

**AMBASSADOR MARK D. WALLACE**  
**CEO, UNITED AGAINST NUCLEAR IRAN**  
**TESTIMONY BEFORE THE U.S. HOUSE FOREIGN AFFAIRS COMMITTEE**  
**SUBCOMMITTEE ON THE MIDDLE EAST AND NORTH AFRICA**  
**OCTOBER 25, 2017**

Chairman Ros-Lehtinen, Ranking Member Deutch, and members of the subcommittee, thank you for the opportunity to testify today, and thank you for your longstanding commitment and attention to these issues.

Unfortunately, the Iran nuclear deal—formally known as the Joint Comprehensive Plan of Action (JCPOA)—does not prevent a nuclear Iran. In fact, the JCPOA paves the way for Iran, in the not very long-term, to become a nuclear-armed state. For that reason, we opposed the agreement in 2015, and we support correcting its flaws now so that it ensures—in perpetuity—that Iran does not acquire or develop nuclear weapons.

Since Dr. Olli Heinonen is testifying, and he's as good a nonproliferation expert as it gets (and sits on UANI's Advisory Board), I'll defer to him on the technical problems with the JCPOA as it was constructed and as it's being implemented. Instead, I'll concentrate on what the United States government—and especially Congress—needs to do to achieve a better deal and a safer world.

### **The Regional Dynamic**

Henry Kissinger famously said that the Islamic Republic of Iran must decide whether it is a nation or a cause. At the time, it was a brilliant observation. Nonetheless, those who focus on the role Iran has chosen to play in the world will rightly acknowledge that its leadership has deftly proven to be *both* a nation as well as a cause. Depending on the openings they are given to expand their reach, Tehran is equally comfortable, depending on the first principle of expediency, playing the role of guarantor of its Shia co-religionists or promoters of anti-Western militants, such as Palestinian extremists, if either posture will allow them to fill a vacuum. On occasion, the vacuum is created by their adversaries. In most instances, the vacuum is created by their own scheming. Either way, playing with the cards that are dealt or themselves deal, they are very, very good at “planting flags in Arab capitals,” as they are wont to boast, and doing so with gusto.

While discussion of the JCPOA may be the first priority for Congress, we must put this into context. Regardless of one's view on the deal's utility, multiple regional experts routinely state that the geostrategic posture of Iran has improved dramatically since its ratification. Before the ink was dry, Iran embarked on its most aggressive imperial excursion in centuries, sending its own fighting men, as well as an expeditionary force of Shia fighters from other countries into Syria. With Russia, they changed the status quo from one of a countdown to the Assad regime's demise to a victory for one of the most cannibalistic governments in the world. Under cover of sanctions relief and its reinsertion into the global economy and polity, they made their move within months of the JCPOA's passage. It was a gamble that paid off. Iran and Russia, now for the first time in decades a power player in the region, call the shots, literally and figuratively. Along the way, they created through the suborning of chemical attacks and barrel bombs, the most politically impactful refugee crisis in the world today. As we have seen European politics upended by their handiwork—and America's own politics altered by the refugee crisis that has

followed Assad's "win at all cost" strategy—the broader implications of Iran's initiatives, now under Russian air cover, cannot be overstated. The fact that Iran—itsself a victim of chemical weapons during its war with Iraq—would stand by Assad after his repeated use of chemical weapons says much of Tehran's morality. With the exception perhaps of Russia, more than any other single country with whom we are adversaries, Iran is the one that is most actively working against our interests, and those of our closest allies, everywhere and all the time.

For both the United States as well as Iran, the JCPOA may prove to be a sideshow. Yes, it is terribly flawed and should be fixed. Yes, the sunset provisions have laid the groundwork for a nuclear arms race in the most destabilized part of the world today. And yes, through front-ended sanctions relief we have financed the very terror and Iranian expansionism that has characterized Iranian activities in the post-deal world. Nonetheless the overarching issue facing both the Administration and Congress is meeting the challenge that Iranian hegemony now poses in the region.

