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Hearing: “*The Despotism Duo: Russo-Iranian Cooperation and Threats to U.S. Interest*”
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Chairmen Kean and Wilson, Ranking Members Keating and Phillips, Distinguished Members of the Committee – thank you for inviting me to testify on the threats from Russia and the Islamic Republic of Iran.

The West is under assault from Iranian and Russian drones, missiles, and nuclear threats. The same weapons fired at Israel this weekend have been hurled at Ukraine for two years. If the West does not respond decisively and aggressively, we will be the next targets of this Despotism Duo.

1. The Strategic Environment is Bad and Growing Worse

Three months ago, Iranian President Ebrahim Raisi strode into the Russian Duma to address hundreds of Russian parliamentarians, who greeted Raisi with standing ovations as he proclaimed, “The [American] strategy of domination has now failed, and the United States is in its weakest position... The “evil alliance” of the United States with terrorists is clear to the world.”ⁱ

The day before, Raisi had met with Russian President Vladimir Putin for five hours at the Kremlin. The leaders announced they would soon sign a major 20-year treaty covering a broad range of ties from military to energy cooperation.ⁱⁱ President Raisi told reporters: “Today’s exceptional circumstances require significant synergy between our two countries against U.S. unilateralism. We in Iran have no limits for expanding ties with Russia.” Those ties, Raisi promised, would “not be temporary, but permanent and strategic.”ⁱⁱⁱ

The Russo-Iranian alliance and partnership against the West has strengthened significantly over the past two decades. From 2006-2011, Russia had joined the People’s Republic of China and Western powers at the United Nations Security Council to impose a series of international sanctions against Iran in response to its growing illegal nuclear program.

This period saw mutual accusations and insults, canceled arms deals, and general Russian distrust of the stability and maturity of their southern neighbor. Iranian President Ahmadinejad at one point even accused Satan of influencing Russian actions against Iran, and sued Russia at the International Court of Justice over their refusal to sell Iran the S-300 anti-aircraft system.^{iv}

But in 2015, Russia stepped in to preserve the Iranian regime’s client in Syria, Bashar al-Assad. Since then, Russia built and currently operates an estimated total of 105 military bases in Syria,^v including naval bases on the Mediterranean Sea, large airbases, and air defense systems that have created Russian anti-access/area denial (A2/AD) bubbles in the eastern Mediterranean.^{vi}

The fruits of the growing Russo-Iranian alliance have since been plentiful for both parties. Now, Russia provides critical political (as well as technical) support for Iran’s nuclear program while

Iran provides lethal military support for Putin’s invasion of Ukraine. Russia even hosted a senior delegation of Hamas and Iranian Foreign Ministry officials less than three weeks after the October 7 attacks to discuss the “Zionist crimes supported by the United States and the West.”^{vii}

Their convergence is owed in part to Putin’s growing hatred and paranoia of the West. Both country’s leadership now believe that the key to survival and victory against the West lies in ignoring the others’ faults and ideological differences in favor of recognizing their shared ideals: contempt for the United States and a desire to sunder the Western-led world order.

There is little current prospect to split Russia and Iran apart through enticements and unilateral attempts at de-escalation. **It is unwise and deeply myopic for leaders in the West to believe they can ignore one country’s threats and still hope to counter threats from the other.**

What is good for Russia is good for Iran. Policies that empower Iran will empower Russia.

There are three developments in the Russo-Iranian power structure which the West must disrupt to its utmost ability. First: increased Russo-Iranian weapons and munitions production that today will help Russia overwhelm Ukraine but tomorrow could help Iran overwhelm Israel. Second: the acquisition by Iran of a nuclear weapon, which would immediately threaten Israel and our regional allies in the Middle East, but which would rapidly threaten European and U.S. territory.

Third, just as Russia gained critical bases and access into the Middle East and Mediterranean as a prize for preserving Assad, **the West must reckon with the possibility that Iran will also be granted military bases inside occupied Ukraine as a trophy for its military support to Russia.** From there, Iran could position air defense systems and ballistic missiles within a much shorter range to both European capitals and the American homeland. In any peace negotiations to come between Russia and the West, it is important that the United States ensure that any Iranian military presence in Ukrainian territory is strictly prohibited.

Unfortunately, European governments remain under the delusion that they can maintain business-as-usual with Iran. This posture increasingly undermines U.S. interests and efforts to counter threats from both Iran and Russia, and deeply imperils Ukrainian and Israeli security.

The West should employ every reasonable form of leverage against both Russia and Iran in order to simultaneously weaken both regimes. The United States must pressure Europe to join this effort. My testimony will highlight key areas of Russian and Iranian cooperation and several recommendations that Congress can take to counter and weaken the power of this despotic duo.

