

WRITTEN STATEMENT
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“Preventing a Nuclear Iran”
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Chairman Royce, Ranking Member Engel, distinguished Members of the Committee: Thank you for inviting me here today to discuss the Administration’s approach to the multiple challenges posed by Iran – by its nuclear ambitions, its support for international terrorism and destabilizing activities in the region, and its human rights abuses at home. I want to use this opportunity to speak clearly about these challenges; to lay out the multi-vectored strategy we are pursuing to counter them; and to be clear about the consequential choices ahead for America and our allies, but especially for Iran, its rulers, and its people.

The Nuclear Challenge

Iran’s nuclear activity – in violation of its international obligations and in defiance of the international community – is one of the greatest global concerns we face. A nuclear-armed Iran would pose a threat to the region, to the world, and to the future of the global nuclear proliferation regime. It would risk an arms race in a region already rife with violence and conflict. A nuclear weapon would embolden a regime that already spreads instability through its proxies and threatens chokepoints in the global economy. It would put the world’s most dangerous weapons into the hands of leaders who speak openly about wiping one of our closest allies, the state of Israel, off the map. In confronting this challenge, our policy has been clear: we are determined to prevent Iran from acquiring a nuclear weapon. Our preference is to resolve this through diplomacy. However, as President Obama has stated unequivocally, we will not allow Iran to obtain a nuclear weapon, and there should be no doubt that the United States will use all elements of American power to achieve that objective.

Iran’s Supreme Leader Ayatollah Khamenei has asked why it is that the international community does not believe that Iran’s nuclear program is for peaceful purposes only. The answer is simple: Iran has consistently concealed its nuclear activities and continues to do so, denying required access and information

to the International Atomic Energy Agency. As a signatory to the Nuclear Non-Proliferation Treaty, Iran has responsibilities to the international community, and it is that blatant disregard for those responsibilities that has made Iran the subject of four UN Security Council resolutions imposing mandatory sanctions.

From his very first months in office, President Obama put forward a clear choice to the Iranian government: Meet your international responsibilities on your nuclear program and reap the benefits of being a full member of the international community, or face the prospect of further pressure and isolation. Unfortunately Iran has so far chosen isolation. There is still time for it to change course, but that time is not indefinite. I want to be clear that our policy is not aimed at regime change, but rather at changing the regime's behavior.

The Dual-Track Policy

Since this Administration took office in 2009, we have pursued a dual-track policy. Working with the P5+1 – the five members of the UN Security Council – China, France, Russia, the United Kingdom, and the United States, plus Germany, under the auspices of the European Union – we have actively pursued a diplomatic solution to international concerns over Iran's nuclear program. As a result of Iran's continuing disregard for its international obligations, we have ratcheted up the pressure on the Iranian government. We have built and led a global coalition to create the toughest, most comprehensive sanctions to date on the Iranian regime. The international community is united in its determination to prevent a nuclear-armed Iran.

Today, Iran is isolated and sanctions are having a real impact on the ground, exacerbated by the regime's own mismanagement of its economy. Iran exports over 1 million fewer barrels of crude oil each day than it did in 2011, costing Iran between \$3-\$5 billion per month. All 20 importers of Iranian oil have either significantly reduced or eliminated oil purchases from Iran. Financial sanctions have crippled Iran's access to the international financial system and fueled the depreciation of the value of Iran's currency to less than half of what it was last year. Foreign direct investment into Iran has decreased dramatically as major oil companies and international firms as diverse as Ernst & Young, Daimler AG, Caterpillar, ENI, Total, and hundreds more have divested themselves from Iran. The International Monetary Fund projects the Iranian economy will contract in 2013, a significant decrease from the over 7 percent growth six years ago, and far below the performance of neighboring oil-exporting countries. Put simply, the Iranian economy is in a downward spiral, with no prospect for near-term relief.

