

Statement of
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Mr. Chairman:

Thank you for this opportunity to testify before the Senate Committee on Foreign Relations on the subject of Iran and U.S. policy toward Iran.

Iran constitutes one of the most serious and most difficult national security challenges facing the United States. What I plan to do in this statement is offer some judgments about Iran and then put forward several suggestions for U.S. policy.

Thirty years after the Islamic revolution, Iran is one of the most influential local states in the greater Middle East. Its strategic position has benefitted enormously from Saddam Hussein's fall from power, the weakening of the Iraqi state, and the coming to power in Baghdad of a Shia-led government. Iraq is no longer able nor is it inclined to offset Iran. In addition, the ouster from power of the Taliban in Afghanistan was a long-time Iranian objective. The rise of political Islam and groups such as Hizbollah in Lebanon and Hamas in the Palestinian territories provides Iran with powerful instruments. And Iran was also (at least until fairly recently) the beneficiary of high energy prices. The net result is that Iran is now something of an imperial power, one that defines its interests broadly and seeks to influence a large number and wide range of regional matters.

Iran's political system is *sui generis* and difficult to categorize. It combines elements of both theocratic authoritarianism and democracy. Public opinion matters there, though, and debates take place both within the government and between the government and society. These differences should not be exaggerated. Iran is not about to descend into revolutionary unrest. The United States should jettison the notion of regime change as the centerpiece of its policy toward Iran. The focus should be on modifying Iran's behavior; over time, there is the possibility of meaningful and desirable societal and political evolution, but this is more likely to happen from an Iran that is integrated into the region and the world than from one that is cut off and able to indulge in the most extreme forms of radicalism and nationalism.

Fundamental differences exist between U.S. and Iranian outlooks and foreign policies. Even a short list of such differences includes attitudes toward Israel, terrorism, and nuclear proliferation in addition to the specific grievances each holds vis-à-vis the past behavior of the other. At the same time, there are areas in which the United States and Iran agree more than they disagree. Afghanistan comes to mind in this regard, as both governments oppose a Taliban return to power and continued opium production. There is also at least some common interest in Iraq, as both the United States and Iran want to avoid Iraq's becoming a failed state.

The notion of talking with the Iranian government at an official level makes good sense. To do so is not to reward the Iranian government but rather to judge that ignoring Iran – a policy of neglect – has not weakened the regime or its influence and will not in the future.

¹ These views are my own and not those of the Council on Foreign Relations, which takes no institutional positions on matters of public policy.

In approaching Iran, the United States should resist setting preconditions. In particular, it makes no sense to demand as a precondition what is a potential objective of the interaction. What matters in a negotiation is not where you begin but where you come out. This applies principally but not only to Iran's nuclear activities.

In the same vein, the Obama administration should resist Iranian demands that the United States meet certain preconditions. Exchanges about the distant past and calls for apologies for alleged or real actions are a distraction. The agenda should focus on the present and future. An Iran that insists on such preconditions is not serious about negotiating.

The United States should not engage in linkage, i.e., demanding that progress materialize in one or more areas in order for there to be progress in others. Rather, the goal should be to make progress where it is possible. (There is, for example, no reason to rule out cooperation in Afghanistan because we cannot agree about Hamas.) That said, it is a fact of life that disagreements in some realms of the relationship will affect what the United States does in reaction to that concern and what it may choose to do overall.

U.S. policy must be thoroughly multilateral. This means working with the IAEA on nuclear matters and coordinating nuclear-related policy – what is sought from Iran, what will be offered to Iran if it meets these requirements, what will be done to Iran if it does not – with the EU, Russia, China, and others who are important trading partners of Iran. It also means consulting with Israel, the Arab states, and Turkey. There should be a multilateral negotiation (on the nuclear issue) and a bilateral negotiation (on all issues, including Afghanistan, Iraq, regional security, terrorism, support for Hamas and Hizbollah, and miscellaneous bilateral concerns as well as the nuclear issue). One requirement for the Obama administration will be to make sure these two tracks are closely coordinated.

Russia is of particular importance. Foreign policy must determine priorities, and gaining Russian cooperation on Iran should be high on any such list. Supporting Russian accession to the WTO, slowing the pace of NATO enlargement, exercising restraint on going ahead with plans for missile defense in Europe, supporting calls for a Russian nuclear fuel bank or Russian participation in any international consortium that would provide fuel for nuclear power plants – all ought to be on the table.

The United States should avoid institutionalizing a containment policy that would divide the region along Sunni-Shia or Arab-Persian lines. This would likely increase tensions within those countries that have significant Sunni and Shia populations. It would also reinforce the most radical Sunni elements in the Arab world – the same elements that are at the core of groups such as al-Qaida. And it ignores the potential to involve Iran in efforts where our goals overlap or at least are not in total opposition.

Iran has advanced much farther in its nuclear program and has done so in less time than most experts predicted. The latest reports are that Iran possesses roughly a ton of low enriched uranium. It would require only several months to adapt Iran's centrifuges so that it could produce highly enriched uranium. The United States and the world would have warning of this action only if it were done at declared facilities and if the IAEA enjoyed sufficient access.

There are three choices when it comes to Iran's nuclear program. One involves military force. Consideration of military options inevitably involves several judgments. The first is what a use of force – a classic preventive attack – might accomplish. Presumably it would destroy a large portion of Iran's nuclear facilities, although just how much is unknown given the uncertainty associated with any military action and the reality that we may not know where all the components of the nuclear program are located.

There is also the question of what a preventive strike would trigger. Iran would likely retaliate against American personnel and interests in Iraq, Afghanistan, and possibly elsewhere. Iran might also take steps to interfere with the production and flow of oil and gas, thereby reducing supplies and driving up prices. Such a development would add to the already severe global economic slowdown. Iran would likely move to reconstitute its nuclear program, but in a manner that made a second preventive attack far more difficult to carry out. An attack would also likely further radicalize Iran; most Iranians would conclude that such an attack would never have been undertaken had Iran possessed a nuclear weapon and been in a position to deter it.