2. Growing Military Cooperation Raises Prospect of Russo-Iranian Regional Overmatch

What started as a trickle of joint Russo-Iranian military drills and visits last decade has grown into a tsunami of joint military production, training, and operations against the West. Iran conducted joint navy drills with Russia (and often with China) in the Gulf of Oman in 2019, 2021, 2022, and 2023.^{viii} However, this cooperation surged after Russia attacked Ukraine.

Since 2022, Iran has provided a critical supply of suicide attack drones to strengthen Russia’s faltering war effort, sending thousands of drones to Russia since the start of the war. CENTCOM Commander Kurilla recently testified that Russia is sending over 100 Iranian suicide drones into

Ukraine each week.^{ix} In exchange, Russia is in the process of providing Iran with their modern Su-35 air superiority fighter, Mi-28 attack helicopters, and Yak-130 pilot training aircraft.^x Iranian military officials say that their cooperation with Russia is growing “day by day”.^{xi}

In one six-month period in 2023, Iran sent Russia a million of rounds of munitions and 300,000 artillery rounds to Russia.^{xii} Reuters reported in February 2024 that Iran had sent Russia around 400 short-range ballistic missiles.^{xiii} U.S. officials had not previously confirmed the transfer of these weapons, but EUCOM Commander Cavoli’s testimony to Congress on April 10, 2024, indicated Iran had indeed sent Russia missiles, albeit of an undisclosed number and type.^{xiv}

Over the past two years, Iranian IRGC personnel have been active in Russian-occupied Crimea and Kherson, teaching Russian military personnel how to operate the Iranian-made suicide drones used to level Ukrainian cities and critical infrastructure.^{xv} At least 10 Iranian personnel were killed in Ukrainian attacks in Kherson and Crimea in October 2022.^{xvii} But besides these casualties, Iran has suffered no real repercussions for entering as a co-belligerent in this war.

Iran has also increased its cooperation and presence in Belarus. In October 2022, IRGC operators were spotted in the Belarussian village of Mykulichi preparing launches of Shahed-136 suicide drones at infrastructure in Kyiv and elsewhere in Ukraine.^{xviii} In November 2022, Belarus sought Iran’s assistance in assembling artillery shells,^{xix} and in July 2023, a senior Belarussian general announced that Iran and Belarus had signed a defense cooperation agreement.^{xx}

Iran has also been constructing a joint attack drone factory in Russia, 500 miles east of Moscow. The factory is working to produce 6,000 Shahed-136 suicide drones per year by Summer 2025. Disturbingly, according to leaked documents, **90 percent of these drones’ electrical and computer components planned for use in fabrication would be sourced from the United States.**^{xxi}

This cooperation has afforded Iran the opportunity to battle test its suicide drones against Western defenses. Russia and Iran are using that experience to improve on earlier drone designs.^{xxii} The new ‘Shahed-238’ drones feature more powerful jet engines, making interception by Ukraine’s air defense systems more difficult, and have improved radar and identification systems.^{xxiii} **As with their predecessors, most of the Shahed-238’s technological components are made in the West.**^{xxiv}

The Biden Administration has started to impose sanctions on Iranian and Russian drone programs and their key proliferators. However, as currently implemented, these sanctions will not be enough to halt Iran and Russian procurement and proliferation activities. And in any case, unilateral sanctions are not nearly a commensurate response to Iran attacking our allies.

The West should encourage and enable allied efforts to strike Russian and Iranian suicide drone production facilities, not criticize such attempts.¹

¹ In response to an April 2, 2024, Ukrainian attack on the joint Russo-Iranian suicide drone factory, Secretary Blinken said “we have neither supported nor enabled strikes by Ukraine outside of its territory.” A top UN official said the UN opposes “attacks on civilian infrastructure.”

Recommendation for Congress – Countering Suicide Drone Production

The United States needs to crack down further on the proliferation of dual-use items to Russia and Iran from our own companies. We need to raise costs and the difficulty for Russian and Iranian procurements agents trying to buy Western components for their drones. The House of Representatives has done excellent work by passing the Fight and Combat Rampant Iranian Missile Exports Act, or “Fight CRIME” Act (H.R. 3152), which is set to be marked up by the Senate Foreign Relations Committee on April 16, 2024, under the title Making Iran Sanctions Stick In Lieu of Expiration of Sanctions or “MISSILES” Act (S.2336).

However, Congress should go further and consider requiring U.S. manufacturers of these dual-use items to verify the final destination of key components used in Russian and Iranian drones and require far stricter compliance and due diligence procedures for foreign purchasers to ensure they do not sell to accidental or intentional proliferators. Additionally, Congress should consider restricting sales of these dual-use items to Turkey and the United Arab Emirates, key procurement hubs for Iranian and Russian military industries.

Finally, for maximum efficacy, **the United States must push for all our sanctions against these WMD proliferators to be matched by our Western allies.** It is an inconvenience to be banned from coming to the United States as a penalty for helping building suicide drones; it’s quite a stronger deterrent if you and your family members face the prospect of never setting foot in Europe, Canada, Japan, South Korea, or Australia again in their life. Both Congress and the Executive Branch must press our Western allies to quickly match each of our WMD-proliferation related sanctions against Iran and Russia.