Congress's posture towards the decertification issue cannot but be colored by the way that the deal must remain in the American interest. There are those who say that trying to change the deal will lead to a weakening of America's word and the value of its promises. This is disingenuous. Nobody wants a world where its greatest power cannot be trusted. And yet, that is precisely the world in which we find ourselves. For in engineering the deal with Iran, and in ensuring its passage by Congress, the U.S. government broke so many red lines in its promises that the deal itself crushed America's credibility with most of its allies. Think back to when Iran was told it could not enrich, or that its nuclear program would need to be dismantled or face the risk of military attack. Allies who were resisting the Iranian position, particularly the French whose Foreign Minister famously rebelled against the momentum we created for a "sucker's deal," were overruled in favor of deep concessions that broke our word, not to mention the faith of all those who depended on America's word being sacred. The betrayal was brazen. The Gulf Arabs and Israelis, those most at risk of a nuclear-armed Iran and who have faced its subversion from Gaza to Bahrain and the Eastern Province of Saudi Arabia, were sidelined and told to accept whatever the United States put forward. "And for what?", one might ask. Everyone knows that, by the time the sunset provisions expire, the combination of sanctions relief and the inflow of Western, Chinese and Russian investment will have created such vested interests against military action that Iran will be allowed to break out. The Administration all but boasted at its ability to create what we now call "fake news" to give "snap back" credence. "Snap back," however, was a fraud. The coalition that nearly broke Iran's economy is now clamoring to gain access to Iran's market. Once invested, and already fatigued from the memory of the sanctions regime and long negotiations with the Iranians, the parties will never endorse military action under any guise. And so, in the absence of a realistic deterrent, the breakout will most likely occur with a whimper rather than a bang.

In sum, America's reputation for strength of purpose as well as a word that can be trusted is already in tatters. Some of us will remember how the term "containment" of Iran was viewed as suggestive of a less than robust posture and how Chuck Hagel, at his confirmation hearing to be secretary of defense, was rebuked for even suggesting such a supine posture. Today, as Iranian-backed expeditionary forces bath in the Mediterranean with impunity, Americans might wish that even that weak and discredited policy had been implemented. To compound this perfidy by

insisting that we keep to a bad deal that literally betrayed those allies that have been on the front lines of their twilight struggle with Iranian subversion—in order to keep faith with the regime that bears the biggest responsibility for undermining all of our national interests in the region—is not merely nonsensical. It is perverse in its thinking. When one considers the way in which Iran’s allies have slaughtered hundreds of thousands of Syrians with barrel bombs and chemicals, and created new conflicts that have resulted in the horrible deaths of hundreds of thousands more Arab men, women, and children from Iraq to Yemen, where they have sought to place Hezbollah on the straits of the Bab el Mandeb and trained militants who destabilize Bahrain, the reasoning that we debase the value of the promises contained within a document that could never have passed Congress as a treaty is more than *perverse*. It is, in its bloodsoaked cynicism not to mention abdication of reason as well as responsibility, nothing less than *perverted*.

The JCPOA was a brilliant stroke for Iran. As fine an example of patient Iranian statecraft as this might be, however, the absorption in plain sight of Iraq is proving to be their Finest Hour. One might even guess that this shall prove the title of Qasem Suleimani’s memoirs. Far more than any other aspect of their activities, the reconfiguration of Iraq—or more accurately the parts of the country that they desire—into a satellite status and ultimately direct control is at the top of Tehran’s list of strategic ambitions. Dominating Mesopotamia has been an enduring part of Persian, and then Iranian, imperial pretensions for millennia. The opening created by the American invasion, the vacuum created by an unsatisfactory exit by American forces, the fall of Mosul, our failure to honor red lines against Syria’s use of chemical weapons, and dramatic emergence of ISIS have all coalesced into the most dramatic reshaping of the Middle Eastern landscape in the last century. Had America a less motivated adversary in Tehran, this might not have been the case. The outcomes could have been far more benign. But that was not to be. The IRGC and the theocrats are united in their promotion of a policy that promotes Shia interests to advance their own nationalistic agenda. In Iraq, this took the form of a sophisticated strategy. From a top down standpoint, the Iranians and their proxies encouraged the sectarian discrimination emanating from the Maliki Government that pushed the Sunnis to towards those who might protect them from the majority Shia. From the bottom up, they may have even done more to fan the flames that led to the collapse of Mosul. At the very least, they have ruthlessly exploited the chaos that was created with the emergence of ISIS and crystallized with the fall of Mosul, to put boots on the ground. It does not take a conspiracy theorist to guess who have been the major beneficiaries of the global threat posed by ISIS. It was the emergence of ISIS that has given Iran an excuse to intervene in Iraq and then Syria and, very importantly, to position itself as an ally with Russia and the West in a common war against Sunni extremism.

