

**IRAN: WEAPONS PROLIFERATION, TERRORISM,
AND DEMOCRACY**

HEARING

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

—————
MAY 19, 2005
—————

Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.gpoaccess.gov/congress/index.html>

U.S. GOVERNMENT PRINTING OFFICE

25-153 PDF

WASHINGTON : 2005

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

COMMITTEE ON FOREIGN RELATIONS

RICHARD G. LUGAR, Indiana, *Chairman*

CHUCK HAGEL, Nebraska	JOSEPH R. BIDEN, JR., Delaware
LINCOLN CHAFEE, Rhode Island	PAUL S. SARBANES, Maryland
GEORGE ALLEN, Virginia	CHRISTOPHER J. DODD, Connecticut
NORM COLEMAN, Minnesota	JOHN F. KERRY, Massachusetts
GEORGE V. VOINOVICH, Ohio	RUSSELL D. FEINGOLD, Wisconsin
LAMAR ALEXANDER, Tennessee	BARBARA BOXER, California
JOHN E. SUNUNU, New Hampshire	BILL NELSON, Florida
LISA MURKOWSKI, Alaska	BARACK OBAMA, Illinois
MEL MARTINEZ, Florida	

KENNETH A. MYERS, Jr., *Staff Director*
ANTONY J. BLINKEN, *Democratic Staff Director*

CONTENTS

	Page
Biden, Hon. Joseph R., Jr., U.S. Senator from Delaware	57
Prepared opening statement	57
Burns, Hon. R. Nicholas Burns, Under Secretary for Political Affairs, Department of State, Washington, DC	4
Prepared statement	9
Coleman, Hon. Norm, U.S. Senator from Minnesota	20
Dodd, Hon. Christopher J., U.S. Senator from Connecticut	15
Feingold, Hon. Russell D., U.S. Senator from Wisconsin	22
Prepared statement	24
Hagel, Hon. Chuck, U.S. Senator from Nebraska	16
Kemp, Dr. Geoffrey, director of Regional Strategic Programs, the Nixon Center, Washington, DC	31
Prepared statement	33
Lugar, Hon. Richard G., U.S. Senator from Indiana, opening statement	1
Milhollin, Dr. Gary, professor emeritus, University of Wisconsin Law School and director, Wisconsin Project on Nuclear Arms Control, Washington, DC	35
Prepared statement	37
Nelson, Hon. Bill, U.S. Senator from Florida	15
Perkovich, Dr. George, Ph.D., vice president for studies, Carnegie Endowment for International Peace, Washington, DC	40
Prepared statement	42
Samii, Dr. Abbas William, Ph.D., regional analysis coordinator for Southwest Asia and the Middle East, Radio Free Europe/Radio Liberty, Washington, DC	49
Prepared statement	51
Voinovich, Hon. George V., U.S. Senator from Ohio	25

IRAN: WEAPONS PROLIFERATION, TERRORISM, AND DEMOCRACY

THURSDAY, MAY 19, 2005

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:13 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Richard G. Lugar, chairman of the committee, presiding.

Present: Senators Lugar, Hagel, Coleman, Voinovich, Biden, Dodd, Feingold, Nelson, and Obama.

OPENING STATEMENT OF HON. RICHARD G. LUGAR, U.S. SENATOR FROM INDIANA

The CHAIRMAN. This hearing of the Senate Foreign Relations Committee is called to order.

Before I begin, let me just indicate for the benefit of all Senators watching our hearing that unfortunately, an objection has been filed about this committee meeting more than 2 hours after the Senate comes in. The Senate came in at 9:30, which means we will be concluding by 11:30. I am sad to mention that, but nevertheless, that goes with the circumstances.

So we will proceed with Ambassador Burns' testimony and questioning of him. We will need to restrict our questions so that we have ample time for our distinguished second panel of witnesses to be heard. And then we will proceed as long as we can at that point.

The Senate Foreign Relations Committee meets today to examine issues related to Iran, particularly that country's pursuit of nuclear weapons. For more than 18 years, Iran hid its nuclear activities from the world despite being a state party to the Nuclear Non-Proliferation Treaty.