And we continue to increase the pressure. Iranian oil exports will continue to decline as we implement the law through our engagement with the last remaining six importers of Iranian oil. Iran's currency will remain volatile as we block Iran's revenue streams and block its access to funds held abroad. And we will continue to track, identify, and designate individuals and entities assisting Iran's proliferation efforts and attempting to evade sanctions on Iran. Last week, the State Department sanctioned four Iranian companies and one individual for providing the Iranian government with goods, technology, and services that increase Iran's ability to enrich uranium, which is prohibited by UN Security Council resolutions. On March 14, the State and Treasury Departments imposed sanctions on Dr. Dimitris Cambis and his company Impire Shipping for operating vessels on behalf of the National Iranian Tanker Company (NITC) that disguised the Iranian origin of the crude oil. On July 1, the Iran Freedom and Counter-Proliferation Act of 2012 takes full effect, targeting an array of sectors and industries in Iran. Looking forward, as long as Iran continues on its current unproductive path, the Administration will continue to assess and implement potential additional sanctions on sectors and industries that can serve as pressure points. We look forward to continued strong collaboration with members of Congress to develop smart sanctions and increase pressure on the regime, while maintaining the strong coalition we have built through sustained diplomatic efforts with partners.

In fact, one of the keys to our successful ratcheting up of the pressure on Iran is that we are not doing so alone. The European Union has enacted its own stringent sanctions regime, including an oil import ban that resulted in all 27 EU member states ceasing oil purchases from Iran. Australia, Canada, South Korea, Japan, and others have enacted their own sets of domestic measures, strengthening the international sanctions regime and sending a clear message to Iran: adhere to your international obligations, or face increasing pressure from the international community. And, even among partners who are frankly skeptical of sanctions, we have seen robust implementation of UN Security Council resolutions and cooperation on specific sanctions issues. We continue to coordinate closely with all of our international partners, ensuring stringent implementation of existing sanctions and encouraging strong domestic measures on Iran. As we move forward, it will be critical that we continue to move together and not take steps that undo the progress made so far. Doing such would signal divisions to Iran that it could and likely would exploit.

Even as we significantly increase pressure on the Iranian regime, we remain committed to ensuring that legitimate, humanitarian trade can continue for the benefit of the Iranian people. We take no pleasure in any hardship our sanctions might cause the Iranian people in their everyday lives, and it is U.S. policy to not target Iranian imports of humanitarian items. We have worked hard to ensure U.S. regulations contain an explicit exception from sanctions for transactions for the sale of agricultural commodities, food, medicine, or medical devices to Iran as long as the transactions do not involve a designated entity or otherwise proscribed conduct. And when natural disasters have struck Iran, we have been ready to assist. Following a tragic earthquake in northwest Iran in August 2012, the Administration issued a general license to facilitate U.S. support to the Iranian people as they responded to and rebuilt from the natural disaster. In all our efforts on Iran, we have demonstrated that supporting the Iranian people and pressuring the policies of their government are not mutually exclusive.

As we have built unprecedented pressure on the Iranian regime, we have also intensified our efforts towards pursuing a diplomatic solution to the nuclear issue. Since his first days in office, the President has emphasized our readiness, working with members of the P5+1 to seek a negotiated resolution regarding Iran's nuclear program. The P5+1 has been incredibly unified, and we have worked closely and well with the Russians and Chinese. On February 26, 2013, the P5+1 met with Iranian representatives in Almaty, where the P5+1 jointly presented Iran with an updated, balanced proposal that offered Iran a real opportunity to take steps toward reducing tensions and creating the time and space to negotiate a comprehensive solution to the nuclear issue. As in prior talks, Iran was presented with a strong and united message: address the international's community's concerns or face mounting pressure. Interestingly, Iran's initial public response was positive and they signaled a potential turning point.

Yet, when on April 5, 2013, the P5+1 returned to Almaty to hear Iran's formal response to our proposal, the Iranians once again fell short. While the P5+1 had a substantive exchange of views with Iran during the talks, in the end, Iran's counterproposal to the P5+1 initiative was very disappointing. According to this counterproposal Iran would place little or no constraint on its current nuclear activities, while demanding that major sanctions be removed immediately. Given the significant gulf between the two sides, the P5+1 members did not believe scheduling another round was warranted at that time, and instead agreed to return to capitals to discuss the latest developments with their respective governments. They agreed that EU High Representative Catherine Ashton would then follow up

with Iran on next steps, and indeed Ashton and Iran's Chief Nuclear Negotiator Saeed Jalili are scheduled to meet in Istanbul today, May 15.

