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House Committee on Foreign Affairs
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Chairman Royce, Ranking Member Engel, and distinguished members of the Committee I am pleased to appear before you to discuss the status of implementation of the Joint Comprehensive Plan of Action, or the JCPOA. Thank you for the opportunity.

The finalization of the JCPOA in July 2015 was the culmination of a years-long process of tough and clear-eyed diplomacy. It also marked the beginning of a new process which will require similar vigilance and focus, the goal of which is to ensure the JCPOA is fully and effectively implemented and therefore that Iran is not able to obtain a nuclear weapon. I know that is a goal that we all share equally and I appreciate your continued interest in learning about our efforts.

I am happy to report today that, so far, the JCPOA has been implemented by all participants. It is important that we recognize what an accomplishment that is towards advancing our national security, and that of our allies and partners, particularly those in the Middle East. Because of our efforts to date, the security of the United States and our partners has been immeasurably enhanced and in conversations with allies and partners around the world, we regularly hear support for the JCPOA.

As of “Implementation Day” under the JCPOA, which was January 16 of this year, Iran had completed dozens of specific actions to limit, freeze, or roll back its nuclear program and subject it to greater transparency by the IAEA. It is worth highlighting a few of these actions, given their significance:

- Iran disconnected, removed, and placed in IAEA-monitored storage two-thirds of its installed centrifuge capacity, going from over 19,000 centrifuges to 5,060 used for uranium enrichment at Natanz. These 5,060 centrifuges are the most primitive in Iran’s inventory.
- At its previously clandestine Fordow facility, Iran terminated all uranium enrichment and removed all nuclear material.
- Iran reduced its stockpile of up-to-five percent low enriched uranium by 98 percent, going from roughly 12,000 kilograms, where it was when we reached the JCPOA last July, to 300 kilograms or less with an enrichment limit of no more than 3.67 percent, where it must stay.

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- Iran removed the core of the Arak heavy water research reactor and filled it with concrete, rendering it permanently inoperable.

Iran's implementation of these and other key nuclear-related commitments increased the time it would take to produce enough fissile material for a nuclear weapon – the so-called “breakout time” – from roughly two-to-three months prior to the JCPOA to at least one year.

These actions were complemented by the enhanced verification and monitoring measures specified in the JCPOA. Among them were increased IAEA access to Iran's uranium mines, continuous monitoring of Iran's uranium mills, and continuous monitoring of Iran's centrifuge production, assembly, and storage facilities. Moreover, Iran is provisionally applying the IAEA Additional Protocol (AP), which allows for much broader IAEA information and access in Iran, and implementing Modified Code 3.1, requiring early notification of construction of new nuclear facilities or modification of existing ones.

In other words, Iran is now subject to even greater IAEA scrutiny, providing us with confidence that, should Iran seek to break out of its commitments, such an attempt would be detected and we would have ample time to respond.

Since Implementation Day, we have maintained focus on ensuring Iran is fulfilling all of its nuclear-related commitments in a complete and verifiable manner. We were pleased to see that, when the IAEA issued its first JCPOA monitoring report in February, it reflected the many steps Iran is taking to implement the JCPOA. And without question, Iran's continued implementation of its nuclear-related commitments under the close watch of the IAEA is in the national security interest of the United States and our partners and allies.

As you know, in exchange for Iran meeting its nuclear-related commitments under the JCPOA, we met our JCPOA commitments by lifting nuclear-related secondary sanctions on Iran. As Acting U/S Szubin has explained, non-nuclear sanctions remain and are an important tool, among others, to respond to Iran's harmful activities.

As long as Iran continues to meet its nuclear commitments, we will continue to meet our JCPOA sanctions commitments. And it is in our interest and that of the international community to ensure that the JCPOA works for all participants, and that the Iranian people begin to experience the benefits of sanctions lifting. The JCPOA has already started to deliver benefits, as evidenced by public reports of

trade deals and increasing international commercial and economic activity with Iran.

Some of you may have seen Iranian statements about the United States not living up to its commitments. Let me state unequivocally, the United States has fulfilled all of our commitments under the JCPOA – the lifting of sanctions is working. Today, Iran is able to do far more than it was able to under the crushing pressure of sanctions impacting nearly every sector just several months ago.

However, businesses decisions are complex. They take into account a variety of factors. As Secretary Kerry has stated repeatedly, every bank or business will make its own decisions about whether to do business in Iran, and the United States will not stand in the way of business that is now permitted. From a U.S. legal perspective, international firms or financial institutions may engage with Iran, as long as they do not involve the U.S. financial system or U.S. persons and avoid working with entities that remain on our sanctions list.

We understand that firms continue to have specific sanctions-related questions or concerns about doing business in Iran. In an effort to provide greater clarity to the public and private sectors on what sanctions were lifted and what non-nuclear sanctions remain in place, the Departments of State and Treasury have been participating in extensive outreach with the public and private sectors, mostly at the request of other governments, in order to explain U.S. commitments under the JCPOA. Our engagement is focused on providing clear information about U.S. sanctions laws in order to assist companies in ensuring that their activities are consistent with the JCPOA and U.S. law and therefore not sanctionable or prohibited.

Under the JCPOA, we lifted our nuclear-related secondary sanctions. The lifting of nuclear-related secondary sanctions created the foundation for a new future and direction for Iran, but Iran must make its own decisions on pursuing this path. To take full advantage of the economic opportunities created, Iran must address domestic issues that also influence international business decision-making— including the lack of transparency in its financial and business sectors as well its own provocative actions, such as the repeated testing of ballistic missiles, state sponsorship of terrorism, and unjust detention of dual-nationals.

Looking ahead, we will remain committed to ensuring the successful implementation of the JCPOA because it makes us all safer. We will continue to monitor its full implementation through, among other mechanisms, the Joint

Commission it established. In April, I joined Under Secretary of State for Political Affairs Tom Shannon at the third meeting of the Joint Commission. The meeting provided an opportunity to review the full range of nuclear and sanctions implementation issues.

While we are encouraged by Iran's implementation of its nuclear commitments thus far, we have always recognized that the JCPOA would not resolve all of our concerns with Iran. Instead, the JCPOA was specifically aimed at addressing the most urgent issue of verifiably ensuring Iran does not obtain a nuclear weapon. Thanks to our efforts to date, we have made significant progress toward that goal, and the United States and our partners remain safer because of these efforts. However, more work remains. We will continue to watch closely to ensure Iran does everything it committed to do. I also pledge to continue consulting with you as these efforts continue. Thank you again for the opportunity.