



**EXAMINING THE STATE DEPARTMENT'S REPORT ON IRANIAN
PRESENCE IN THE WESTERN HEMISPHERE
19 YEARS AFTER THE AMIA ATTACK**

HEARING BEFORE THE COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON THE MIDDLE EAST AND NORTH AFRICA, AND
SUBCOMMITTEE ON THE WESTERN HEMISPHERE
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ERIC FARNSWORTH
VICE PRESIDENT

*** As Prepared for Delivery ***

Good afternoon, Madam Chairman and Members of the Subcommittees. Thank you for the opportunity to testify on such a timely and important topic. This hearing today continues the outstanding efforts of both the full Committee and also the relevant Subcommittees to highlight the most pressing issues in hemispheric affairs, and I congratulate you for your leadership. I'm also pleased to share this witness table with others of such stature.

The State Department's recent report on Iran's presence in the Americas provides an excellent opportunity for us to assess the situation on the ground, what it means for the Western Hemisphere generally and for the United States specifically, and what we can do about it. It reminds us that Iranian interest in Latin America is of concern. We are dealing with imperfect information that by its very nature is shrouded, much of it classified or simply unknown. And we must also recognize that the situation is not static: leadership changes in Tehran and in Latin America over time will arguably impact Iranian activities and intentions in the region.

Strong Democracies Resist Global Rejectionists

What remains clear is this: nations that disrespect democratic principles in the Americas tend also to be nations that offer aid and comfort to global actors who reject the norms of the international system. The best example, of course, is Cuba, as highlighted again by the discovery in July of missile and other weapons parts going through the Panama Canal intended for North Korea.

It's also a fact that ungoverned regions within countries offer permissive environments for mischief-making. For example, the tri-border area of South America has long been seen as an area conducive to raising funds for terrorist activities in the Middle East, especially by Iran's Hezbollah proxy.

And a weak inter-American system offers little in terms of the ability to counterbalance extra-legal or threatening acts from outside the region. This is one reason why the efforts of some countries to weaken the Organization of American States even while building regional groups such as CELAC and UNASUR—groups that pointedly exclude both the United States and Canada—are not simply the benign exercises in regional self-governance that their supporters suggest.

The first priority of the hemisphere must therefore be to strengthen democracy and the institutions of democratic governance. This is not a theoretical, academic exercise. Building democracy is a fundamental national security interest of the United States, because healthy democracies in Latin America and the Caribbean make better partners to advance a common agenda while countering rejectionist approaches. In my view, the United States has largely moved on from democracy promotion in the Americas, even as we struggle with efforts to promote democracy elsewhere, such as Egypt.

But democracy requires constant nurturing, both in our own and other nations, if it is to remain healthy. From disputed and tilted elections that serially return leaders to office indefinitely, to actions that bring legislatures, courts, and central banks under the direct influence of the executive, to blatant attacks by governments on press freedoms, some nations in the Americas are actively walking away from the provisions of the Inter-American Democratic Charter that all except Cuba signed on September 11, 2001, and committed to implement.

Not coincidentally, it is those countries where democracy is challenged, where the institutions of the state are ineffective, or where democratically-elected leaders have curtailed democratic institutions for their own purposes that have proven, time and time again, to be the most likely portals through which unhelpful influences such as Iran are introduced into the region. Indeed, it was former Venezuelan President Hugo Chavez' intentional pursuit of Tehran and Tehran's simultaneous need for allies wherever they could be found that brought the two nations closer together and encouraged Iran to develop deeper ties as well with Bolivia, Ecuador, and Nicaragua in addition to Venezuela and Cuba. Nonetheless, it wasn't only Chavez or those nations aligned with him; the state visit of Brazil's former president Lula da Silva to Tehran in 2010 was unnecessary and did little more than bolster the Iranian regime politically. (Brazil's current president has reversed course and lowered the profile of the bilateral relationship with Iran.)

Each nation of the Americas is a sovereign, independent state and has the right to maintain relations with whomever they wish, subject to prevailing international law and practice. It is unfortunate, however, that any nation of the Americas would seek to intensify state-to-state relations with Iran, a regime that has been repeatedly identified as

a state sponsor of terror, which has been directly implicated in the only examples of extra-regional terrorist acts in the Americas other than 9/11, and which is in violation of numerous UN resolutions. In this regard, Venezuela's aggressive efforts to midwife Iran's entry into the Americas through reciprocal leaders' visits, trade and commercial agreements including direct air links, and friendly votes in bodies such as the UN and the International Atomic Energy Agency have been polarizing and counterproductive.