We are looking for signs that Iran is prepared to move to address substantively all aspects of the proposal we discussed in Almaty. We are not interested in talks for talks' sake, but we must give diplomacy every chance to succeed. And, while we leave the door open to diplomacy, we will continue to maintain unrelenting and increasing pressure.

We have approached these negotiations realistically, conscious of our difficult history. We continue to seek concrete results in our talks, not empty promises. The onus is on Iran.

Support for Terrorism

Beyond its illicit nuclear activity, we also have grave concerns about Iran's destabilizing activities in the Middle East, particularly its support for Bashar Asad in Syria; its support for terrorist organizations like Hizballah; and its unacceptable attacks on innocent civilians worldwide. These activities are not going unchecked.

Iran is the world's foremost state sponsor of terrorism, which it uses as a strategic tool of its foreign policy. Led by the Islamic Revolutionary Guard Corps (IRGC)-Qods Force and the Ministry of Intelligence and Security (MOIS), the "Iran Threat Network" comprises an alliance of surrogates, proxies, and partners such as Hizballah, HAMAS, and Iraqi Shi'a militants, among others. Iran funds, trains, and equips these terrorist organizations, in whole or in part, to use in attacks around the world. This clandestine threat network destabilizes countries throughout the Middle East and threatens regional security. Iran's leaders have aimed most of their threats at one of our closest allies, blatantly declaring their desire to see the destruction of the state of Israel. We have a moral obligation to ensure that Iran never has the tools to make good on that threat.

Israel is not Iran's only target, however. Iranian national Mansour Arbabsiar pled guilty last year to plotting with members of the Qods Force to murder the Saudi Arabian ambassador by bombing a crowded restaurant here in Washington, DC. The attempt to assassinate a foreign diplomat in our nation's capital is an intolerable escalation of Iranian terrorist activity.

Iran has also sponsored and directed terrorist attacks against Israeli civilian and diplomatic targets worldwide. On February 13, 2012, a magnetic bomb was

placed under the vehicle of an Israeli diplomat's wife in New Delhi, India, seriously injuring her and three Indian nationals. The following day, a similar device was discovered under a vehicle belonging to the Israeli embassy in Tbilisi, Georgia, and safely defused. At the same time, Thai police arrested three Iranian nationals in Bangkok in connection with explosions at a private residence that subsequently revealed bomb-making materials and makeshift grenades intended for use in attacks against Israeli targets.

In June 2012, Kenyan authorities arrested two Iranian members of the Qods Force. Armed with 33 pounds of military-grade plastic explosives, they planned deadly attacks on Western and Israeli targets. On May 6, a Kenyan court sentenced them to life imprisonment for terrorism-related offenses.

Lebanese Hizballah continues to be a key partner and substantial part of Iran's threat network. Iran provides hundreds of millions of dollars to Hizballah annually and has long been Hizballah's primary trainer and arms supplier. Hizballah and the Iranian leadership share a worldview and strategic vision and are seeking to exploit the current unrest in the Middle East and North Africa to their advantage. We remain focused on Hizballah activity worldwide, and have devoted a great deal of diplomatic effort over the past several years to raising awareness of Hizballah activity with European partners, well before last summer's attack in Bulgaria, in which six Israeli tourists were killed in a terrorist bombing, and arrest in Cyprus of a suspected Hizballah operative.

Thwarted attacks involving Iranians and Iranian proxies like Hizballah in Cyprus, Thailand, and Kenya – to name a few examples – show a clear willingness on the part of our international partners to target and prosecute Iranian terrorist activity. As evidenced by these disruption and prosecution efforts across Africa, East Asia, and Europe, we and our international partners have become increasingly effective at targeting Iranian support for terrorism.