Iran does not directly border Russia, so the regime transports its military aid to Russia by sea (discussed in the following section) and by air. There are opportunities for the West to disrupt and significantly raise costs on both routes.

Since August 2022, Iran has regularly flown personnel, drones, and other munitions into Russia using four state-owned airlines: Mahan Air, Iran Air, Saha Airlines, and Qeshm Air. These airlines are dual-use: they support the Iranian military by ferrying weapons and personnel around the globe on behalf of the regime, while also earning valuable revenue from commercial passenger flights.^{xxv}

In a October 2022 JINSA report, I revealed that 19 European and NATO airports continue to welcome three of these Iranian state airlines: Mahan Air, Qeshm Air, and Iran Air.^{xxvi} These flights into Europe each violate U.S. sanctions, provide the airlines and regime with valuable revenue, and enable the regime to then send the exact same aircraft on missions to Moscow carrying lethal aid that destroys European cities and kills European citizens.

That is why at the outset of Russia’s war with Ukraine, the European Union and United Kingdom banned Russian and Belarussian flights into their airspace. However, they have given Iran a free pass for their involvement in the war and are turning a blind eye to Iranian flights.

Each of these airlines has already been sanctioned by the United States under terrorism and WMD-related authorities. The United States must pressure European governments and airports

to stop these terror flights. Iranian airlines have already struggled to under the weight of U.S. sanctions, only able to purchase new aircraft with difficulty, but are able to be professionally maintained in part due to their frequent flights into Europe, where they can purchase spare parts. Iran's fleet of 180 aircraft has been increasingly old and poorly maintained, with the average age of planes over 25 years.^{xxvii} **The West has real leverage to cripple the Iranian airlines industry as a concrete penalty for and disruptor of Iran's continued military support to Russia.**

Recommendation for Congress – Stopping Iran's Terror Flights

In November 2023, 12 bipartisan Members of the House of Representative wrote to the UK Foreign Secretary asking the British government to halt Iran Air flights from landing at Heathrow Airport.^{xxviii} Congress and the Executive Branch should also press the governments of France, Germany, Italy, Bulgaria, Spain, the Netherlands, and Turkey urging them to halt Iranian state-linked flights from their soil, and urge the European Union to ban Iranian flights from EU airspace wholesale so long as they are providing lethal support to Russia.

The House recently passed the "Fight CRIME" Act, which requests an administration assessment of how Iranian airlines help the regime transport and proliferate arms, as well as an identification of foreigners supporting these sanctioned airlines. The Senate Foreign Relations Committee is reviewing companion legislation on April 16. These steps will be a good start, but time is of the essence to disrupt Iranian weapons supplies to Russia. Congress should take stronger action to force the Executive Branch to immediately bankrupt these airlines.

As the House of Representatives has done by passing the SHIP Act to force the Executive Branch to enforce secondary sanctions on Iran's oil exports, Congress should consider legislation mandating the enforcement of secondary sanctions against Iran's state-owned airlines involved in supply Russia weapons – or otherwise involved in Iran's terrorism and WMD proliferation.

It is important to disrupt Iranian provision of drones and other weapons to Russia for at least two reasons: because it will inhibit Russia's military operations, but also because it can impede the Russian rewards to Iran provided in exchange for the weapons.