To avoid punitive measures after the direction of its nuclear program was exposed, Iran reached agreement with the United Kingdom, Germany, and France, the EU-3, to suspend its nuclear fuel cycle capabilities. It also signed the Additional Protocol, which provided for enhanced U.N. inspections of its nuclear facilities.

Unfortunately, Iran has failed to ratify the Additional Protocol. It has refused to give the IAEA complete access to verify that no weapons activities are occurring, and last week it threatened to restart its uranium conversion program.

European officials responded by warning Tehran that they would leave the 2-year-long negotiations should any effort be made to resume uranium conversion. Since then, Iran has agreed to meet with the Foreign Ministers of the EU-3 next week in Europe. The

United States has endorsed these negotiations and has supported the European offer that Iran be allowed to join the World Trade Organization as an added incentive for full cooperation on the nuclear issue.

If these talks do not succeed, the next step may be referral of the problem to the U.N. Security Council. Time is running out not just for preventing Iranian acquisition of nuclear materials, but also for the viability of the Nuclear Non-Proliferation Treaty.

We must recognize that Iran is at a stage in its nuclear development where it can move rapidly toward production of nuclear weapons if it ceases to be hindered by any constraints. Enforcing the NPT has always been complicated by the relatively short time period required to move from legitimate civilian nuclear power activities permitted under the treaty, to building nuclear weapons.

The success of the NPT depends on the international community taking decisive action when evidence emerges that a nonnuclear weapons state is illegally pursuing nuclear weapons. As in the Iranian case, warning signs that a country is cheating may come only a year or less before it is capable of building nuclear weapons absent any constraints.

The efforts of the EU-3 have slowed Iran's progress, but the international community still has not coalesced behind a clear course of action with the potential to stop the Iranian nuclear program.

The United States already has sanctions in place on Iran for its decades-long sponsorship of terror. The international community must be willing to join the United States in imposing potent economic sanctions if Iran does not comply with its obligations. Economic benefits could also be offered to reward Iran for good behavior. Essentially, the United States and its allies must present the Iranian Government with an unambiguous choice between economic self interest and pursuit of nuclear weapons.

Even if the EU-3 succeeds in the short run, we will need to apply almost constant diplomatic and economic pressure to ensure that Iran does not continue its nuclear program. Iran will be an enormous challenge for the United States foreign policy, which can only be met through the sustained focus and attention of our highest officials. This diplomatic heavy lifting includes convincing European nations, and even Russia and China, that their interests in Iranian trade and energy supplies are secondary to the extreme risks associated with a nuclear-armed Iran.

The possibility of a nuclear-weapons-capable Iran is particularly grave because of the Iranian regime's connections to terrorists. I recently surveyed 85 top international experts in the field of non-proliferation for a forthcoming report, and one of the questions that I asked the survey group was whether a nuclear attack during the next 10 years was more likely to be carried out by a terrorist group or by a government. Seventy-nine percent of the experts surveyed believed a nuclear attack by terrorists was more likely. Consequently, as we look at nations that are seeking nuclear weapons, their connections to terrorists become an extremely important factor in determining our course.

For the ninth year in a row, the State Department's country reports on terrorism has described Iran as the "most active state

sponsor of terrorism” in the world. Iran’s continued arming of Hizbollah is in defiance of U.N. Security Council Resolution 1559, which calls for the withdrawal of foreign forces and disarmament of militias in Lebanon. Iran’s support for Hamas and Palestinian Islamic Jihad, also on the United States list of terrorist organizations, is complicating the fragile advances toward peace by the Israelis and Palestinians.

For the past decade, United States policy has attempted to balance between containment of Iranian threats and selective engagement to take advantage of opportunities created by reformist elements. We must be decisive in isolating and pressuring Iran to stop its pursuit of nuclear weapons, but we should also reach out to the Iranian people with hope that more pragmatic, rational voices in Iran will prevail.

