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Opening Statement of the Honorable **Ed Royce (R-CA), Chairman**
Committee on Foreign Affairs Hearing:
“Sanctions and Financial Pressure: Major National Security Tools”
January 10, 2018

(As prepared for delivery)

“This committee has played a leading role in applying sanctions and related elements of financial pressure to address major U.S. national security threats. We’ve used America’s economic might to help stop terrorists, counter Iran and North Korea’s nuclear programs, and respond to Russian aggression and the degradation of democracy in Venezuela.

Today, we are joined by three former officials with unique experience in using these economic tools. Their testimony will help us ensure that the sanctions we have enacted are fully implemented, while improving our ability to draft tough, effective legislation going forward.

Last summer, in response to the ongoing threats from Iran, Russia, and North Korea, Congress enacted the *Countering America’s Adversaries Through Sanctions Act*. The administration faces a deadline to implement key elements of this act by the end of this month. It is this committee’s expectation that this deadline be met.

Meanwhile, later this week, the president faces a decision on the Iran nuclear agreement. Senior members of this committee were united in bipartisan opposition to the Obama administration’s deeply flawed deal, which handed over roughly \$100 billion in sanctions relief in return for *temporary* restrictions on Iran’s nuclear program. This sunset flaw and other serious problems need to be fixed. We must make certain that international inspectors have access to possible nuclear sites, particularly those on military bases.

At the same time, we’ve got to continue to counter the full range of threats posed by the corrupt and dangerous regime in Tehran that is – at this moment – brutally cracking down on the people of Iran. That’s where this committee has already taken the lead.

Yesterday, the House passed a resolution 415-2 approved by this committee calling for additional sanctions on those responsible for human rights abuses.

Additionally, we’ve passed legislation through the House targeting Iran’s ballistic missile program and are working with our colleagues in the Senate to strengthen the *Hezbollah International Financing Prevention Act* – a landmark bill enacted two years ago to target Iran’s top terror proxy. The Obama administration let up on Hezbollah in order to get the Iran nuclear deal. One of our witnesses will note how this legislation can keep that from happening again.

And yesterday, two of our members, Chairman McCaul and Representative Deutch, introduced a bill to target Iranian officials involved in human rights abuses and hostage-taking. The

committee is also working on a bill designed to help push the Revolutionary Guards out of Iran's economy and deny them the revenue they use to destabilize Iraq, Syria and Lebanon – all while continuing to threaten Israel. This is the abuse and corruption and expensive interference in neighboring countries that brave Iranians have taken to the streets to protest.

Our efforts against the Revolutionary Guards and Hezbollah are prime examples of how what we often call 'sanctions' are really a broader set of tools – from disclosure and due-diligence requirements to civil and criminal investigations.

When it comes to the threat from North Korea, I've called for the 'primary money laundering concern' designation against large Chinese banks that continue to do business with the Kim Jong Un regime. As another of our witnesses knows, this major tool was used with great effect when the Treasury Department targeted Banco Delta Asia in 2006. We must stop Kim Jong Un from building a reliable nuclear arsenal capable of striking the United States.

Sanctions are rooted in the Article I power to regulate commerce with foreign nations, so it's not surprising that Congress has had to push successive administrations to effectively use these national security tools. No matter how tough the language of our sanctions bills, they are only as strong as their enforcement. That's why we must work together to ensure the Executive Branch not only has the political will, but also the growing resources and expertise needed to implement strong sanctions.

We look forward to hearing from our witnesses on how to do exactly that.”