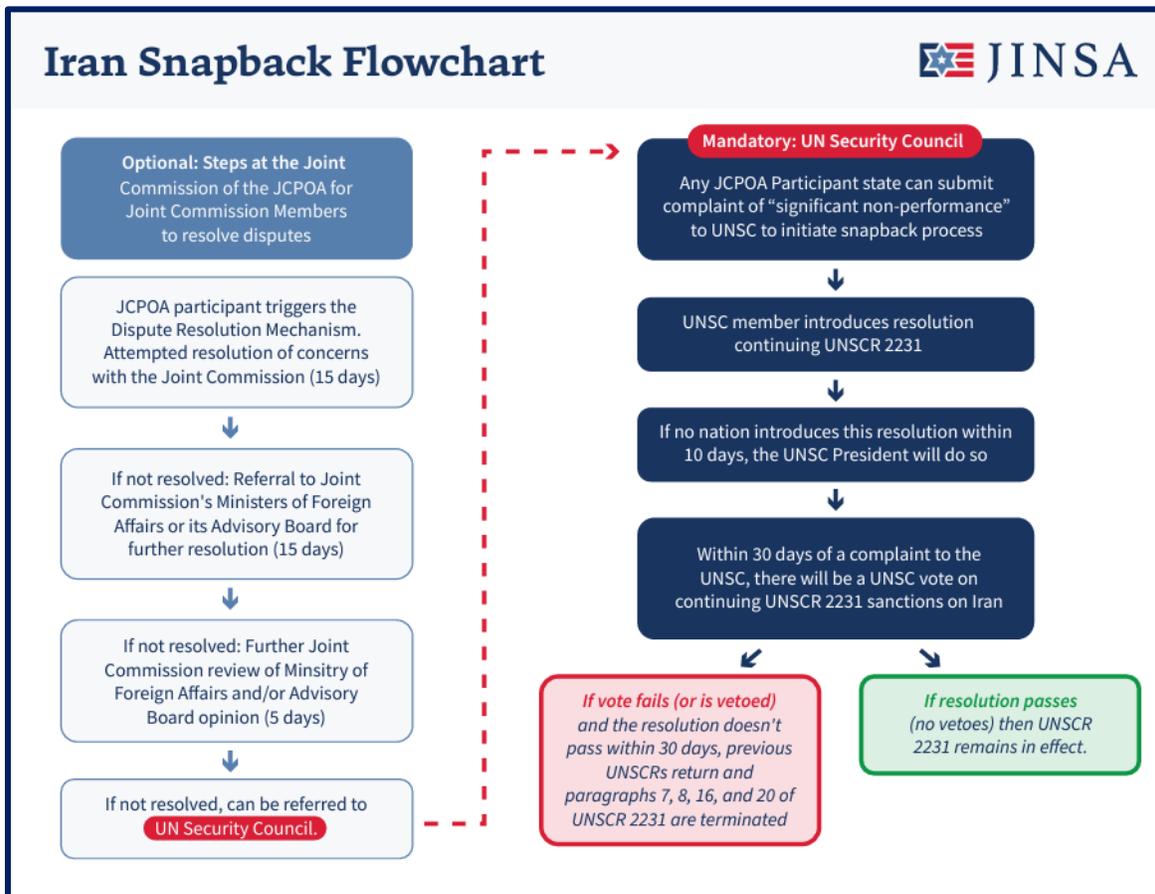
The advanced Su-35 fighter aircraft that Russia is providing to Iran would be vital for Iran's attempt to disrupt any future Israeli or American assault against Iran's nuclear program by air. Further concerning would be Russian provision of the S-400 anti-air defense system, or other military and technical cooperation, including training data, which helps Iran shoot down U.S. or Israeli planes seeking to operate in or around Iranian airspace.

The past six U.S. Presidents have all declared it is the policy of the United States to prevent Iran from acquiring a nuclear weapon. This pronouncement is only as good as the policies taken to ensure its viability. We cannot permit Iran to have a nuclear weapon, but **we also cannot permit Iran to develop or acquire the A2/AD infrastructure and capabilities that would fully block U.S. or Israeli efforts to destroy Iran's nuclear program.**

3. We Can Easily Restore International Sanctions on Russo-Iranian Arms Transfers

The Iranian regime and Russian Federation are serial violators of international law. Yet, Europe and the United States have twice stood by and let international sanctions on Iran expire that would have prohibited all these weapons transfers to and from Iran and Russia under international law. On October 18, 2020, the UN’s conventional arms embargo expired, allowing Iran to buy, sell, and transfer planes, tanks, vessels, and munitions freely around the world. On October 18, 2023, the UN’s advanced arms embargo expired, allowing Iran to legally buy, sell, and transfer long-range drones and ballistic missiles – the very same weapons Iran used to attack Israel over this past weekend.

The United States, France, Germany, Britain, and the European Union could each act – unilaterally if need be – to restore the UN conventional weapons ban and advanced weapons ban on Iran that would prohibit all Iranian transfers of weapons to Russia, and Russian transfers of any weapon to Iran.^{xxix} **These UN sanctions could be returned within the next 30 days without any Russian or Chinese cooperation.**² To date, the West has declined to do so out of the misguided belief that this would ‘provoke’ a regime that has already broken nearly every international law on the books.



² For a full explanation of the UN sanctions snapback procedure, see JINSA’s March 2023 Report “International Sanctions on Iran are Collapsing”: <https://jinsa.org/international-sanctions-on-iran-about-to-collapse/>

It is imperative that the West employ UN sanctions snapback soon. **On October 18, 2025, this “snapback” tool will expire if it is not used by then.** Based on the realignment of Russia and China to protect Iranian interests, this expiration would likely herald the permanent cessation of UN sanctions on Iran for the foreseeable future.

Should UN sanctions on Iranian weapons transfers be re-instated, all UN member states would be directed to prevent Iran from violating the weapons embargo on their soil or by using their vessels and airplanes. It would also call on all UN member states to inspect all vessel and air cargo passing through their territory. This is a valuable tool to impede Iranian arms transfers.

Map: Iranian Transfer of Drones and Munitions to Russia by Sea^{xxx}



Russian ships are ferrying large quantities of Iranian artillery shells and other ammunition across the Caspian Sea, delivering more than 300,000 artillery shells and a million rounds of ammunition in one six-month period in 2023.^{xxxii} Should UN sanctions on Iran be returned, any nation could legally board, inspect, and seize any cargo bound from Iran to Russia carrying sanctioned weapons and munitions.