Iran is holding Presidential elections in June of this year. If manipulated by the Mullahs as in the past, they are unlikely to result in a representative government. But Iranian citizens, just like the Lebanese, Palestinians, Iraqis, Afghanis, and others, have a strong desire to choose their own government. The United States supports the Iranian citizens who are desperate for their voices to be heard, yet fearful of the Iranian regime’s use of oppressive means to prevent dissent.

The United States needs to take care when promoting democracy and human rights in Iran, given the regime’s ability to taint any individual or group that appears connected to America. But we need to continue to emphasize that freedom and human rights, including the right to have a representative government, are universal values that apply to Iran.

Momentum for change is building in the Middle East. Elections in Iraq, the Palestinian Authority elections of President Abbas, and upcoming elections in Lebanon and Egypt present new opportunities. These movements toward reform and democracy can bring even greater pressure on countries like Iran to be more responsive to their people. Our work in Iraq and our efforts to support Israeli disengagement from Gaza and the West Bank, while moving forward on the Road Map, may be the most important contributions we can make to democracy in Iran and in the region.

Today, we have two outstanding panels that will provide their perspectives on Iran. First, we will hear from Under Secretary of State for Political Affairs, Nicholas Burns. Secretary Burns is a good friend of this committee, and we always look forward to our discussions with him. We also welcome a second panel of distinguished experts. Dr. Geoffrey Kemp is director of Regional Strategic Programs at the Nixon Center. Dr. Gary Milhollin is director of the Wisconsin Project on Nuclear Arms Control. Dr. George Perkovich is vice president for Studies at the Carnegie Endowment for International Peace. And Dr. William Samii is the Radio Free Europe and Radio Liberty Regional Analysis Coordinator for Southwest Asia and the Middle East.

We thank all of our witnesses and look forward to their insights.

We will be joined shortly by the distinguished ranking member, Senator Biden, but for the moment we call upon you, Secretary Burns. We appreciate your coming and we look forward to your testimony.

STATEMENT OF HON. R. NICHOLAS BURNS, UNDER SECRETARY FOR POLITICAL AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Ambassador BURNS. Mr. Chairman, thank you very much for your welcome here. It is a great pleasure to be with you and all the distinguished members of this committee. I have submitted a statement for the record. I will not read that to you.

The CHAIRMAN. It will be published in full.

Ambassador BURNS. Exactly. But I would like to make an abbreviated statement, if that is agreeable to the members.

The CHAIRMAN. Excellent.

Ambassador BURNS. I will try not to test your patience in doing so.

Mr. Chairman, Iran remains a very serious foreign policy challenge for our country and for the democratic world at large. For nearly a quarter of a century, the United States and Iran have been without diplomatic relations. We remember the images of our Embassy hostages. That is seared into the consciousness of every American. But it is also easy to forget when you juxtapose that image against another image, that there were Iranians studying in the United States before that tragic episode in 1979.

Our argument is not with the Iranian people. It is with the Iranian Government. It is with that government's threatening and often very irresponsible behavior. And we have made clear repeatedly our concerns regarding the Iranian Government's pursuit of weapons of mass destruction and long-range delivery systems.

We have made clear our concern about Iran's sponsorship of terrorism, including its direct support of Hizbollah and other Palestinian terrorist organizations, and its direct opposition to the existence of the State of Israel. And we have made clear our concern about Iran's appalling human rights and democracy record.

Each of these issues is of vital concern to the United States. In each and every case Iran has the position that has been inimical to the position of the United States and of the international community. And at a time when countries across the region are moving toward greater openness—and we have just seen Kuwait enfranchise women in the last few days, we have seen a greater spirit of democracy in the Middle East, willingness to inculcate the principals of freedom and openness—Iran is moving in the opposite direction to nearly all of its neighbors.

Our concerns with Iran are not merely historical. It is the policies and actions of the Iranian Government that could drive our own policy. And I would just like to comment, Mr. Chairman, on three aspects of those policies on human rights, on Iran's nuclear ambitions, and on Iran's support for terrorism.

Let me start with Iran's freedom deficit, which is appropriate, given the fact that there have been democratic elections in Iraq and democratic elections in many other parts of the world that have been very encouraging in recent months.

