

**Statement of
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U. S. Department of State**

**Before the
House Foreign Affairs Committee
May 25, 2016**

“Iran Nuclear Deal Oversight: Implementation and its Consequences (Part II)”

Chairman Royce, Ranking Member Engel, and Members of the Committee, thank you for inviting me today to discuss our nonproliferation efforts related to Iran. Ambassador Mull has clearly laid out our progress in implementing the Joint Comprehensive Plan of Action (JCPOA), which has increased our security and cut off the threat of a nuclear armed Iran. Ensuring Iran’s full implementation of its nuclear-related commitments under the JCPOA is one of our highest priorities. My team is working hand-in-hand with Ambassador Mull’s to make certain that the international nuclear safeguards regime, in which the International Atomic Energy Agency (IAEA) plays a critical role, works seamlessly in providing unprecedented verification and monitoring in Iran as spelled out in the JCPOA.

The IAEA’s monitoring role is essential to the success of the JCPOA, and thanks to sustained and strong Congressional support for U.S. contributions to the IAEA, we maintain the ability every year to support urgent, high-priority projects such as IAEA monitoring in Iran. While we are ensuring that needed JCPOA-related resources are made available to the IAEA, we also continue to support the

IAEA's vital global missions in nuclear safeguards, security, and safety. Beyond Iran-related support, we will continue to be the IAEA's most significant contributor, providing essential funding, technical support, and expertise, commensurate with the key role the IAEA plays in advancing a wide variety of U.S. interests. We will also continue to work with international partners and with the Congress to ensure that necessary resources are made available to the IAEA throughout the duration of the JCPOA. As we carry forward this important work, it is essential that we have a confirmed Ambassador to this vital post, so I urge Congressional support for quick Senate action to confirm Laura Holgate, the President's highly qualified nominee, as the U.S. representative to the IAEA in Vienna.

While the threat of a nuclear-armed Iran has been addressed through implementation of the JCPOA, Iran's continued conventional weapons proliferation and its efforts to develop increasingly capable ballistic missile systems remain among our most important nonproliferation challenges, and pose very real threats to regional and international security. As we have for many years, we continue to apply a wide range of multilateral and unilateral tools to address Iran's prohibited proliferation efforts, and our deployment of these tools remains uninterrupted by the implementation of the JCPOA.

On Implementation Day of the JCPOA, the provisions of previous United Nations Security Council resolutions (UNSCRs) on Iran were terminated, and new measures in UNSCR 2231 (2015) regarding Iran's nuclear, conventional arms, and ballistic missile related activities went into effect. Importantly, UNSCR 2231 maintains all previous legally binding requirements on states to deny Iran access to prohibited items, materials, and technology, absent advance approval by the Security Council.

Regarding Iranian procurement for its ballistic missile program, UNSCR 2231 prohibits States from transferring all items, materials, equipment, goods, and technology set out in the Missile Technology Control Regime (MTCR) Technical Annex to Iran, unless the Security Council decides in advance on a case-by-case basis to permit such activities. These prohibitions also apply to any other items a state determines could contribute to the development of delivery systems for nuclear weapons. As a permanent, veto-wielding member of the Security Council, we would not approve any activities that would benefit Iran's missile program, and our opposition alone would block any Iranian request to acquire such items. Our policy on Iran's ballistic missile program has not changed – Iran must cease this work, including ballistic missile launches.

UNSCR 2231, which was unanimously approved by the Security Council, calls upon Iran to not undertake any activity related to ballistic missiles designed to

be capable of delivering nuclear weapons, including launches using ballistic missile technology. In October 2015, under UNSCR 1929, the United States, in coordination with our international partners, reported an Iranian test of a medium range ballistic missile to the United Nations Security Council, where other Security Council members joined us in condemning the launches. We will continue to call on the UN Security Council to address this serious matter under UNSCR 2231, as we did most recently with Iran's March 2016 launches, to shine a spotlight on such destabilizing activities, and to increase the political, diplomatic, and reputational costs to Iran as a consequence of these activities.

Our unilateral and multilateral efforts to prevent Iran from obtaining missile technology and expertise, including through enforcement of the Council's continuing prohibitions on Iran's access to such technology, have been essential in constraining Iran's missile program. The Council's missile-related prohibitions remain in place for a period of eight years from Adoption Day, or until the IAEA reaches the Broader Conclusion that all nuclear material in Iran remains in peaceful activities. But even after this time, we will maintain extensive unilateral and multilateral capabilities to address any continuing concerns regarding Iran's missile development.