In light of Iran’s recent assault on Israel with over 300 long-range drones and ballistic missiles, the **West should re-impose all UN sanctions as a direct punishment for this act of war**, but also as a broader effort to disrupt Russo-Iranian weapons production cooperation, and to deprive Iran of other customers and suppliers of its drones, missiles, and other weaponry.

4. Russian and Iranian Nuclear Cooperation Should be Penalized

Russia has worked to develop Iran’s nuclear program since 1992, when they signed a joint agreement to develop an Iranian civil nuclear program. This was followed by an agreement in

1995 to build a 1,000-megawatt nuclear power plant in the Iranian city of Bushehr. Since then, Iran has often employed a couple thousand Russian nuclear scientists and operatives at various nuclear facilities inside Iran.^{xxxii} **However, this number is set to skyrocket to 5,000 people this year**, according to an April 8, 2024, speech by a senior Iranian nuclear official.^{xxxiii}

Until the last several years, Russia had pursued a dual-track approach to Iran's nuclear program: cooperating and helping Iran develop their "civilian" nuclear energy program, but gently discouraging Iranian militarization of their nuclear program and other escalatory enrichment activities. This led Russia to consent to UN sanctions from 2006-2011, but also saw Russia *generally* favor Iran's negotiating position in 2013-2015 nuclear talks.

Russia positioned itself to take advantage of nuclear work approved by in the 2015 nuclear deal. Under the deal, the United States provided sanctions waivers to allow seven different Iranian projects that facilitated the development of their civil nuclear program: from allowing the export of surplus heavy water to the expansion of new reactors at Bushehr.

This positioning paid off handsomely for Russia's state-owned nuclear enterprise, Rosatom, which secured additional contracts for work on Iran's nuclear program and finalized work on Bushehr's initial nuclear reactor that started generating power in 2011. Rosatom is one of Russia's corporate crown jewels. Rosatom has grown in recent years to employ more than 275,000 people and brought in \$16 billion of revenue in 2020. Rosatom is currently building 33 nuclear reactors abroad across the world.

In November 2014, Rosatom signed a contract to build a further four nuclear reactors at the Bushehr site, with the option of building an additional four reactors at other sites in Iran at later dates.^{xxxiv} The plans to build four additional reactors at Bushehr have since been reduced to two, which have faced delays over payment disputes, partially due to U.S. sanctions. Rosatom is currently wrapping up work on the second nuclear reactor at Bushehr and starting work on the third reactor.

Russia's nuclear work in Iran is extremely lucrative. Rosatom's receives \$10 billion in payments from Iran for its construction, design, and operational support of **each** nuclear reactor in Iran.^{xxxv} If left unchecked, **Rosatom could benefit from as much as \$50 billion in Iranian nuclear work recently pledged by the Iranian government**,^{xxxvi} including a recently announced \$15 billion "super project" to build four new reactors in Hormozgan province of Iran.^{xxxvii}

From May 2019 to May 2020, the United States gradually rescinded the nuclear sanctions waivers in order to ratchet up pressure on Iran and prevent international cooperation with its nuclear program. On February 4, 2022 – mere weeks before Putin's invasion of Ukraine, the State Department re-issued the sanctions waivers on Iran's nuclear program, permitting Rosatom to resume its construction of the two new nuclear reactors at the Bushehr site and to provide other nuclear support to Iran.^{xxxviii}

At the same time, Rosatom has been instrumental to Russia's invasion of Ukraine. In the early days of March 2022, invading Russian forces took control of the Zaporizhzhia Nuclear Power Station, located in southeastern Ukraine. A week later, Russian officials gathered the plant's

management and told them the plant now belonged to Rosatom. Rosatom also took control of the Chernobyl nuclear site, where Russian forces and Rosatom officials looted and destroyed \$135 million worth of computers, radiation dosimeters, and safety equipment from the fragile area.^{xxxix} Rosatom is also helping the joint Russo-Iranian effort to produce more suicide drones.^{xl}

Yet, the Biden Administration supported Rosatom by waiving sanctions for its work constructing nuclear reactors in Bushehr for over a year despite Rosatom's ongoing support for Russia's war in Ukraine. The State Department only ended this particular waiver after severe and bipartisan outcry. However, the other six nuclear waivers seem to remain in place today, supporting Russia's ongoing nuclear work in Iran.