The United States believes that the future of Iran should be democratic and it should be pluralistic. And we support those who wish to see a transformed Iran from a rigid theocratic state into a modern country. A peaceful and democratic Iran, of course, would

be a key feature in a reformed more democratic Middle East. And we believe Iran is a country in the process of change.

Two-thirds of its people are below the age of 35. Many young Iranians support the need for a more positive relationship with the United States. Ironically, the public image of the United States might be more positive in Iran than in many other countries in the Middle Eastern region. And so we sense that there is sentiment among ordinary Iranians for change, for reform, and democracy, and that sentiment should no longer be ignored by the ruling elite of the country.

The regime's human rights record has been abysmal. The government continues to commit numerous serious abuses, including summary executions, disappearances, torture, and other inhumane treatment. In the late 1990s, elements of Iran's Secret Services murdered a number of intellectuals and journalists and oppositionists.

In 2000, a courageous journalist, Akbar Ganji, was imprisoned for uncovering what he felt was the truth and reporting it in his newspaper. Since his imprisonment, many journalists and even Web bloggers have been taken into prison where they have been abused and threatened. The Iranian Government's actions have essentially eliminated the free press in Iran.

In 2003, an Iranian-Canadian photojournalist, Zahra Kazemi, was beaten to death in detention. The investigation and trial have been a farce, and the Canadian Government has taken steps to scale back its own relations with Iran.

During student protests in 2003, 4,000 demonstrators were arrested, and some of them are still held in Iranian prisons.

There are many examples, Mr. Chairman, of Iranian actions against journalists, against young people, against students, who are in prison, beaten, tortured, simply because they are expressing views that we in our country and in most of the world would find to be our God-given rights.

On the surface, and if you talk to Iranians, Iranian Government officials, they will say that they have an active democracy, in which Iranians participate regularly in national and local elections. But this is a veneer behind which lies a perverted process whose integrity is severely compromised by the oppressive oversight exercised by the hardline theocratic leadership.

The most egregious example of this extraordinary political system occurred in the rigging of the February 2004 Majles elections, in which the guardian counsel disqualified thousands of reformist political candidates, including more than 85 sitting members of the Majles itself. We have obvious concerns, given this track record, about the upcoming June 17 Presidential elections, which we fear will be another setback for the democratic hopes of the Iranian people.

There is every indication that the June elections will not result in a meaningful expression of the popular will, because the political process is controlled by an unelected few, and these unelected leaders dominate Iran's political system. They have the power to intimidate and then to disqualify political candidates, and through the exercise of that power they have stymied a popular demand for freedom.

A thousand Iranians have registered to run in the upcoming elections, but we believe the Guardian Council may only approve a dozen or so candidates.

Our administration is deeply appreciative of the support of the Congress and of this committee's support for the resources that enabled us to implement the President's freedom agenda. We have funded a Persian language Web site that essentially serves as our virtual Embassy in Iran. We post information there about U.S. Government policy. We post information that might be helpful to those who support reform in Iran itself.

As you know, we also fund Persian language broadcasts on Voice of America and Radio Farda. We very much support, we do not fund, but we very much support, of course, all the private American radio and TV outlets that have done such a good job of bringing freedom of expression into Iran itself. And we are grateful for funds from the Congress that have allowed us to support the advancement of human rights and democracy in Iran itself.

These initiatives and programs do require resources, and the administration will be approaching the Congress for further resources, so that in working with the nongovernmental community and the private sector we can make sure that free ideas are entering Iran itself.

That is the first concern, Mr. Chairman, of our Government. The second concern is the one that you spent the bulk of your statement talking about. And by the way, I think we agree with everything that you said and the way you said it in your opening statement. But our critical United States concern is our strong and resolute opposition to Iran acquiring a nuclear weapons capability.

Iran desires to acquire a nuclear weapon, and that threatens the peace and security of all of its neighbors and of the United States. It has demonstrated a track record of nuclear deception and denial, including an 18-year history of trying to hide from the world a clandestine enrichment program, undeclared plutonium separation experiments, and other suspicious activities. And these have been documented, not by the United States, but by the IAEA and its Director General, Mr. ElBaradei.

