



**Statement before the House Foreign Affairs Committee**

**Joint Hearing on “Israel Imperiled: Threats to the Jewish State”**

**Subcommittee on Terrorism, Nonproliferation, and Trade  
Subcommittee on the Middle East and North Africa**

**“New Directions in the Iranian and Hezbollah Threat against Israel**

Michael Rubin  
Resident Scholar  
American Enterprise Institute

April 19, 2016

*The views expressed in this testimony are those of the author alone and do not necessarily represent those of the American Enterprise Institute.*

Chairman Poe, Ranking Member Keating; Chairman Ros-Lehtinen, Ranking Member Deutch, distinguished representatives, it is an honor to speak before you today about the growing threats Israel faces to its security.

Israel and, for that matter, moderate Arab states across the Middle East as well, face a growing threat from a resurgent Islamic Republic of Iran. The Joint Comprehensive Plan of Action (JCPOA) has been a game changer, but not necessarily in the way the Obama administration recognizes.

To claim a decade-long deal to be a success is disingenuous simply because the JCPOA front-loaded tens of billions of dollars in unfrozen assets, sanctions relief, and new investment. On one hand, if Tehran walks away from its commitment, it will have pocketed more than 20 times the annual budget of the Islamic Revolutionary Guard Corps. On the other hand, if Iran fully complies with the JCPOA, it will be left in little more than a decade with an industrial scale nuclear program greater than that which Pakistan possessed when it built itself a nuclear arsenal.

In the near term, Israel and other regional states must face the empowerment not only of the Islamic Revolutionary Guard Corps, but also its terrorist proxies. Just over a year ago, Acting State Department Spokesman Marie Harf insisted the Iranian government would use its perhaps \$50 billion or more windfall to repair its own economy rather than invest in further terror.<sup>1</sup> This belief, however, reflects ignorance over both the ideology of the Islamic Republic and the structure of the Iranian economy.

### **“Export of Revolution”**

A consistent problem with U.S. diplomacy toward Iran has been the projection by senior American officials of U.S. values and models upon the Islamic Republic. Successive proponents of engagement have embraced the notion that the Iranian government wishes to resolve conflict and become a normal, status quo power. They believe, therefore, that their Iranian counterparts—President Hassan Rouhani or Foreign Minister Mohammad Javad Zarif, for example, are sincere in their desire for peace and reconciliation and motivated by a desire for prosperity.

Alas, this ignores the Iranian concern of “export of revolution,” enshrined not only in the Islamic Republic’s constitution as its *raison d’être*, but also in the founding Statute of the Islamic Revolutionary Guard Corps (IRGC). Article 3 of Iran’s Constitution declares the goals of the regime to be both “the expansion and strengthening of Islamic brotherhood and public cooperation among all the people” and “unsparing support to the oppressed of the world,” while Article 154 calls for “support of the just struggles of the oppressed against the arrogant in every corner of the globe.” This was not mere social justice. Revolutionary Leader Ayatollah Ruhollah Khomeini,

---

<sup>1</sup> Marie Harf, “State Department Daily Briefing,” April 17, 2015.

leader of the Iranian Revolution, defined the repressed as any living under a system other than Iran's. "The United States can't do a damned thing; we will export our revolution to the world," became Khomeini's mantra and, subsequently, an IRGC slogan.<sup>2</sup>

On July 25, 1981, the IRGC monthly *Payam-e Enghelab* defined "the principle of jihad" as one of the two main tasks of the Guards, the other being defending the supreme leader's government. In the early years of the Islamic Revolution, Iran sought to export revolution to Lebanon, Saudi Arabia, Bahrain, Pakistan, Iraq, and others. With the exception of Lebanon, where Hezbollah took root, all Iran accomplished was bad blood between Tehran and regional capitals.

