

WRITTEN STATEMENT
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HOUSE FOREIGN AFFAIRS COMMITTEE
“Update on Iran Negotiations”
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Good morning, Chairman Royce, Ranking Member Engel, distinguished members of the Committee. Thank you for inviting me here today to discuss our efforts to reach a comprehensive solution to the challenge posed by Iran’s nuclear program.

Today, as we speak, Secretary of State John Kerry, Secretary of Energy Ernest Moniz, and Under Secretary of State Wendy Sherman are in Switzerland with our P5+1 partners negotiating with the government of Iran over the future of its nuclear program. Our goal for these negotiations is one I know you share, which is to verifiably ensure Iran does not acquire a nuclear weapon. This is about making the United States safer, making our allies across the Middle East safer, and making the world safer.

Since these negotiations are on-going, it is inappropriate to share the details in this forum. But what I do hope to do today is share some of the core principles guiding our efforts to reach a long-term comprehensive joint plan of action that verifiably ensures that Iran’s nuclear program is for peaceful purposes. I will also share our broader view of Iran, beyond the confines of its nuclear program, and why it is important that we reach a deal that prevents Iran from obtaining a nuclear weapon.

Cutting Off Pathways to a Bomb

We continue to believe that the best way to ensure that, as a practical matter, Iran cannot obtain a nuclear weapon is to effectively cut off the four pathways Iran could take to obtain enough fissile material for a nuclear weapon. These are the two uranium pathways, through its activities at the Natanz and Fordow enrichment facilities; a plutonium pathway, through Iran’s heavy water reactor at Arak; and a potential covert pathway.

To cut off all of these pathways, any comprehensive arrangement must include tight constraints on Iran’s nuclear program and extraordinary monitoring and intrusive transparency measures that maximize the international community’s

ability to detect any attempt by Iran to break out, overtly or covertly. As a practical matter, our goal is to ensure that, should Iran renege on its commitments, it would take at least one year to produce enough fissile material for one nuclear weapon. That would provide us more than enough time to detect and act on any Iranian transgression.

In exchange, the international community would provide Iran with phased sanctions relief tied to verifiable actions on its part. Such relief would be structured so that it can be easily reversed, and sanctions can be quickly re-imposed, if Iran were to violate its commitments.

There is a deep deficit of trust between the international community and Iran. It is Iran's responsibility to establish – by building a track record of verified compliance – that its nuclear program is exclusively peaceful. That is why we are seeking a timeframe for a comprehensive deal of sufficient length to firmly establish such a track record. Only then would Iran be treated like any other non-nuclear-weapon State Party to the Nuclear Non-Proliferation Treaty (NPT), with all the rights and obligations of an NPT state, including continued monitoring and inspections, and a verifiably binding commitment to not build a nuclear weapon. This is not a novel concept, in fact it was first proposed during the Bush Administration for Iran, and dozens of countries around the world responsibly adhere to the NPT.

Much has been said recently about the fact that a deal with Iran would have an eventual end date. On the contrary, we see the deal as creating a series of phases to ensure that Iran's program is exclusively peaceful going forward. While some constraints would be removed after a significant period of time, others would remain in effect longer, and some would last indefinitely. For example, Iran's NPT obligation not to develop or acquire a nuclear weapon would continue indefinitely, as would its obligation to implement its Comprehensive Safeguards Agreement with the International Atomic Energy Agency (IAEA). Moreover, a centerpiece of the proposed deal is that Iran would accept the Additional Protocol, which is not currently in place, as legally binding, and which would allow the IAEA to continue to have more stringent and intrusive access to nuclear-related information and locations indefinitely. The same is true regarding Iran's implementation of Modified Code 3.1, which imposes an ongoing obligation to provide early notification of design information for any new nuclear facilities.

This means that long after the nuclear constraints in the deal have been fully implemented, the international community would be in a better position to detect any Iranian steps toward a nuclear weapon or other failure to meet its obligations.

In fact, with over a decade of additional knowledge from the inspections regime, we would be in an even better place to respond to such actions.

Some have argued that Iran would be free to develop a nuclear weapon at the conclusion of a comprehensive joint plan of action. That is simply not true. To the contrary, Iran would be prohibited from developing a nuclear weapon in perpetuity – and we would have a much greater ability to detect any effort by Iran to do so and to take appropriate measures in response, with the support of the international community. Iran would be allowed to have a peaceful, civilian nuclear program continuously verified by the IAEA.

We aim to have a political understanding of the major elements of the deal by the end of the month and to complete the technical details by the end of June. In Switzerland, I understand the negotiations have been substantive and intense, and that we have made progress on some issues. However, there continue to be gaps between what we and our partners in the P5+1 believe must be part of a comprehensive solution and what Iran is willing to do.