The importance of this new mantle of respectability is critical to the exercise. Rather than being seen as a troublemaker for the cynical meddling in which it has been engaged, Iran’s willingness to intervene militarily after the fall of Mosul was actually cited by the previous Administration as a *justification* for compromising important deal points within the JCPOA, on the basis that diplomacy was already yielding fruits on the ground in a convergence of our foreign policy with that of Iran’s. In effect, ISIS has proven to be the cat’s paw for an adventurist fantasy that would have made the Shahs blush...building a land bridge from Iran to the Mediterranean. By filling a power vacuum left by American retreat and Arab turmoil, Tehran exploited a truly terrible Sunni movement that appalled the West to lubricate the case for armed intervention in favor of other

equally terrible pro-Iran regimes. As statecraft abetted by tradecraft, it has been a brilliant success.

Whether or not Iran has actually abetted the rise of ISIS itself is still an open question—for years the world has read press reports of al-Qaeda operatives moving through Iran. But the underpinnings of such a conjecture is not without precedent, and indeed bear some reflection on the nature of the adversary with whom we're engaging. Remarkably flexible, indeed downright ecumenical, in their thinking, if there is a shared objective to weaken its rivals, Tehran sees no problem providing support and sanctuary to extremist Sunni organizations with whom they are otherwise at odds philosophically. As shown by an acknowledged outreach from Iran's proxy Hezbollah to the Muslim Brotherhood in Egypt both before and after the overthrow of Hosni Mubarak, there are clearly no limits to their philosophy that the anti-U.S. enemy of my enemy is my friend. This includes other Muslim Brotherhood offshoots such as the Islamic Jihad and Hamas in Gaza, the leadership of which is now being feted in Tehran. Their glee in killing Israelis is only matched by the glee with which the Iranian regime mocks the Holocaust. It even encompasses our own sworn enemies, Al-Qaeda, a number of whose leaders were given sanctuary in Iran. And then there remains the direct and lethal nexus between Iran and the killers of Americans in Afghanistan, the Taliban. Despite their blood feud with the Taliban, if the end result is the deaths of their most hated enemies, the Americans—the Great Satans—there are no limits to their ideological pragmatism. And there may be no limits to the body bags containing murdered Americans that are the bitter fruits of this poisonous tree.

All of these activities against our interests and citizens, and those of our allies, which UANI warned so strenuously against over the years, have only been abetted by the cash and political cover provided by the nuclear deal. Alas, Iran needed the JCPOA more than we did. By the time Rouhani was elected President, the regime was on the ropes. The deprivations created by the official sanctions regime and, as they acknowledged, the hammering they were taking from hated governments and private organizations, including UANI, required peace with the global community in order for them to recover their economic and political equilibrium. Our government hoped for the best. Theirs hoped to get Qasem Suleimani to Moscow as quickly as possible. We famously extended our hand in peace. They famously could not move fast enough to prop up the war criminals of Damascus. Tehran's end game, however, was no accident. They had already increased Iran's military budget 145 percent over the course of President Rouhani's first term. Simply put, America failed, or chose not to see, that Iran was playing chess while we were playing checkers.