Still the acceptance of "export of revolution" has been a commonality between both Iranian government hard-liners and reformers. Initially, there was some debate, however, about what "export of revolution" meant. In a May 3, 2008, speech, former President Mohammad Khatami suggested that Iranian officials redefine the concept in terms of soft power. "What did the Imam want, and what was his purpose of exporting the revolution? Did he wish us to export revolution by means of gunpowder or groups sabotaging other countries?" Khatami asked, before suggesting Khomeini "meant to establish a role model here, which means people should see that in this society, the economy, science, and dignity of man are respected."<sup>3</sup> In effect, Khatami argued not against the existence of "export of revolution," but rather that the government could interpret it as soft power.

Government authorities, however, were furious. Not only had Khatami undercut Iran's plausible deniability by acknowledging state-sanctioned terror, but he also proposed diluting a pillar of the revolution. Seventy-seven members of parliament responded by demanding the Intelligence Ministry investigate Khatami for his comments.<sup>4</sup> As the controversy over Khatami's remarks faded, Ayatollah Mahmoud Hashemi Shahroudi, arguably the third most powerful cleric in Iran and the man whom Khamenei not only regularly uses as his stand-in but also whom Iranian officials seek to position to replace Grand Ayatollah Ali Sistani upon his death, reiterated Tehran's continued commitment to export the revolution through violence. Speaking to armed forces, he declared the IRGC to be "the hope of Islamic national and Islamic liberation movements."<sup>5</sup>

This is not mere theory. In the months since agreement was struck and the JCPOA came into effect, Iranian efforts to destabilize regional countries have accelerated. Bahraini authorities have intercepted assault rifles, explosives, and detonators which the IRGC apparently was seeking to

---

<sup>2</sup> "Tars-e Amrika az Ahiya-e Islami" [The US Fear of the Islamic Revival], trans. Open Source Center, *Khorasan* (Mashhad), January 25, 1996; "Tandar bidun Baran" [Thunder without Rain], Javan (Tehran), August 18, 2005.

<sup>3</sup> "Khatami: Dar Zamineh-e tahrif andisheh-ha-ye hazirat-e Imam 'alam khatar mikonam" [Khatami: I Find Danger in the Distortion of His Excellence the Imam's Thoughts], Tehran Emrooz, May 3, 2008.

<sup>4</sup> "Jamayeh-i Avari Imza 'Alebeh Khatami" [Gathering Signatures against Khatami], *E'temad* (Tehran), May 7, 2008.

<sup>5</sup> "Iran's Forces Are Models of Resistance," Press TV (Tehran), May 22, 2008.

smuggle into Bahrain.<sup>6</sup> More recently, the U.S. Navy has intercepted Iranian weaponry destined for Yemeni rebels.<sup>7</sup> Iran's state-controlled press has openly featured recruitment drives to sign up students to fight in Syria.<sup>8</sup>

### **Reinforcing the Revolutionary Guard Economy**

Even if the Iranian government were sincere in its desire to rejoin the international community as a normal state, it would likely not be able to change the behavior of the Islamic Revolutionary Guard Corps and other groups which directly promote and sponsor terrorism. Make no mistake: The primary if not only winner from the JCPOA has been the IRGC. This is because it maintains a stranglehold over trade and the economy and so has become the chief if not sole beneficiary from the hard currency now flowing into Iran. Here the problem is *Gharargah Sazandegi-ye Khatam al-Anbiya*, the IRGC's economic wing. To understand what Khatam al-Anbiya is, picture the U.S. Army Corps of Engineers combined with Bechtel, Halliburton, KBR, Shell, Exxon, Boeing, and Northrop-Grumman, all rolled up into one. Today, Khatam al-Anbiya monopolizes heavy industry, shipping, electronics, manufacturing as well as import-export. All together, it controls perhaps 40 percent of the Iranian economy.