As we have said from the beginning, nothing is agreed to until everything is agreed to, and it may be we will not know if a deal is possible until the last minute. So I cannot tell you where we will be a week from now, or by the end of the month. But what I can promise you, and what President Obama has pledged, is that we will not agree to a bad deal. What does that mean? As I noted earlier, an acceptable deal must effectively close down all four pathways Iran could take to obtain enough fissile material for a nuclear weapon. It must include strict curbs on its nuclear program and robust transparency and monitoring measures that give the international community confidence in the peaceful nature of Iran's nuclear program and the ability to promptly detect overt and covert breakout. It must include all the elements already spelled out in the Joint Plan of Action (JPOA). And, fundamentally, it must make the United States, our allies and partners in the Middle East, and the world safer.

Progress so Far

It is important to understand what these negotiations have already accomplished in terms of our collective security. Before the JPOA was concluded in November 2013, Iran's nuclear program was rushing toward larger enriched uranium stockpiles, greater enrichment capacity, the production of plutonium that could be used in a nuclear weapon, and ever shorter breakout time. Today, as the result of the constraints in the JPOA, Iran has halted progress on its nuclear program and

rolled it back in key areas for the first time in a decade. The JPOA has also given us greater insight and visibility into Iran's existing nuclear program through more intrusive and frequent inspections. Both we and our allies are safer today than a year ago as a result of the JPOA.

Before the JPOA, Iran had about 200 kilograms of 20 percent enriched uranium in a form that could be quickly further enriched to weapons-grade level. It produced much of that material at the Fordow facility, buried deep underground. Today, Iran has no such 20 percent enriched uranium. It has diluted half and converted the other half to a form that cannot be so readily further enriched, suspended all uranium enrichment above 5 percent, and removed the connections at Fordow that allowed them to efficiently produce 20 percent enriched uranium.

Before the JPOA, Iran was making progress on the Arak reactor, which, had it become operational, together with a reprocessing facility, would have provided Iran with a potential plutonium path to a nuclear weapon. Today, the Arak reactor is frozen in place.

Before the JPOA, Iran had installed roughly 19,000 centrifuges, of which roughly 10,000 were enriching uranium, most at the Natanz facility. Today, Iran's enrichment capacity is frozen at those levels and Iran's stockpile of 3.5 percent low enriched uranium in hexafluoride form is capped at its pre-JPOA level.

Before the JPOA, inspectors had less frequent access to Iran's nuclear facilities. Today, the JPOA has enabled IAEA inspectors to have daily access to Iran's enrichment facilities and a deeper understanding of Iran's nuclear program. They have been able to learn things about Iran's centrifuge production, uranium mines, and other facilities that are important to monitoring Iran's program going forward and to detecting any attempts to break out. And the IAEA has consistently reported that Iran has lived up to its commitments under the JPOA.

Just as we have asked Iran to uphold its commitments under the JPOA, we have lived up to our commitment of providing Iran with limited financial relief – which should be worth about \$14 to \$15 billion from the start of the JPOA through June 2015. But that relief is dwarfed by the vast amounts denied to Iran under the existing sanctions regime. For example, in 2014 alone, oil sanctions deprived Iran of over \$40 billion in oil revenue – more than four times the estimated value of the JPOA during the same period. And what oil revenues Iran is allowed to generate go into heavily restricted accounts that now encumber the great majority of Iran's more than \$100 billion dollars worth of foreign reserves. Virtually the entire

sanctions architecture remains in place. Indeed, throughout the existence of the JPOA, we have maintained the robust economic pressure on Iran. And that doesn't even take into consideration the dramatic fall in oil prices, which has no doubt added to pressure generated by our vigorous enforcement of existing sanctions.

The JPOA was not intended to be a permanent solution. That is why we continue to strive toward a long-term comprehensive plan of action, and why it is so important that all of us give these negotiations every chance to succeed. If the negotiations fail, it is critical that our allies and partners understand – that the world understands – it was because the Iranian government was unable to take the steps necessary to assure the international community of the peaceful nature of its nuclear program. That will place us in a better position to sustain the existing sanctions, intensify the pressure on Iran and take whatever other actions are needed to prevent Iran from acquiring a nuclear weapon.

While the negotiations are taking place, it is vital that we prevent any actions that would lead the world to believe the United States was responsible for their failure. Such actions include enacting new sanctions or other measures that will be incredibly damaging to ongoing negotiations. We do not believe that the country's interests are served by Congressional attempts to weigh in prematurely on this sensitive and consequential ongoing international negotiation aimed at achieving a goal that we all share: using diplomacy to prevent Iran from developing a nuclear weapon. Moreover, new sanctions at this time – including through so-called “trigger” legislation – are unnecessary. Iran knows that if it refuses a reasonable deal or reneges on its commitments, new sanctions can and will be passed within days. And new sanctions now would be inconsistent with our commitments under the JPOA, they could undermine our sanctions coalition, create tensions within a currently unified P5+1, and provoke Iran into walking away from the negotiating table or taking an impossibly hard line that makes a deal impossible to achieve, while blaming the failure on us.