For Iran, however, the benefits of closer relations in the Americas have not been in doubt. At a relatively benign level, Iran is able to build commercial relations with other parts of the world, especially in agriculture. The regime is able to exchange information and technology, particularly on energy, and gain access to raw materials.

At another level, by developing close regional ties, Iran has been able to weaken international isolation and economic sanctions, particularly in finance and also energy. The regime is also able to build international coalitions in support of its domestic activities, including the potential development of a nuclear capability. Finally, by expanding its diplomatic representation, Iran has broadened its intelligence capabilities while outreaching, should it choose to do so, to non-state actors and affinity organizations which may be working to raise funds for certain activities in the Middle East or which may be building their own extra-legal capabilities in the Americas.

Leadership Change Impacts Iran's Regional Relations

The State Department report indicates that Iranian influence in Latin America and the Caribbean is waning. If so, in my view that is largely due to the changing leadership matrix in the Americas and potentially in Iran itself, in addition to the actions by the United States and its regional allies that the report describes. It's certainly possible that the death of Chavez will diminish Latin America's appetite for Iran. It's also possible that despite the benefits to Iran that have accrued from deepened relations in the Americas, the inauguration of newly-elected Iranian leader Hassan Rouhani may also diminish Iran's interest in the Americas, although support for Hezbollah's activities, particularly in fundraising and money laundering, will almost certainly continue. This is something to watch carefully.

Sometimes it's difficult to connect the dots accurately because we don't have a firm grasp on Iranian *intentions* in the Americas. What Iran could do in the region is not necessarily what the regime will do, or even wants to do. Often agendas are driven by personalities for their own self-interests. When personalities change, as we've seen in Brazil, circumstances may also change. The relationship between Chavez and Mahmoud Ahmadinejad was clearly one of mutual convenience targeted at the United States specifically and the Western world generally. The question that must now be asked is whether the high-level political relationship has been institutionalized to the point that it will outlast both leaders. If so, a leader such as Venezuela's Nicolas Maduro, in attempting to build his own international profile and authority as Chavez' rightful heir, may take further steps to build relations with Iran. This should be anticipated and steps taken in advance to limit the success of any such initiative.

What Steps Should the United States Consider?

For the United States, several actions are appropriate in order to inoculate the hemisphere from further Iranian adventurism. First, we should continue to be watchful regarding Iranian influence in the Americas, while taking care not to act on incomplete information unnecessarily or to take steps precipitously. Communication and close coordination with our friends and allies in these matters, particularly law enforcement entities, is critical, as we work together to build an expected norm of responsible democratic behavior in the hemisphere and work to de-legitimize actions that go against these norms. Sanctions against offending individuals and entities should continue to be considered and employed as appropriate.

Second, we should continue to emphasize the hemispheric growth agenda, including trade and investment expansion and the rule of law, which will help build strong and expanding middle classes and reinforce just, transparent societies that are less prone to authoritarian manipulations from elected leaders of any ideology or stripe. As well, a focus on the most economically underdeveloped regions may limit regional permissiveness to extra-legal actions from Iran and its proxies.

And finally, despite efforts to build democracy elsewhere around the world, the United States cannot be complacent about such matters closer to home. Democracy offers no guarantees, but we stand a much better chance of achieving our strategic goals in the hemisphere—including a peaceful, growing, vibrant region that works in tandem with us to address issues of common concern and rejects outside meddling—if democratic institutions in the Americas are strong. That requires doing the difficult work of democracy promotion, building institutions including separation of powers and electoral systems where the legitimate opposition has equal chance of contesting elections as government candidates. It requires civic education efforts that inculcate democratic expectations among populations in order to reject creeping authoritarianism by democratic means. It requires the United States to find its voice through more active and effective diplomacy to promote regional democracy.

We need regional partners in this effort, but US leadership will continue to be required. Most regional leaders essentially want what we want: jobs for their people and support for the growing middle class, and an opportunity to show that democracy can deliver a better life for its adherents. To the extent the United States is able to come alongside Latin America to offer meaningful steps on this shared agenda, we will find that regional leaders may well reciprocate by becoming more actively engaged in support of US priorities, one of which must clearly be to keep Iran and other malign influences out of the Western Hemisphere.

Thank you, again, Madam Chairman, for the opportunity to be with you today, and I look forward to your questions.