Chairman Deutch, Ranking Member Wilson, distinguished Members of the Subcommittee, thank you for inviting me to testify today, and thank you for devoting a hearing to discuss America’s foreign policy to Iran.

This Administration has implemented an unprecedented pressure campaign with two primary objectives: First, to deprive the Iranian regime of the money it needs to support its destabilizing activities. Second, to bring Iran to the negotiating table.

President Trump and Secretary Pompeo have expressed very clearly the United States’ willingness to negotiate with Iran when the time is right. No one should be uncertain about our desire for peace or our readiness to normalize relations should we reach a comprehensive deal. We have put the possibility of a much brighter future on the table for the Iranian people, and we mean it.

The comprehensive deal we seek with the Iranian regime should address four key areas: its nuclear program, its expansive ballistic missile capabilities, its support to regional proxies, and its arbitrary detention of U.S. citizens including, Mr. Chairman, Bob Levinson, who is your constituent, as well as Siamak Namazi, Xiyue Wang, and others.

Over a year ago, Secretary Pompeo laid out 12 points. We did not invent this list. In fact, the requirements Secretary Pompeo laid out reflect the wide extent of Iran’s malign behavior as well as the global consensus prior to the Iran deal.

Before we re-imposed sanctions and accelerated our pressure, Iran was increasing the scope of its malign activity across these areas. This includes engaging in expansive missile testing, which I can confirm did not diminish after implementation of the nuclear deal in 2016, as well as the continued arbitrary detention of foreign nationals.

Iran also deepened its engagement in regional conflicts.
In Yemen, Iran helped fuel a humanitarian catastrophe by providing funding, weapons, and training to the Houthis. Its support has done nothing but prolong suffering. In Syria, Iran supported Assad’s brutal war machine as the Syrian regime killed hundreds of thousands and displaced millions. Under the cover of the Syrian civil war, Iran is now trying to plant military roots in Syria and establish a new strategic forward operating base to threaten Syria’s neighbors, including Israel.

In Lebanon, Iran uses Hizballah to provoke conflict with Lebanon’s neighbors, threaten the safety of the Lebanese people, and imperil prospects for stability.

Our pressure is aimed at reversing these trends. Today, by nearly every measure, the regime and its proxies are weaker than when our pressure began.

Shia militant groups in Syria have stated that Iran no longer has enough money to pay them as much as they have in the past. Hizballah and Hamas have enacted unprecedented austerity plans due to a lack of funding from Iran. In March, Hizballah’s leader Hassan Nasrallah went on TV and said Hizballah needed public support to sustain its operations. Today, Hizballah has placed donation boxes in some small businesses asking the public for spare change.

We are also making it harder for Iran to expand its own military capabilities. Beginning in 2014, Iran’s military budget increased every year through to 2017, when it hit nearly $14 billion. However, from 2017 to 2018, when our pressure went into effect, we saw a reduction in military spending of nearly 10 percent. Iran’s 2019 budget, which was released in March, called for even steeper cuts, including a 28 percent cut to their defense budget and a 17 percent cut for IRGC funding. The IRGC’s cyber command is now low on cash, and the IRGC has told Iraq’s Shia militia groups that they should start looking for new sources of revenue.

Our pressure is raising the costs of Iran’s behavior. It is making Iran’s expansionist and revolutionary foreign policy cost prohibitive.

Our policy is at its core an economic and diplomatic one. Recently, however, Iran has responded to it with violence. Iran should meet diplomacy with diplomacy, not with terror, bloodshed, and extortion. Our diplomacy does not entitle Iran to take violent action against any nation or to threaten maritime security.
I want to say a few words about Iran’s recent hostile acts, including the attacks last week in the Gulf of Oman. Iran was responsible for the recent attacks at the Port of Fujairah as well as the assault on two oil tankers in the Gulf of Oman. This Administration does not seek conflict with Iran. We have been equally clear to the regime that we will defend our citizens, forces, and interests, including against attacks by Iran or its proxies. We stand with our partners and allies to safeguard global commerce and regional stability. It is vital that we and other nations protect the ability of all vessels to safely navigate the Strait of Hormuz.

While threatening maritime shipping and plotting attacks against U.S. forces and interests, the Islamic Republic is also engaging in its longstanding practice of nuclear extortion to deter the Administration’s maximum pressure campaign. This week’s announcement that Iran is expanding its uranium enrichment reminds us of the fatal flaws of the Iran nuclear deal. Iran’s nuclear threats are made possible by a bad deal that left Iran’s nuclear capabilities largely intact. We must learn from past mistakes and demand Iran’s complete denuclearization in any new deal.

Looking forward, our pressure will continue to deny Iran access to the revenue streams it needs to destabilize the region. As we raise the costs of Iran’s expansionism and foreclose the possibility of maintaining the status quo, we seek a comprehensive deal that sets our two nations on a new trajectory toward a far more peaceful and stable relationship.

Chairman Deutch, Ranking Member Wilson, and other Members of this Subcommittee, I thank you again for the opportunity to testify before you. I welcome the opportunity to answer your questions.