestine program. For instance, if the U.S. or other countries obtain information regarding possible covert facilities in Iran, it will be necessary to conduct inspections to verify these reports. The elaborate procedures outlined in the agreement for visits to suspicious sites, and repeated statements by Iranian officials that International Atomic Energy Association (IAEA) inspectors will not be allowed to visit military facilities, could create substantial obstacles to timely access. And by repeatedly stating that IAEA inspectors will not be allowed to visit military sites (which have in the past been used to host nuclear facilities), Iran has set a very high bar for access. As a result, the U.S. and the IAEA will likely demand access to such facilities only rarely, given the potential for friction and tension this could entail, potentially creating sanctuaries where proscribed activities can occur beyond the prying eyes of inspectors.

Moreover, the ability of the IAEA to follow up intelligence reports regarding clandestine activities will be greatly diminished if disunity or diverging interests among the EU and the P5+1 undermine the efficacy of the monitoring arrangements described in the nuclear agreement. For instance, in the event that IAEA inspectors are denied access to a site, five of eight members of the Joint Commission established by the agreement need to agree on a means to resolve the IAEA’s concerns (Article 78). If they are unable to do so, due to political differences, the inspection effort will languish. This is what happened in Iraq in the late 1990s, when diverging interests among the P5 eventually hamstrung UN weapons inspections and efforts to resolve remaining questions about possible residual Iraqi WMD capabilities (e.g., possible stocks of the chemical agent VX).

And if Iran decides to build an industrial scale nuclear program 15 years from now, it will be even harder at that time to detect possible covert sites and clandestine activities, given all the permitted nuclear activities that will be occurring in the country by then.