We are not viscerally opposed to a future for the Middle East with a robust and thriving Iran. To the contrary, our hopes are with the aspirations of the Iranian people whom we truly believe seek freedom from the rule of the Mullahs and their lethal backbone, the IRGC's military-industrial complex. Nonetheless, as America has found in all the struggles we have faced with a determined enemy, we must deal with the reality of the regime that exists in Iran, not the one that we hope they will have one day. The first order of business, therefore, is to build a coalition capable of rolling back Iran's gains. They cannot be allowed to consolidate their land bridge to the Mediterranean or to undermine our commitments to our truest allies. Seen through this prism, the discussions around the JCPOA can be used as a tool to create and support such a coalition. The same JCPOA that Iran has used as cover to expand its influence can be used to provide

cover to a coalition determined to roll them back. It is a function of will and tactics. The Administration has proposed a policy of rollback. It is Congress's duty to go even beyond this and to both hold the Administration's feet to the fire and provide the mechanisms for this policy to be implemented. Only through this strategic reassessment, and a robust collaboration between our executive and legislative branches, can America's honor be restored and its interests be truly served.

## **Economic Leverage**

The key to successfully renegotiating the Iran nuclear deal is the key to any successful negotiation: leverage. And while Iran and some of our international partners aren't eager to reopen negotiations, we still have strong leverage to bring them to the table—economic pressure.

It was economic pressure that led foreign countries to go along with sanctions against Iran in the early 2010s. The Obama administration conducted excellent diplomacy in that regard. However, that diplomacy succeeded because our partners knew that under our diplomatic velvet glove there was an iron fist—that the U.S. was willing to penalize foreign companies that continued to do business with Tehran.

Likewise, economic pressure forced Iran to negotiate seriously. Sanctions contributed to high unemployment and inflation, a decline in GDP, and the collapse of Iran's currency. In short, sanctions convinced the Iranian regime that refusing to negotiate could bring about a popular uprising, threatening the regime.

Ideally, the previous administration would have used our considerable leverage to strike a better deal in the first place, but they did not, and now we are where we are. We do not have as much leverage now as we did then, due to the JCPOA's front-loaded sanctions relief for Tehran (which was a major problem with the agreement to begin with). However, we are in a much better negotiating position now than we likely will be when the deal's restrictions on Iran's nuclear program begin to expire in several years. When the UN restrictions against Iran's conventional weapons and missile programs end—in only a few years—we do not want to look back and say we failed to prevent Iran's further empowerment in the region.

While some foreign companies have struck deals with Tehran, most have stayed away because of the many risks of Iran business—particularly the risk that sanctions will be reimposed. That gives us leverage to urge the Europeans and other countries to join the U.S. in seeking a better deal now, since most of them would not engage in business with Iran at the cost of being excluded from the American market. However, if we choose to forego seeking a better deal now, foreign companies will naturally respond to that signal by rushing to sign contracts with the regime, eliminating any chance of improving the JCPOA later, if only because Iran will use their increased investments as economic hostages to prevent European sanctions.

While Iran's economy has improved greatly since the nuclear deal was signed, that economic growth and stability is still tenuous, and could be sidelined by failure to sign many more lucrative contacts with foreign firms. Tehran also badly wants access to the global financial system. But we also do not want to be in a position where a future increase in oil prices provides

Iran with sufficient revenue which strengthens the regime and funds IRGC efforts.

The Trump administration holds good cards, but it must play them well. And that means not only partnering with our allies but working in lockstep with Congress. The White House must do better in reaching out to both Republicans and Democrats on the Hill to solicit recommendations and gain buy-in for an improved Iran policy.

### **Next Steps**

What, in turn, should the U.S. government—specifically Congress—do to help?

First, the administration should designate the Qods Force as a foreign terrorist organization (FTO). The Trump administration wisely applied more intensive terrorism sanctions to the IRGC, as a whole, under Executive Order 13224, as the Bush administration had done to the Qods Force in 2007. However, the secretary of state retains the discretion to label the Qods Force as an FTO under Section 219 of the Immigration and Nationality Act. In 2009, Kata'ib Hizballah was added as an FTO, and the Qods Force publicly supports them. It's well past time that the Qods Force be similarly designated. Such a step provides the U.S. additional leverage in influencing Iranian and European behavior. Down the line, if Iranian behavior remains unchanged or gets worse, Washington should consider designating the IRGC as a whole as an FTO.