While the official IRGC budget may only be \$5 billion per year, the income the IRGC derives from smuggling across the Persian Gulf accounts for another \$13 billion annually. Under former President Mahmoud Ahmadinejad, IRGC-linked companies received upwards of \$50 billion in no-bid contracts in the oil industry alone. In short, even if President Hassan Rouhani were to take the IRGC's official budget to zero, it would be facing less of a budget cutback proportionately than the U.S. military has through sequestration.

To believe that tying Iran more directly into trade and the international economy promotes political liberalization is to ignore precedent. As demonstrated in my recent book, *Dancing with the Devil*, a history of a half century of diplomatic engagement with rogue regimes and terrorist groups, between 1998 and 2005, the European Union more than doubled its trade with Iran on the philosophy that trade and the promotion of economic liberalization might lead to political liberalization. At the same time, the price of oil—and the bulk of Iran's income—nearly quintupled. That cash infusion, alas, coincided with the collapse of the reform movement which largely ran out of steam by 2000. It also coincided with a massive infusion of cash into Iran's ballistic missile and nuclear programs and the construction of the then-covert enrichment plant at Natanz. This is why many Iranian reformists claim credit for advancing the nuclear program.

---

<sup>6</sup> "Bahrain disrupts attempt to smuggle explosives into Kingdom," Bahrain News Agency, July 25, 2015.

<sup>7</sup> Sam LaGrone, "U.S. Navy Seizes Suspected Iranian Arms Shipment Bound for Yemen," U.S. Naval Institute News, April 6 2016.

<sup>8</sup> "Nahaveh Sabatnam az Davtaliban Modafa' Haram" ("Registering Volunteers to Defend the Shrines,") *Shargh*, January 27, 2016.

## **Israel Faces a Renewed Terrorist Threat**

In the wake of the 2006 war between Israel and Hezbollah, many diplomats and journalists argued that Hezbollah had effectively become a Lebanese nationalist organization and did not necessarily answer to Iran and the IRGC. While useful politically and diplomatically to exculpate Iran for Hezbollah terrorism, it is also untrue. While Hassan Nasrallah leads Hezbollah on a daily basis as its secretary-general, Hezbollah continues to describe Ali Khamenei as its ‘source of emulation.’ In 2008, Hezbollah turned its guns on fellow Lebanese in the heart of Beirut as a result of a dispute over revenue sharing and control over Beirut’s international airport. More recently, Hezbollah has operated effectively under the command of IRGC Qods Force chief Qassem Soleimani in Syria, a conflict in which those motivated by Lebanese nationalism should have no interest.

Israel, meanwhile, has detected, tracked, and in some cases launched strikes against IRGC targets and Iranian supply routes to Hezbollah. While the United Nations theoretically was to prevent Hezbollah’s illegal re-armament in the aftermath of the 2006 conflict, today Hezbollah has more artillery and long-range missiles than it had in its possession a decade ago. The recent Iranian shopping spree in both Russia and China may augment both the IRGC and Hezbollah capability to strike more accurately with a broader range. In addition, Iran has openly deployed its indigenous UAV technology into Syria and perhaps Lebanon as well. Iranian UAVs fly over Syria’s largest city in Aleppo,<sup>9</sup> and so could just as easily fly over the Golan Heights, the Galilee, or into international air paths over Tel Aviv’s Ben Gurion International Airport or Israel’s smaller regional airports. That Iranian sources openly brag about their development of both ‘suicide’ drones and new satellite-guided drone navigation capabilities augments concern.<sup>10</sup> Neither Iran nor its proxies need to be able to strike an aircraft or an airport to be successful. Simply interfering with civilian air traffic will likely augment Israel’s isolation as airlines suspend service into Tel Aviv.