Russia has long since abandoned any semblance of serving as a good-faith partner for nuclear non-proliferation, negotiations, or leading any efforts to develop nuclear power abroad. In the 2021-2022 international negotiations to return to a nuclear deal with Iran, the lead Russian nuclear negotiator, Mikhail Ulyanov, bragged to reporters how Russia had teamed up with Chinese officials to deliver significant wins for the Iranian side, saying that "Iran got more than it could expect. Much more...this is a matter of fact."^{xli}

In 2022, U.S. intelligence officials disclosed that **Iran had been asking Russia for help acquiring additional nuclear materials** to assist with its nuclear fuel fabrication, which could potentially shorten Iran's breakout time.^{xlii}

The United States and Europe need to adjust to that new reality that Russia is a nuclear menace and should be treated as a pariah in this sector. Pressuring Rosatom and severing its commercial contracts around the world should be a top goal for both the United States and Europe.

Recommendations for Congress – End Waivers, Bankrupt Rosatom

The United States should rescind all sanctions waivers for continued cooperation with Iran's nuclear program, with the possible exception of allowing for the continued operation of safety procedures around the existing Bushehr-1 nuclear reactor. Congress should rescind these waivers if the Executive Branch does not act and should rapidly work to sanction Rosatom in its entirety.

Unfortunately, the United States is still dependent on Russian imports of High-Assay Low-Enriched Uranium (HALEU) through Rosatom. Congress should press the Executive Branch to sanction Rosatom's senior leadership and rapidly work to wean ourselves off dependence of Russia's supply of HALEU. To truly hurt Rosatom, we have to sever their commercial contracts around the world. That cannot responsibly be accomplished through sticks and sanctions alone: we need to provide Rosatom's customers with an attractive path to divest from Rosatom, ideally by offering competent services in a Western nuclear firm.

The West needs a serious strategy to compete and ultimately replace Rosatom as a partner in the commercial nuclear industry. This cannot be achieved overnight, but we must not fall for the trap of believing that challenging tasks should never be endeavored upon. Congress should task the Executive Branch with developing a long-term strategy to compete with Russia in the civil nuclear industry and should consider creating an interagency task force to expedite these efforts.

5. The Weak Link: Russo-Iranian Dependency on Oil Exports

The Russo-Iranian alliance has a critically weak point: both of their economies are reliant on oil, gas, and petrochemical sales to power their war machines. The Iranian government relies on oil and petrochemical revenue to fund 42.5% of its 2023-2024 budget.^{xliii} The Russian government relied on oil and gas revenue to fund 30% of 2023 budget.^{xliv}

Today, Russia and Iran's joint reliance on a single commodity stream presents an important opportunity for the West to weaken both their economies. But it presents a challenge in the magnitude of oil exports the West needs to replace. This year, Russia has exported as much as 3.7 million barrels of oil per day, while Iran currently exports roughly 1.5 million barrels of oil per day, up significantly from the 300,000-400,000 barrels of oil it exported in 2019-2020.^{xlv}

International economic sanctions on Iran, including on its export of oil, were in place from 2007 to 2015 to penalize Iran's illegal development of nuclear weapons and incentivize the regime to negotiate. However, even though Iran has rapidly increased its nuclear enrichment for the past five years and has long since blasted through its Joint Comprehensive Plan of Action (JCPOA) commitments, the United States is now the sole nation advancing economic pressure on Iran – albeit in a far less serious fashion today than during the 2019-2020 period of Maximum Pressure. As a result, Iran has been able to massively increase its military spending and subsidies for terrorism in the past three years.³

The West has now embarked on a joint effort to weaken Russia's economy – an enormous undertaking complicated by the West's reliance on Russia's natural resources. Yet, the West has not joined the United States' economic sanctions on Iran even as the regime joined Russia's war efforts. Worse, from January 2019 to March 2023, European powers championed a trade channel, INSTEX, designed to circumvent U.S. sanctions on Iran. Fortunately, most European companies have abided by U.S. sanctions against Iran on their own accord to maintain access to U.S. markets.

The West needs to reduce both the volume and price of oil sold by both Russia and Iran. The global oil market is interconnected on standard index prices as well as the price discounts that importers of Russian and Iranian crude require when they buy the illicit oil.

The best way to lower Russian and Iranian revenue is to encourage increased American and European oil production to replace supply on the global market and depress oil prices. Western oil production is guaranteed to have superior environmental standards, will support local jobs, and will put pressure on Russian and Iranian military budgets.

As the West helps to raise the global supply of oil, the G7 must work to lower the price cap on Russian oil. It was set at \$60/barrel, but only because Western European powers negotiated it to be higher than many other countries asked for. Western officials originally stated that the price cap would be revisited every two months to gradually lower the price.^{xlvi} Yet the price has stayed

³ For a comprehensive analysis of Iran's economic situation, support for terrorism, and U.S. sanctions on Iran (including oil), please see my October 2023 [testimony](#) to the House Financial Services Committee, which also contains several recommendations for Congress to increase economic pressure on Iran and its terror proxies.

constant for 17 months now, even during periods where the price cap was actually above the market price for Russian oil. Momentum has stalled on enforcing the price cap and decreasing its level. Congress should not tolerate this kind of complacency in Russian oil sanctions coming from Western leaders.

