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Opening Statement of the Honorable **Ed Royce (R-CA), Chairman**
House Foreign Affairs Committee Hearing:
“Iran Nuclear Deal Oversight: Implementation and its Consequences
(Part II)”
May 25, 2016

(As prepared for delivery)

Last week, a commander in Iran’s Islamic Revolutionary Guard Corps made headlines around the world for boasting that Iran could wipe out Israel “in less than eight minutes.”

Remember, this is the same Iran that Secretary Kerry is promoting as “open for business.”

Sadly, in the four months since the nuclear agreement with Iran was implemented – few things have surprised me.

- I expected Iran to continue full speed ahead with its intercontinental ballistic missile program. And it has – testing at least two ICBMs. And intercontinental means able to reach the U.S. We have also seen the testing of ballistic missiles marked “Israel must be wiped off the earth.
- It’s no surprise that Iran’s abysmal human rights record continues, and that the agreement is strengthening the Revolutionary Guards and others responsible for these abuses.
- I’m not all that surprised that Iran may hold its nuclear program to the letter of the agreement. After all, it was this Committee that exposed the agreement’s central flaw – the sunset clause. With its nuclear infrastructure kept intact and key restrictions that expire, Iran does not have to cheat to get the bomb. Instead, it must simply wait out the clock.

But what is astonishing is the length the Obama Administration has gone to accommodate Iran. It is bad enough that the Administration essentially rewrote counterterrorism laws through executive action or that it has hardly responded to Iran’s missile tests. The Administration told us that sanctions on Iran’s terrorism, human rights and ballistic missiles would be fully enforced after the agreement. Yet, it now says that non-nuclear sanctions would undermine the Iran agreement. The White House’s Iran policy amounts to walking on eggshells.

And in another odd twist, the Obama Administration is going beyond the nuclear agreement to purchase material used in the production of nuclear weapons from Iran. As one prominent

nuclear expert summed-up, “We shouldn’t be paying them for something they shouldn’t be producing in the first place.”

But the State Department has taken its advocacy for Tehran to a new and disturbing level by trying to persuade major non-U.S. banks that doing Iran-related business is not only permitted, but is actually encouraged. As one witness told the Committee earlier this month, we are acting as the “business development and trade promotion authority of the Islamic Republic of Iran.”

International businesses must deal with the reality of an Iran whose Islamic Revolutionary Guard Corps controls broad swaths of the Iranian economy – not the Administration’s fantasy in which Iran’s behavior can be ignored and investment can be pushed into the country. They hear the warnings of the Financial Action Task Force, which sets global anti-money laundering standards. As Stuart Levey, the former Treasury official who was responsible for much of the sanctions architecture that squeezed Iran wrote in the Wall Street Journal, why is “Washington pushing non-U.S. banks to do what it is still illegal for American bankers to do?”

Last week, Secretary Kerry went so far as to say that European leaders are looking at ways to subsidize investments into Iran. Where does it stop? And Iran is still pushing for access to the U.S. dollar, the world’s top currency. Given the Administration’s lack of any resolve to stand up to the Supreme Leader, we are right to pursue legislation to prevent that from happening.