It is possible that the threats of sanctions and military force (as well as the lure of economic and political integration) will persuade Iran to renounce its nuclear program. This is unlikely, though, given the popularity the program enjoys in the country. More likely is an Iranian decision to continue to enrich uranium but not test or build actual weapons.

Such a near-nuclear option would put Iran in a position to produce weapons-grade uranium that could be “weaponized” in a matter of months. It is also possible that Iran will decide to cross this line and test and build weapons as India, Pakistan, and North Korea all have. But this is less likely given that it would be inconsistent with Iran’s public statements and would run the risk of more significant sanctions, including an enforced denial of refined gasoline exports to Iran, as well as a preventive armed strike on any and all facilities known to be associated with Iran’s nuclear program.

Still, even an Iran that “limited” itself to a near-nuclear option would change the strategic landscape. Nevertheless, one alternative to launching or supporting a preventive attack is a policy of living with an Iranian nuclear weapon or with an Iranian program that could produce one or more weapons in a matter of months. Although there is a high probability that Iran could be deterred from using nuclear weapons, this approach contains significant drawbacks. An Iran with nuclear weapons or an option to build them in short order is likely to be even more assertive throughout the region. A second risk of this “acceptance” approach is that other states in the region (including Egypt, Saudi Arabia, and Turkey) might be tempted to follow in Iran’s footsteps, a process that would be destabilizing every step of the way. Even if they did not, this situation would place Israel and Iran on something of a nuclear hair-trigger. Mutual assured destruction is for understandable reasons not an attractive notion to a state such as Israel given its small number of large cities, its relatively small population, and the history of the Jewish people.

Managing an Iranian nuclear or near-nuclear capability will bring to the fore a number of decisions, including whether the United States should station or provide missile defense to local states, extend security guarantees to selected states, and issue a clear declaratory policy. Iran must know that any use or transfer of nuclear materials will bring devastating consequences to the country and those who rule it. Iran must also know that it would make itself vulnerable to a preemptive attack if the United States received evidence that Iran was altering the alert status of its nuclear forces. The United States should also consider selected enhancement of Israel’s own nuclear capacities. The overall goal is to bolster deterrence and to increase defense should deterrence ever break down.

Far preferable to either attacking Iran or accepting a nuclear Iran would be persuading Iran to suspend or give up its enrichment effort altogether or, failing either of those outcomes, to accept significant limits on it. In return, some of the current sanctions in place would be suspended. In addition, Iran should be offered assured access to adequate supplies of nuclear fuel for the purpose of producing electricity. Normalization of political ties could be part of the equation. As part of such a negotiation, the United States should be willing to discuss what Iran (as a signatory of the NPT) describes as its “right to enrich.” It may well be necessary to acknowledge this right, provided that Iran accepts both limits on its enrichment program (no HEU) and enhanced safeguards. Such a right must be earned by Iran, not conceded by the United States.

The optimal timing of a new U.S. diplomatic initiative can be debated. The rationale for delay is to reduce the risks that the United States and Iran’s nuclear option will enjoy center stage in the upcoming Iranian election campaign. Such a focus would be unfortunate because it would distract attention away from Iran’s economy (the Achilles heel of the incumbents) and because public debate on the nuclear issue at this time in Iran would likely push all candidates to embrace more nationalist positions. Reaching out now could also allow the incumbents to argue that their radicalism brought the United States to the negotiating table. There is the possibility that the next Iranian government will be different than (and preferable to) the current one. The problem with delay, however, is that it provides Iran additional time to produce enriched uranium. What is more, “gaming” another country’s politics, and in particular Iran’s given its conspiratorial bent, can be difficult at best and counterproductive at worst. Still, I lean toward waiting until after Iran’s June election before launching a new initiative, but with the caveat that the time be used to develop the substance of a new comprehensive offer that the Europeans, Russians, and Chinese would support. The best road to Tehran runs through Brussels, Moscow, and Beijing. Should this road prove rocky, the dilemma over when to launch a new diplomatic initiative may well become moot as the United States will need the months until June to work to garner international support for a new approach to Tehran.

The basic elements of any policy proposal toward Iran need to be made public. The Iranian government should have to explain to its own public why it pursues certain foreign policies that incur significant direct and indirect costs to the country.

Public diplomacy will also help pave the way for escalatory steps against Iran if they should be deemed necessary. It is important that the American public, Congress, and the media here, as well as foreign publics and governments, understand the reasonableness of what was offered to Iran and the fact that it was rejected.

Two final points. The current economic crisis is having a mixed effect. On one hand, the fall in world oil prices and Iran's economic plight increase opportunities for using economic leverage effectively. These conditions also create internal pressures on the Iranian regime. At the same time, there is little or no cushion in the global economy, and a major crisis involving Iran that led to substantially higher oil prices would cause a sharp worsening of the global slowdown. This latter set of concerns constrains U.S. options.

Finally, a successful policy toward Iran will require more than a different policy toward Iran. It will also require a broader foreign policy response, beginning with a serious move to reduce U.S. and global consumption of oil. This is the only way to protect against future price increases that would resume massive flows of dollars to Iran. A successful Iran policy will also require movement on the Arab-Israeli front. This argues for U.S. efforts to broker an Israel-Syria peace treaty. It also calls for greater efforts to improve prospects for progress between Israelis and Palestinians. This means providing moderates with an argument that moderation pays, something that will entail building up the economy on the West Bank and putting in place an ambitious diplomatic process that holds out real hope of a two-state outcome.

Thank you very much.