Nor is the UAV threat the only one looming for Israel. With the discovery of gas fields in the Eastern Mediterranean, Lebanese authorities have asserted a claim to 300 square miles of Israeli waters. Therefore, even though the United Nations formally certified Israel’s withdrawal from Lebanon complete, the dispute over the Shebaa Farms/Har Dov notwithstanding, Lebanon has resurrected a new claim that provides Hezbollah nationalist cover to pursue its rearmament and terrorism. Indeed, Hezbollah has bragged that it has been training operatives in underwater

---

<sup>9</sup> “Aghaz ‘Amaliyat-e Pehpad-e Iran dar Jonub Halab” (“The Beginning of UAV Operations in South of Aleppo,”) *Raja News*, March 1, 2016

<sup>10</sup> Iran Chaharmen ‘Azū Bashgah Sazandgan ‘Pehpad Masaleh’ ba Hadayat Ma Havareha-ye dar Jahan Shod” (“Iran is the Fourth Member of the Satellite-Guided ‘Armed UAV’ Club,”) *Mashegh*, April 1 2016; “‘Amaliyat-e Mowafeq Pehpadha-ye Enthari Sepha ’” (“Successful Operation of Suicide UAV Corps ”),” Fars News Agency, February 23, 2013.

sabotage. This not only suggests a new terror capability that it could utilize against Israel, but a direct threat to the many American engineers and oil workers involved in the region.

## **Conclusion**

It is possible to change Iranian behavior. Khomeini released U.S. hostages in 1981 not because of the persistence of diplomacy, but rather because the Iraqi invasion of Iran had made the cost of the Islamic Republic's isolation too great to bear. Then, in 1982, having repelled the bulk of Iraqi forces from Iranian territory, Ayatollah Khomeini briefly considered ending the Iran-Iraq War. The IRGC interceded, and urged no ceasefire until it had achieved its aims not to oust Saddam Hussein but rather to "liberate Jerusalem." There followed six more years of war that claimed the lives of another half million people. Finally, Khomeini got on the radio and likened accepting a ceasefire to drinking from "a chalice of poison." "Taking this decision was more deadly than taking poison. I submitted myself to God's will and drank this drink for his satisfaction," Khomeini declared.<sup>11</sup>

When Iranian leaders are forced, figuratively, to drink from that chalice of poison, they are willing to renounce terrorism and seek peace. Alas, rather than face recession due to its ideological and military aggression, Iran today has at its disposal a hard currency windfall which will enable it to support proxies to pursue its ideological goals with an ease that it has not enjoyed in decades.

Against this backdrop of Iranian empowerment, it is important that the United States recognize that responding to Iranian bluster and complaints with incentive and greater access to the U.S. and European investment and financial markets is counterproductive to regional security. It is also essential to recognize the depth of IRGC involvement in almost every sector to which U.S. and European firms might consider investing. To bolster both U.S. security and that of Israel and other American regional allies requires draining rather than augmenting IRGC coffers. This will ultimately mean not only greater vigilance absent diplomatic subjectivity to IRGC commercial involvement and terror finance, but a concerted military effort to stymie IRGC smuggling across the Persian Gulf and a broader effort to counter both UAVs and submersible threats not only in Iran's littoral waters, but also in the Gulf of Aden, Red Sea, and Eastern Mediterranean.

The U.S. Navy especially should consider its posture into the next decade. The Eastern Mediterranean was just a few years ago a region to sail through or perhaps in which to enjoy a port call. With the increasing reach and capabilities of Iran in and around the Eastern Mediterranean, greater energy interests in its waters, as well as the presence of Islamic State cells in the Sinai Peninsula, Hamas in the Gaza Strip, Russian President Vladimir Putin's announcement of the deployment of a 16-ship Russian task force, and an increasingly erratic Turkey, it is essential that the United States consider whether the Eastern Mediterranean is, in effect, becoming a new Persian

---

<sup>11</sup> Robert Pear, "Khomeini Accepts 'Poison' of Ending the War with Iraq," *New York Times*, July 21, 1988.

Gulf. If so, a comparison between the U.S. force posture in the Persian Gulf versus the U.S. presence in the Eastern Mediterranean can be shocking. In essence, the only U.S. Navy facility in the region is Souda Bay, Crete, hardly sufficient to address myriad threats now impacting the region.

Thank you.