My name is Victoria Coates. I am the Vice President of the Kathryn and Shelby Cullom Davis Institute for National Security and Foreign Policy at the Heritage Foundation. The views I express in this testimony are my own and should not be construed as representing any official position of The Heritage Foundation.

Mr. Chairman, I compliment you for holding this hearing on the dangers posed to the American people by President Biden's misguided foreign policy on Iran.

The fact of the matter is that the Biden administration doesn't more of the same foreign policy toward Iran, the stuff of champagne toasts, diplomatic protocols and rapprochements. What this country needs is a serious national security policy for the Islamic Republic of Iran, which, some of us are old enough to remember, has been the implacable foe of the United States for more than four decades.

To my observation, the Biden policy has been driven over the last 33 months by the directive to re-enter some new version of the Obama-era nuclear deal, or Joint Comprehensive Plan of Action with Iran. After a series of concessions, such as removing Iran's Yemeni proxies the Houthi from the State Department's list of Foreign Terrorist Organizations, Tehran agreed to reenter negotiations in 2021, only with the humiliating caveat that the regime would not speak directly with the Americans, but would exchange messages through third parties, primarily the Russians.

Undeterred neither by this insult, which meant placing the security of the United States at the tender mercies of Vladimir Putin's "diplomats," nor by the result of removing the Houthi from the FTO list, which was a fresh wave of Iranian-sponsored terror on the Arabian peninsula, President Biden has been undeterred in his determination to get another nuclear deal. Most recently, it was reported that whatever arrangement might be reached won't even be committed to paper, but will be some sort of "unwritten agreement." My colleagues on the panel have already noted how it is impossible for whatever this is to be implemented and how it is unbinding absent an action by Congress to make it so—but my point today is to illustrate how the myopic pursuit of this Moby Dick of a deal has materially undermined Biden administration policies towards two much more serious, and indeed increasingly intertwined, threats to the American people from Russia and China.

One of the many unfortunate secondary effects of the original nuclear deal was the lifting of the United Nations-imposed ban on conventional arms exports from Iran in October, 2020. Since then, the regime has focused on mass production of cheap offensive weapons for export, both to their proxies as well as t to whoever would pay on the international market. This activity has expanded considerably since the Russian invasion of Ukraine in February, 2022, notably, but not exclusively, for drones. Not only is Iran sending mass shipments of drones to replenish Putin's war machine, largely uninterrupted by Biden administration action, but may also be planning to establish a drone manufacturing facility in Russia.

The administration's inaction has not been caused by mystery shrouding this practice. Earlier this summer, the <u>Wall Street Journal reported</u> specific shifts and routes being used to move the drones across the Crimean Sea. The public can literally read about it in the paper, yet the administration has taken no action against these targets, which would stop this flow of reinforcements to Putin that are only being used to kill Ukrainians and destroy the equipment

President Biden demands the American taxpayer supply to the war. It simply makes no sense, unless the Russians and Iranians have made clear they will cut off the precious diplomacy in Vienna if the United States takes serious action to end the supply of attack drones. The only logical conclusion is that the Biden administration prioritizes getting back into the Iran nuclear deal over protecting the assistance the United States is sending to Ukraine—not to mention protecting Ukrainians—and ending the war. This sort of disconnect will only increase the questions Congress must ask about the President's strategy before any further tranches of aid are approved.

And then there's the People's Republic of China. According to <u>official Iranian sources</u> (which do not include additional flows of oil through Iraq), illicit Iranian oil exports to China have mushroomed from 324,000 barrels a day in 2020, the last year of the Trump administration, to some 1.1 million barrels a day in 2023. An almost fourfold increase in this activity isn't bad luck or some product randomly squeaking through the net. It's a deliberate policy of not enforcing the sanctions, or a shadow lifting of sanctions.

As usual, Biden administration officials try to insist this is not so, as over the weekend they trumpeted to the press that they had seized almost a million barrels of Iranian oil headed to China. Certainly a million barrels sounds like a lot, but in fact, in the context of the numbers I just discussed, it's less than one day of the flow President Biden is routinely permitting. So it may make for a good headline but it seems hard to imagine the Supreme Leader or Chairman Xi even noticed.

Again the question becomes why is the Biden administration allowing these exports, which enrich Tehran with resources they will only use to attack America and our allies such as Israel and Saudi Arabia and provide the energy our enemy China desperately needs at a discount price? Certainly, demonstrating a willingness to tolerate rising Iranian exports was a key concession to tempt the regime back to negotiations in the first place. But the Biden administration has a even more powerful motivator in this case: Keeping U.S. domestic energy prices in check while encouraging partners to shun imports from Russia—but not doing anything to increase production by the American energy sector in pursuit of the Green New Deal.

In March, 2022, for example, <u>CNN reported</u> that President Biden was "quietly" approaching producers such as Saudi Arabia, Venezuela, and Iran for supply. As the requests for increased production from our Saudi allies were obviously unsuccessful, the rogue regimes in Caracas and Tehran have reaped the benefits while U.S. production remains shackled by an ever more burdensome and capricious regulatory regime. Most recently, for example, President Biden announced he was <u>cancelling the permits</u> lawfully sold under the Trump administration for oil production in Alaska in a chilling signal that holding the correct permits does not ensure a project will go forward in Biden's America. Apparently, it's preferable for Iranian product to fill the void regardless of what's in the national security interests of the American people. In conclusion, from permitting Iranian drones to flow to Russia and Iranian oil to flow to China for the sake of getting a new nuclear deal that won't even be written down, President Biden's Iran foreign policy is actually increasing the very real threats to the United States faces from Russia and China—while making our old enemies in Tehran richer.

Thank you Mr. Chairman for this opportunity to at least start asking these questions, and hopefully in the future the Biden administration will see fit to provide answers.

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