

## Statement

Thank you, Mr. Chairman. And I'd also like to thank the witnesses testifying before us today, about an issue that has been in the news quite a bit these past few weeks. I recognize this hearing is not primarily about Iran's presidential elections in June. But those elections have affected both the regime's willingness to negotiate and raised the cost of reaching out too far to this Iranian government. The Obama Administration came into office promising to extend its hand to nations that it felt had been unnecessarily threatened and bullied under the previous administration. In March, the President made a direct address to the Iranian nation, in which he sought to offer the Iranian government legitimacy as an equal partner in constructive negotiations over its nuclear program.

His intention was commendable. I too am extremely hopeful that the current diplomatic process can produce a solution. I am thus proud to be an original cosponsor of S. 908, the Iran Refined Petroleum Sanctions Act. I understand that the President needs a great deal of flexibility to manage these highly delicate negotiations. I absolutely do not want to have the US face yet another crisis in the Middle East. But at the end of the day, we in the US do not dictate the pace of events. Nor, I believe, do our allies and partners in the "P five plus one" group negotiating with Iran.

For years, successive Administrations have requested just what you have recommended in your testimony, Dr. Burns; that we allow the executive branch the greatest possible flexibility in instituting sanctions. I think Congress has indeed been flexible. Since the Iran-Libya Sanctions Act was passed in 1996, no foreign firm has been penalized for investing in Iran's energy sector. That omission became even more glaring after the 2002 revelation of Iran's hidden nuclear facilities, and the subsequent beginning of negotiations over Iran's nuclear program. Initially, the Europeans took the lead in these efforts. The United States has been repeatedly assured that our European partners are equally concerned with Iran as we are, and equally committed to finding a diplomatic solution.

But then why does German and French and Italian trade with Iran continue? Why is it rising? Why does the German government, itself part of the "P five plus one" negotiating group, continue to offer its companies export credits for their sales to Iran? I cannot understand how long our partners need before they get serious. The latest deadline I have heard – a soft deadline – is this fall, before Iran needs to reply to our latest offer. If it has not reciprocated by then, the US and its partners will reportedly impose – in the words of the French President, among others – "crippling sanctions." But these sanctions almost certainly will require a strong UN Security Council resolution to be truly effective. And I don't see how we get from here to UN Security Council unanimity by waiting for six months, or a year, or whatever.

I am unclear on why Russia and China would support a massively ramped-up UN sanctions regime when they never have in the past. Is there reason to think that they were waiting for direct, unconditional US engagement with Iran before they were convinced of our sincerity? I find that unlikely. I do not think the Administration's engagement effort will change anything fundamental in Russia or China's strategic view of this situation. China, in particular, is aggressively deepening its business relationship with Iran. Is that partnership likely to be outweighed by the strategic value of another hand reached out to Iran's fist? I doubt it. If Iran responds to the US offer by this fall – and I imagine its leadership, as masters of the delaying tactic, may well do so, to prolong the process – negotiations will stretch on. And a strong UN resolution will still be opposed by Russia and China.

I find this a highly realistic scenario. And what worries me is that while our Administration and our partners continue to call for more time, and more negotiations, and flexibility, our best window for sanctions is slipping away from us. I believe a comprehensive application of economic sanctions on Iran is necessary and could be effective, given the state of its economy and the regime's actions in the recent presidential election. But these measures are critical now, not in a year or so.

I do not mean to sound too gloomy. But I – and I think others in this room – have a terrible feeling that this situation is close to slipping beyond our ability to influence it. Thank you, Mr. Chairman.