Congress should first push the Biden Administration to negotiate a decrease in the G7 price cap, or at a minimum to “float” the cap so that it decreases below \$60/barrel when global prices fall. But the West also needs to work on decreasing the global volume of Russian and Iranian oil imports. The price cap needs to be converted over time into full-on embargoes and then brought under a Western sanctions regime to have a substantive effective on Russian revenues.

Recommendations for Congress – Apply the Iran Oil Sanctions Model to Russia

In 2011, Congress created a novel system in the FY2012 National Defense Authorization Act (P.L. 112-81) to reduce Iranian exports of oil. The Executive Branch was tasked to slowly ratchet down the *volumes* of Iranian oil that other countries could import without triggering U.S. sanctions. “Significant Reduction Exemptions” (SREs) could be provided to countries if they demonstrated progress decreasing their imports of Iranian oil, while the Executive Branch was tasked with ensuring the price of oil for U.S. consumers did not rise unacceptably as Iranian oil was taken off the market.

Congress should consider replicating this SRE system to combat Russian oil exports, particularly for jurisdictions like India, which cannot replace Russian oil imports overnight. Ideally, the United States would join with a coalition of partners on this endeavor. Obtaining consensus within the entire European Union or even G7 is difficult, but multiple partners supporting U.S. action would be preferable. However, we must remember that **multilateral pressure is better than unilateral pressure, but unilateral pressure is still better than no pressure.**

The West must also raise transactional costs for those throughout the maritime industry facilitating the trade of Russian oil in violation of the G7 price cap – or on any future sanctions regime against Russia. This equally applies to Iran.

Congress has rightly pressed the Biden Administration to enforce oil sanctions against Iran, as with the House of Representatives’ recent passage of the SHIP Act (H.R. 3774). Companion legislation is being marked-up by the Senate Foreign Relations Committee on April 16. The SHIP Act’s novel approach is to require sanctions against the ports, refineries, and insurers who deal in sanctioned Iranian oil. This legislative approach should also be extended to Russian oil.

Finally, in recent months, Ukraine’s military has started attacking Russian oil and gas facilities as part of their war effort. These are legitimate military targets that directly fund Putin’s war machine. The United States should praise these attacks, not criticize them as senior U.S. officials have recently done.^{xlvii} The West needs to counter Russian energy exports to have any hope at degrading Russia’s long-term military-industrial prospects. If the Ukrainian government wishes to do so kinetically, that is the most direct route and makes other Western efforts far easier.

6. We Need Europe to Stop Empowering Iran and Join U.S. Efforts

In January 2022, the head of Iran’s National Security and Foreign Policy parliamentary committee (the Iranian counterpart to HFAC and SFRC) declared “In the new world order, a triangle consisting of three powers – Iran, Russia, and China – has formed in Asia. This new arrangement heralds the end of the inequitable hegemony of the United States and the West.”^{xlviii}

The West faces a dangerous opponent with this emerging second Axis. These powers are more formidable than the Axis powers we faced in World War II. We cannot hope to succeed without a coalition of allies and partners who recognize that Iran, Russia, and China are jointly arrayed against the West and must be countered together.

Unfortunately, today we must contend with a painful truth: **our European allies – sometimes with the encouragement of the Biden Administration – have thwarted nearly every effort to hold the Iranian regime accountable for their deadly work in Ukraine.** European and UK leaders have declined to sanction Iranian terror airlines, militias, the IRGC, oil exports and trade, or even issue a resolution of condemnation at the IAEA for Iran’s massive nuclear escalations.

Europe even provides safe haven to Iranian state-owned banks to gin up more business and trade.

In March 2024, JINSA revealed that a network of 15 Iranian-state owned banks – all sanctioned by the United States, mostly for support of terrorism and WMD proliferation - continue to operate in the heart of European capitals and cities, including in London, Paris, Berlin, Hamburg, and Athens.^{xlix} The banks are also used to facilitate Iran’s financial transactions that allow the regime to provide lethal support to Russia. These banks hold at least \$1.9 billion of assets in their European branches, as well as many millions more in valuable real estate.

Name of Bank	Location of Bank Branch	Assets Held (End of 2022)	U.S. Sanctions on Bank
Bank Mellī	London, UK	€320 million	WMD Proliferation
	Paris, France	<i>Unknown</i>	WMD Proliferation
	Hamburg, Germany	€616 million	WMD Proliferation
Bank Saderat	London, UK	€222 million	Terrorism
	Frankfurt, Germany	<i>Unknown</i>	Terrorism
	Hamburg, Germany	€64 million	Terrorism
	Athens, Greece	€96 million	Terrorism
Bank Sepah	London, UK	€314 million	WMD Proliferation
	Paris, France	<i>Unknown</i>	WMD Proliferation
	Rome, Italy	€58 million	WMD Proliferation
	Hamburg, Germany	<i>Unknown</i>	WMD Proliferation
EIH	Hamburg, Germany	€43 million	WMD Proliferation
Bank Saman	Rome, Italy	€32 million	Economic
	Hamburg, Germany	<i>Unknown</i>	Economic
Middle East Bank	Munich, Germany	€209 million	Economic

Source: JINSA Research, Asset figures from European financial disclosure documents

European governments could shut these banks down at any time and confiscate the bank assets as a penalty for the Iranian regime's support to Russia. Instead, Europe looks the other way.