Regional Meddling and Support for Asad

In Syria, Iran has made it clear that it fears losing its closest ally and will stop at no cost, borne by both the Syrian and Iranian people, to prop up the Asad regime. Today, Iran is training, arming, funding, aiding and abetting the Asad regime and its atrocious crackdown on its own people. It is coordinating its intervention in Syria with Hizballah, which is itself engaged in training pro-regime militants who attack Syrian civilians, and in direct fighting on behalf of the Asad regime against the Syrian people. Iran and Hizballah fighters are also directing the activities of

Iraqi militia groups which have been enlisted to join in the Asad regime's war against the Syrian people. Iran has shown that it is willing to potentially destabilize an entire region if it means keeping the Syrian regime as an ally. Countering such efforts remains a key priority for the Administration and we are focused on preventing Iran from continuing to support the Syrian regime financially, materially, and logistically. The Administration has used its authorities in several executive orders to highlight the role of Iran in the Syrian regime's violation of human rights and hold accountable those responsible.

These facts further highlight Iran's continued efforts to expand its nefarious interference in the region. In January, Yemeni authorities seized, in Yemeni territorial waters, a 40-ton Iranian shipment of weapons and explosives destined for Iranian-supported Huthi extremists. These activities interfere with Yemen's ongoing political transition, and are destabilizing to the wider region. It is no surprise then that, according to a 2013 Zogby survey of 20 Arab and Muslim-majority countries, Iran is now viewed unfavorably in a majority of Arab countries and its appeal to mainstream Arab public opinion has virtually collapsed from its 2006 peak.

As Iran's isolation grows, we are working through existing regional counter-terrorism partnerships to address the Iranian threat, and the interdiction in Yemen is a successful example of that cooperation. We are also deepening our military partnerships across the region. We consult regularly on security matters with our partners in the Persian Gulf and maintain a substantial presence in the region, to keep a watchful eye on Iran, counter potential Iranian aggression, reassure our allies, and protect the free flow of commerce through the Strait of Hormuz. We are also in close and constant contact with Israel to coordinate our policies and have taken unprecedented steps to protect Israel's Qualitative Military Edge – including support for the Iron Dome defense system to stop Iranian-supported militant groups from firing Iranian-supplied rockets into Israeli communities.

Levinson, Abedini, and Hekmati Cases

Just as we are concerned about Iran's destabilizing regional activities abroad, we remain concerned about Iran's treatment of U.S. citizens detained and missing in Iran. The U.S. government is dedicated to the return of American citizen Robert Levinson and U.S.-Iranian dual nationals Saeed Abedini and Amir Hekmati. Mr. Levinson went missing from Kish Island, Iran, on March 9, 2007, and his whereabouts remain unknown. We continue to call on the Iranian government to make good on its promises to assist the U.S. government in finding Mr. Levinson

so that he can be reunited with his family. Mr. Hekmati, a former U.S. Marine who served in Afghanistan, was detained in Iran since August 2011, and endured a closed-door trial with little regard for fairness or transparency. Mr. Abedini has been detained in Iran since September 2012 on charges related to his religious beliefs, and reportedly has suffered physical abuse by Iranian officials in prison. Despite our repeated requests, Iranian authorities have failed to provide them with adequate medical treatment or permit visits from our protecting power. We will continue to raise these cases directly and publicly as we also pursue all available options until all three of these Americans return home safely.

Human Rights

We are equally disturbed by the regime's ongoing campaign of repression against its own people. Such oppression has included the harassment and intimidation of family members of those who speak out for freedoms, the torture of political prisoners, and the limitation of freedom of expression and access to information. These acts of aggression have created a culture of fear in which few dare to voice dissent or challenge regime officials. Students, lawyers, journalists, and bloggers, ethnic and religious minorities, artists and human rights activists are all targets for abuse, intimidation, or discrimination.

Labeled by press advocacy group Reporters Without Borders as an "enemy of the internet," Iran filters online content and blocks access to the internet to prevent Iranian people from acquiring knowledge and unbiased information about their own country and the outside world. We are committed to raise the cost of repression and help Iranians break through the "electronic curtain" the regime is erecting to communicate with one another and share their story with the world.

As Dr. Martin Luther King said, "Injustice anywhere is a threat to justice everywhere," and this is true, too, as we advocate for the rights and freedoms of the Iranian people. We have helped raise awareness of regime abuses and held Iranian officials responsible for their actions. Working with the authorities you provided us, we have imposed sanctions – including asset freezes and visa bans – on 30 Iranian individuals and entities for engaging in serious human rights abuses or censorship activities that limit freedom of expression, including the IRGC, the MOIS, Iran's Cyber Police, and the Islamic Republic of Iran Broadcasting. And while we know that public discussion of these incidents does not always help the people taking risks on the ground, make no mistake: we have stood – and will continue to stand – fully and firmly behind the aspirations of the Iranian people.