For example, all the sanctions authorities we need are already in place and we have repeatedly used our own domestic authorities to sanction entities involved

in Iran's ballistic missile program, and will continue to do so, as warranted. On January 17, the day after Implementation Day of the JCPOA, the United States designated eight individuals and three entities involved in networks aimed at procuring materials and other equipment for Iran's ballistic missile program.

Following further Iranian short and medium-range missile launches in March 2016, the United States designated two Iran-based entities directly involved with Iran's ballistic missile program. These designations block the assets of those individuals and entities, thereby isolating them from the U.S. commercial and financial systems. These designations also have secondary effects, meaning that non-U.S. persons that engage in certain transactions with the designated persons could be sanctioned themselves, and foreign financial institutions could be denied access to the U.S. financial system for knowingly facilitating certain transactions with such designated persons.

At the same time, Iran's continued development of its ballistic missile program and corresponding missile tests are not a violation of the JCPOA, as the focus and purpose of the JCPOA is to cut off all of Iran's potential pathways to building a nuclear weapon. We have long said that the JCPOA was not predicated on any change in Iranian behavior – including its missile development efforts – other than specific changes that would have to be made to its nuclear program. Full implementation of the JCPOA by Iran will ensure that Iran's nuclear program

is and will remain exclusively peaceful, and that Iran will not be able to produce a nuclear warhead.

While full implementation of the provisions of the JCPOA and UNSCR 2231 will reinforce our nonproliferation efforts with respect to Iran, we also rely on a broad set of other multilateral and unilateral tools to impede and disrupt Iran's destabilizing regional activities, and are working closely with our partners, including the GCC and Israel, to assist in this effort. One example of our cooperation to disrupt Iran's proliferation activities is the September 2015 seizure of the Nasir dhow carrying a large cache of arms and related materiel that we assess originated from Iran and was bound for the Houthi insurgents in Yemen. The United States reported this interdiction to the relevant sanctions committees at the UN, and since that time, international naval forces operating in the waters of the Arabian Sea have in recent months seized three additional shipments of illicit arms, which we assess originated in Iran and were again ultimately bound for the Houthis.

Other examples of our cooperation to disrupt Iran's malign activities include continued diplomatic and sanctions pressure on Mahan Air, Meraj Air, and Caspian Air; ongoing security cooperation with the GCC following the Camp David summit; sanctions on a range of Iranian entities for actions in Syria; Israel's seizure of the Klos C vessel carrying weapons bound for Gaza in 2014; and,

military and diplomatic efforts to prevent an Islamic Revolutionary Guard Corps (IRGC) naval flotilla from docking in Yemen in April 2015.

Multilaterally, we also continue to work with our international partners – including the 105 governments around the world that have endorsed the Proliferation Security Initiative (PSI) – to interdict weapons of mass destruction (WMD) components, their delivery systems, and related items, including prohibited items being transferred to Iran. We also use our participation in the multilateral export control regimes – including the MTCR, the Nuclear Suppliers Group, the Australia Group, and the Wassenaar Arrangement – to prevent the spread of sensitive goods and technologies, and raise awareness among the other regime members of the proliferation concerns posed by Iran’s prohibited procurement and proliferation activities.

We bolster these multilateral efforts through our bilateral cooperation with countries to prevent and interdict prohibited shipments to Iran, promote full UNSCR implementation by all of our partners, and target Iranian missile and conventional weapons proliferation activities in third countries. We also continue our extensive missile defense cooperation with allies and partners, including Israel, NATO, and the Gulf Cooperation Council, to defend against ballistic missile threats, including from Iran. And we continue to use unilateral authorities to impose sanctions on individuals and entities that have engaged, or attempted to

engage, in activities or transactions that have materially or financially contributed to, or pose a risk of contributing to, Iran's prohibited activities and support networks.

Even as we take steps to ensure the full implementation the JCPOA, we have no intention of reducing our focus and determination to prevent Iran's destabilizing activities in the region and its conventional and ballistic missile-related proliferation. Thank you again for the opportunity to discuss these important security issues with you. I look forward to your questions.