Second, I would note that the public debate over decertification has obscured a more fundamental problem: the absence of a serious, holistic strategy to counter Tehran's non-nuclear destabilizing behavior in the Middle East and beyond. Proponents of the JCPOA argued that it would potentially moderate Iran over time, and that it would make it easier to push back against Iran's multifaceted dangerous behavior by resolving the nuclear issue. Instead, fear of rocking the boat on the nuclear deal deterred the Obama administration and our allies from adequately resisting Iranian regional aggression—which has only increased—even though the JCPOA benefits Tehran far more than it does us. President Rouhani's statement on Monday shows why this is so important. He said, "the greatness of the nation of Iran in the region is more than at any other time... in Iraq, Syria, Lebanon, northern Africa, in the Persian Gulf region — where can action be taken without Iran?"

President Trump wisely laid out the case against Iran's destabilizing non-nuclear conduct, but the administration needs to follow through with the specifics of a comprehensive diplomatic, military, and economic plan to push back against Tehran. Most urgently, the U.S. must work with our allies and others to develop a global consensus—similar to the one that existed before the JCPOA was inked—that the status quo of Iran's destabilizing activities is unacceptable and unsustainable. Responsible nations, in turn, must impose crippling sanctions on Tehran targeting its support for terrorism, regional meddling, and human rights abuses—an approach that would not be inconsistent with the nuclear-related sanctions that were waived under the JCPOA. Congress should hold the Trump administration's feet to the fire to ensure a robust action plan. Indeed, the most vocal supporters of JCPOA speak of the other tools we have to employ against Iran's mischief. Let's use them, and I ask supporters of the JCPOA to stand with us in this campaign.

Third, Congress should pass legislation that reaffirms congressional willingness to reimpose sanctions if the deal is not strengthened to eliminate the sunset clauses, bolster restrictions on Iran's ballistic missile program, including its proliferation of missile technology in the region, and guarantee inspectors enough access to verify that Iran is not violating its commitments.

Fourth, that legislation should preserve the Iran Nuclear Agreement Review Act's requirement that the president recertify Iranian compliance with the deal every 90 days—or at most extend it to every 120 days. The certification process keeps our international partners and Iran on notice and strengthens our leverage by heightening risk awareness by foreign companies considering doing business with Iran (which would diminish U.S. leverage).

Fifth, to maintain public awareness of this issue, Congress should hold regular, quarterly public hearings with senior administration officials to update Congress on the status of efforts to improve the nuclear deal, on the Iranian threat to America, and on how the administration is countering that threat. Twice a year, those hearings should coincide with and focus on the executive branch's issuance of the updated "strategy for deterring conventional and asymmetric Iranian activities and threats" mandated by the Countering America's Adversaries Through Sanctions Act.

Sixth, Congress should direct the president to appoint a special envoy for Iran, who would take the day-to-day lead in engaging diplomatically with other countries. Naming a special envoy—who can speak for the president—would create visibility and draw attention to this issue. The envoy would report directly to the White House, and coordinate efforts across the departments of State, the Treasury, and Energy, as well as the intelligence community. The envoy's mandate would be advancing U.S. interests related to the nuclear and non-nuclear files on Iran.

Seventh, Congress should fully fund the office of the special envoy, as well as Iran-focused efforts within the State Department's Bureau of Near Eastern Affairs, Bureau of Counterterrorism and Countering Violent Extremism, Bureau of International Security and Nonproliferation, and Bureau of Verification and Compliance.

Lastly, Congress should mandate declassification (with a classified annex, if necessary) of the president's semiannual report to Congress pursuant to the Iran Nuclear Agreement Review Act. This report covers Iranian behavior across many areas, including Tehran's nuclear program, ballistic missile program, proliferation of missile technology to proxies, sponsorship of terrorism, and human rights violations. Most importantly, the report must include "[a]ny action or failure to act by Iran that breached the agreement or is in noncompliance [emphasis added] with the terms of the agreement." Declassifying would help to factually rebut claims of Iranian compliance with the JCPOA and draw public attention to Iran's destabilizing activities.

Countering Iranian aggression and improving the JCPOA will be difficult, but not impossible, and they are vital in order to actually prevent a nuclear-armed and emboldened Iran for the long term. If the executive and legislative branches work closely together, the U.S. can use its leverage to get the better nuclear deal we need and roll back the broader Iranian threat. Thank you.