We have lent our voice to those the regime has tried to silence, speaking out in defense of numerous political prisoners, such as noted human rights defender Nasrin Sotoudeh, Christian pastor Youcef Nadarkhani, journalist Zhila Bani-Yaghoub, and Kurdish rights activist Seddigh Kaboudvand. We will continue to highlight such cases and coordinate our actions with our international partners, as we did in 2011 at the UN Human Rights Council to create the mandate of the Special Rapporteur for Human Rights in Iran, whose exhaustive reports have detailed the extent of unspeakable abuses in Iran. Likewise, we will continue to support the annual Canadian-led resolution at the UN General Assembly to condemn Iran's human rights practices, a measure which has passed for 10 consecutive years.

Outreach to the Iranian People

Coupled with our concerns about human rights are our concerns about the well-being of the Iranian people. Every day, we hear from the Iranian people directly through our public diplomacy programs and Farsi-language social media platforms. The Virtual Embassy Tehran, launched in December 2011, has over 2 million hits and our Farsi-language Facebook, Twitter, Google+, and YouTube channel have also been enormously successful. The 170 videos on our YouTube channel have more than 1 million views and our Facebook page has over 120,000 fans, 60 percent of whom are inside of Iran and who access our sites even though the Iranian regime blocks the site.

What we see through our interactions is that the Iranian people are being detrimentally affected by the misplaced priorities, corruption and mismanagement of their government. Instead of meeting the needs of its own people, the Iranian regime has chosen to spend enormous amounts of its money and resources to support the Assad regime as well as its militant proxies around the world, and to pursue the development of weapons of mass destruction. Instead of investing in its people, Iran continues to restrain their vast potential through censorship, oppression, and severe limitations on their social, political and even academic freedoms.

As the President and the Secretary have said, in the United States our own communities have been enhanced by the contributions of Iranian Americans. We know that the Iranian people come from a great civilization whose accomplishments have earned the respect of the world. That is why in his 2013 Nowruz message, the President emphasized that there is no good reason for Iranians to be denied the opportunities enjoyed by people in other countries.

Iranians deserve the same freedoms and rights as people everywhere and all nations would benefit from the talents and creativity of the Iranian people, especially its youth. It is a shame that much of the world realizes this and the Iranian government has yet to do so.

Presidential Elections

Let me conclude by addressing a topic we are watching closely: Iran's June 14 presidential election. Following the last election in 2009, when the regime violently quashed the hopes and dreams of ordinary Iranians who went into the street to demand their fundamental rights, we have seen a deliberate and unrelenting level of repression in the lead-up to these elections.

As we speak, behind closed doors, Iran's unelected and unaccountable Guardian Council is vetting Iranian presidential contenders, using vague criteria to eliminate potential candidates. Without a transparent process, it is difficult for us to say whether Iran's elections will be free, fair, or represent the will of the Iranian people.

We take no sides in Iran's presidential election. The decision about who leads Iran is for the Iranian people, who should have every opportunity to express freely and openly their opinions, ideas, and hopes for the future of their country. But we do call on the Iranian authorities to conduct a free and fair election that not only conforms to international standards of transparency and accountability but is just and represents the will of the Iranian people.

Conclusion

In sum, Iranians deserve better. Their government has chosen to isolate them, stunt their economic growth, repress their ability to speak freely, and connect the people of Iran with the most heinous acts of terrorism and regional adventurism. Iran's government can choose to end these policies at any time and put their people's well being first.

As the President said, we have no illusions about the difficulty of overcoming decades of mistrust. It will take a serious and sustained effort to resolve the many differences between Iran and the United States. We do not expect to always agree, but rather for Iran to be an honest and responsible member of the international community, a community where members honor their commitments and keep their word or pay the price.

We share Congress' concern about Iran and want to continue our hand in hand efforts to ensure that Iran does not continue on a path that threatens the peace and stability of the region and tramples the freedoms of its citizens. We welcome your ideas on how we can sustain and expand our efforts.

Thank you.