Unfortunately, the alternative to a deal is not the status quo. Should the talks fail, which remains a distinct possibility, we assess that Iran could well start advancing its nuclear program again to pre-JPOA levels or beyond. Instead of keeping its uranium enrichment at under 5 percent, as it has since the JPOA went into effect, Iran could start enriching again at 20 percent or even beyond, as some Iranian parliamentarians have suggested. Instead of capping its stockpile of 3.5 percent low enriched uranium hexafluoride at pre-JPOA levels, Iran could grow it rapidly. Instead of suspending substantive work on the Arak heavy water reactor, Iran could restart its efforts to bring this reactor on line. Instead of providing unprecedented

access to international inspectors at its nuclear facilities, it could refuse the IAEA access, inhibiting our ability to detect a breakout attempt. Instead of limiting work on advanced centrifuges, it could resume its efforts to increase and significantly improve its enrichment capability in a relatively short timeframe.

And finally, if our international partners believe that the United States has acted prematurely by adding new sanctions now in the absence of a provocation by Iran – as most countries surely would – their willingness to enforce the existing sanctions regime or to add to it in the event negotiations fail will wane. And a fractured international consensus notwithstanding, even if we were to layer additional sanctions on Iran, their nuclear advances would far outpace any potential marginal pressure created by those sanctions. This is why the support of the international community remains crucial, and why new sanctions now are a dangerously imprudent step. Without full international compliance, the sanctions regime will be dramatically diluted. Up until now, we have kept other countries on board – despite the hardship it has caused to some of their economic interests – in large part because they are convinced we are serious about reaching a diplomatic solution. If they lose that conviction, the United States, not Iran, could be isolated, and the sanctions regime could collapse. Ultimately, the United States and its allies in the Middle East would be less safe.

In short, a collapse in negotiations caused by us, or perceived to be caused by us rather than by the Iranians, would lead to a growing Iranian nuclear program and a collapsing international sanctions regime. Now is not the time to provoke such a collapse.

Congress has a significant role to play in these discussions and has been playing it for years. It is existing congressional legislation that helped us get Iran to the negotiating table. The whole point of sanctions was to create this dynamic, and it has worked, but it has only worked when coupled with the type of robust diplomacy that is currently underway. Since signing the JPOA, we have been on the Hill dozens of times over the past year to update you and your staff about the progress of the talks – in all, more than 200 briefings, hearings, meetings and phone calls. And if a deal is finalized, Congress will certainly have a robust role to play in potentially taking action on future statutory sanctions relief once Iran has demonstrated a track record of living up to its commitments.

Beyond the Nuclear Program

Over the last months, we have heard many voices express their concerns about negotiating with a government that still rallies around the slogan, “Death to America!” We share your concerns. Iran has taken advantage of the current upheaval and uncertainty in the Middle East to attempt to advance its interests. Iran continues to support the brutal regime of Bashar al-Asad in Syria and undermine Middle East peace by sponsoring terrorist groups like Hizballah. It continues to foment sectarian tensions in Iraq, and general instability in the region.

Our nuclear discussions with Iran do not alter our commitment to the security of our allies in the region, who are deeply affected by Iran’s efforts to spread instability. Indeed the nuclear discussions are in furtherance of this goal because a nuclear-armed Iran could be more aggressive in projecting its power throughout the region. And if we are able to reach a comprehensive deal over the nuclear program, we will retain the necessary tools – and determination – to continue countering Iran’s troubling behavior and defend U.S. interests. We are making this point regularly to our key allies, including Israel and the Gulf states. Already, we are working in close and continuing contact with our regional partners to expand and strengthen their own capacity as we simultaneously reinforce the robust regional security architecture we have already built – one that is comprised of a substantial force posture and broad range of advanced military capabilities. We will continue to restrict Iran’s ability to move money and material for illicit purposes through sanctions and direct action when necessary. And we will continue to take steps, in coordination with partners, to address Iran’s support for terrorist organizations and other destabilizing activities in the region.

We will also continue to raise our voice in support of the talented and brave Iranian people, and support their desire for greater respect for universal human rights and the rule of law. Whether at the United Nations, the State Department, or at the White House, we continue to speak up clearly and consistently against human rights violations in Iran and have called on the Iranian government to guarantee the rights and freedoms of its citizens.

I also want to emphasize that we continue to insist that Iran release Saeed Abedini, Amir Hekmati, and Jason Rezaian from detention so they can come home to their families. Likewise, we continue to call on Iran to work cooperatively with us so that we can find Robert Levinson and bring him home. Secretary Kerry and Under Secretary Sherman have raised our concerns about these U.S. citizens directly with Iran and will continue to do so until all of them are back home.

In sum, we will not relax our efforts to hold Iran accountable for its nefarious actions, regardless of the outcome of nuclear negotiations. But it is essential to understand that the most important thing we can do to keep Iran from feeling further emboldened to spread instability is to deny them the ability to obtain a nuclear weapon. That is why the nuclear negotiations are so important, and why this is a challenge that must be dealt with now.

Thank you.

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