

U.S. Senate Committee on Foreign Relations
Chairman John F. Kerry
Opening Statement for Engaging Iran: Obstacles and Opportunities Hearing
May 6, 2009

Chairman Kerry Statement At Hearing On Engaging Iran

WASHINGTON, D.C. – Today, Senate Foreign Relations Committee Chairman John Kerry (D-MA) released the following opening remarks at the hearing titled, “Engaging Iran: Obstacles and Opportunities”.

Full text as prepared is below:

Faced with a crowded field of foreign policy challenges, we are here today to discuss one of the most controversial and most consequential: How to engage with Iran and prevent it from becoming a nuclear-armed nation.

This is our third public hearing on Iran in the last two months and it won't be the last. We are fortunate to have two panels of witnesses whose broad experience helps us anticipate the road ahead.

Make no mistake, there are obstacles in our path as we pursue a new policy. But there are also opportunities.

As I've said before, President Obama is right to open the door to direct talks with Iran. We want to join with him in seeking a new way forward, based on mutual respect and mutual interests.

We start with the reality, always recognized by the administration, that engagement alone is not a strategy and talks are not an end in themselves. They are only the beginning of what will be a long and difficult effort to forge a new era in US-Iran relations.

Progress is not a given. Our efforts must be reciprocated by the other side: Just as we abandon calls for regime change in Tehran and recognize a legitimate Iranian role in the region, Iran's leaders must moderate their behavior and that of their proxies, Hezbollah and Hamas.

And Iran's leaders must comply with the international community's requirements that its nuclear program is strictly for peaceful purposes and meet its Nuclear Nonproliferation Treaty obligations.

We cannot succeed alone. We need to work with our allies to establish realistic goals for negotiating with Iran and to reach a private agreement on a set of escalating measures should Iran fail to respond to negotiations.

This is neither the time nor the forum to outline these contingencies. This is the time to reaffirm our commitment to giving meaningful negotiations with Iran's leaders a chance, not to fall back on the stale rhetoric and failed strategies of an earlier administration.

Still, as policymakers, we need to understand the sanctions that have defined our relationship with Iran for more than two decades. Understanding the past is essential if we are to build a new relationship with an old enemy.

Sanctions – even coordinated, multilateral sanctions – are a blunt instrument with an imperfect track record. When it comes to Iran, the verdict on them is mixed at best.

Sanctions slowed Iran's nuclear program, but they did not prevent it from acquiring the capacity to enrich uranium on an industrial scale.

With the help of other countries, we've had more success in denying banks and companies involved in Iran's proliferation and terrorism activities access to the U.S. financial system.

But, as our first witnesses will explain, the firewalls and filters don't always work.

The most startling example came to light recently when Britain's Lloyds Bank settled a criminal case with the New York District Attorney and the Justice Department. Lloyds agreed to pay a \$350 million fine for helping Iranian banks wash hundreds of millions of dollars worth of prohibited transactions through U.S. financial institutions.

The scheme was so pervasive that bank employees were given a handbook on how to evade U.S. prohibitions.

The CIA and FBI are reconstructing several hundred thousand individual transactions to determine whether they involved material and technology destined for Iran's nuclear and missile programs.

We're going to hear about that case and others from a man whom I've known and respected for more years than either of us cares to count: Robert Morgenthau, the district attorney of New York.

They often say that crime knows no borders. Neither does Mr. Morgenthau. Criminals fear his name not just in mob hangouts in New York or the corridors of Wall Street— but in foreign capitals, too, as I found out when we worked closely together to uncover the Bank of Credit and Commerce International scandal.

We're honored to have Mr. Morgenthau here, along with Assistant District Attorney Adam Kaufmann, who led the investigations and prosecutions of these procurement cases.

Following their testimony will be another familiar face and distinguished public servant.

Ambassador Nick Burns was the Bush administration's point man on Iran as undersecretary of state from 2005 to 2008 and he is a well regarded and strong advocate for diplomacy. Now that we have an administration that seems to be enacting many of the policies that Nick has been pushing for years, I wonder if he regrets retiring in 2008.

Nick will pick up the other side of the coin, if you will, and help us understand the diplomatic challenges and the opportunities for success.

Let me just add that after serving many years overseas and wandering the wilderness of Washington, Nick is now teaching at Harvard. I'm pleased to welcome Nick and his wife, Libby, back to their home state of Massachusetts.

We thank the three of you for being with us today and we look forward to your testimony. I recognize Senator Lugar for his opening statement.

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