Europe has rightly treated Belarus as a fellow belligerent in Putin's war and imposed penalties accordingly. As a non-exhaustive example, all Belarusian airplanes are banned from European airspace. Belarussians are subject to a travel ban, and the country subject to sanctions on their financial sector, trade, technology and telecommunications, energy, transport, and other sectors.

UK and European governments have not imposed a single one of these penalties against the Iranian government.

European cooperation with our sanctions would significantly help the efficacy of our enforcement efforts – particularly on areas like limiting Iran's oil exports. We have sanctioned several European individuals and companies for violating U.S. oil sanctions. Some repented and severed ties to Iran, but the majority continued along. If Europe joined our pressure, such behavior would be subject to criminal prosecution, which could disrupt the behavior entirely.

A recent incident demonstrates the divergent response Europe pays toward Iranian and Russian provocations. Both Russian and Iranian operatives attempt to intimidate and kill their overseas critics. When Russian operatives poisoned Sergei Skripal and his daughter in Salisbury, England in 2018, Western countries expelled a total of 153 Russia diplomats, including 23 from the United Kingdom and 60 from the United States.¹

Yet, after Iranian-linked assassins tried to assassinate a dissident Iranian journalist in London on March 29, 2024, the British Foreign Secretary registered a complaint with the Iranian Foreign Ministry but declined to take any punitive action in response.^{li} Not a single Iranian diplomat has been expelled by any Western nation, nor do any plans appear in the works.

European action against the Iranian regime is not simply lackluster, it often directly encourages the regime's continued assaults on U.S. and European interests by signaling to Tehran there will be paltry if any consequences for their various acts of aggression.

Although IRGC personnel help Russia slaughter Ukrainian citizens, EU High Representative for Foreign Affairs Josep Borrell recently called the Iranian Foreign Ministry to express his condemnation of a strike that took out several senior IRGC officials in Syria.^{lii} He might have instead called Israel to thank them for taking out the Russian military's top arms suppliers.

It is disappointing that Congress must plead with our European partners to take the necessary actions to protect themselves.⁴ Europe's refusal to impose costs on Iran for its partnership with Russia has been deadly and will result in further losses in European lives and territory.

If the consequences of the European placation of Iran were limited to inside Europe, we might simply agree to disagree with our friends. We do not have that luxury anymore. We need to get serious about reforming Europe's posture toward Iran – for our security and that of our allies.

⁴ Bipartisan members of Congress have sent European governments around 10 letters since Russia's invasion of Ukraine – each requesting various stronger actions against Iran. None of the actions requested in any of the letters have been carried out by UK/EU leaders.

Recommendation for Congress – Pressuring Europe to Act

Congress should make clear to our European allies – particularly when they ask us for financial support related to Ukraine – that we need to have their support on the various threats faced by Iran, and that victory in Ukraine is kneecapped by Europe’s ongoing refusal to confront Iran.

Congress should be explicit with European leadership, particularly in Paris, London, Berlin, and Brussels - that ongoing U.S. support for European interests (separate from our NATO obligations) is undermined and imperiled if they refuse to get serious about pressuring Tehran.

The Biden administration and Congress should press the European Union to formally cease its participation in the JCPOA; to reimpose full sanctions on the Iranian banking and financial sector, to sanction and block Iranian airlines from European airspace; to close down and sanction Iranian state-owned banks in Europe; and to initiate the snapback of UN sanctions to restore the UN conventional and advanced arms embargo.

The Treasury Department should sanction the European-based leadership of Iranian banks and work with the European Union to seize and use local Iranian bank assets for the cause of Ukrainian freedom and resilience.

7. Conclusion: If Ukraine Loses

Should Russia prevail over Ukraine in the battlefield - either forcing them to supplicate or surrender entirely – the dangerous scenarios I posed at the beginning of this testimony will become even harder to prevent – if not impossible.

The Iranian regime’s path to a nuclear weapon would open wide as U.S. forces are spread thin trying to deter a Russian invasion of NATO. Iran could gain the ability to posture long-range missiles in Ukraine and may be granted military bases on the edge of NATO territory.

Russia could return Iran’s favors and bolster the regime’s defensive and offensive capabilities even further. Freed from the operation demands and sanctions on account of its ongoing war, Russia could start to restock the arsenal of autocracy for the next war the Axis decides to wage.

The United States is likely to be the target of such a war.

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