Iran failed to report the irradiation of uranium targets and subsequent processing of those targets to separate plutonium. Iran failed to report the use of imported natural UF₆ for the testing of centrifuges at the Kalaye Electric Company.

Iran failed to declare the pilot enrichment facility at Kalaye Electric, the laser enrichment plant at the Tehran Nuclear Research Center, and the pilot uranium laser enrichment plant at Lashkar Ab'ad.

The list of Iran's failures is endless, and it represents, in our view, the foundation pillars of a clandestine nuclear weapons development program. We see no sign that Iran has made the necessary strategic decision to abandon its nuclear ambitions. Its repeated brinkmanship and its current negotiations with France, Germany, and the United Kingdom is part of its continuing efforts to divide the international community on this very important issue.

But we would like to say today that there should be no misunderstanding in Tehran about the position of our Government. The international community is united on this issue. Iran must not

be permitted to develop the capacity to build or deliver a nuclear weapon.

Many in the United States were skeptical of the chances of success of the EU-3 negotiating effort, but President Bush went to Europe in February, he talked to President Chirac and Chancellor Schroeder. He talked to President Putin. He talked to other officials, and he heard a clear commitment from our friends and allies that they share our goal of denying Iran a nuclear weapon, and they recognize that there must be consequences should Tehran fail to adhere to its declared international commitments.

Our European partners made clear that Iran must provide objective guarantees to demonstrate that it is not pursuing a clandestine weapons program under the cover of a civilian nuclear energy program. On this point, the bar for Iran must be set very high, because of its history of deception, which has undermined the trust of the international community. And in that sense, to paraphrase a great American President, if we do not trust, then we really must verify.

During his visit to Europe in February, President Bush heard from our friends the importance of the United States supporting the European diplomatic effort, and so we decided, the President and Secretary Rice decided, that we ought to get behind the European effort.

On March 11, Secretary Rice announced that we are prepared to take tangible, practical steps in support of the EU-3 effort. We would no longer block Iran's application to join the World Trade Organization. And we would consider licensing the export of spare parts for civilian passenger aircraft to Iran.

And since that time, we have maintained a near constant dialog with the EU-3 countries. Just the other night, the U.K. Foreign Secretary, Jack Straw, spent a large part of the dinner conversation with Secretary Rice, updating her on the EU-3's current negotiating round with the Iranian Government.

I speak on a daily basis with my British, French, and German counterparts, and have since I took this job 2 months ago, to make sure that they are aware of the positions of the United States as we support this negotiation.

Mr. Chairman, we believe that the EU-3 deserve our support, that they deserve our appreciation for their efforts to resolve this problem peacefully and diplomatically. Iran appears to have maintained its suspension pledge since November 22, 2004, but Iran has asserted, and you have seen the statements from Tehran, from various Iranian officials, including some of the Presidential candidates, including Mr. Rafsanjani, Iran has asserted several times in recent weeks that it intends to resume Iranian conversion activities at Esfahan, which are covered by its November 2004 agreement with the EU-3.

This would require the breaking of IAEA's seals in place to monitor that suspension. The European governments have made clear their deep concern with this possibility, and they have reaffirmed that these activities would constitute an Iranian breach of the agreement, ending the negotiating process, and requiring further action by the international community.

We support the European governments in that conviction. We have communicated that, in fact, as of this morning, to the EU-3 governments, and we will continue to do so. We believe that if that occurred, if the seals were broken, if uranium conversion took place, then obviously the international community, lead by the EU-3, would then have to support a resolution to the IAEA Board of Governors for referral to the U.N. Security Council.

President Bush, when he has spoken about this issue, as well as Secretary Rice, have made very clear we support a peaceful negotiated settlement of this Iranian nuclear problem. And that is why we support the EU-3 process.

Our message to Tehran today is, adhere to the Paris agreement. Maintain suspension of all nuclear-related activities, and negotiate in good faith the eventual cessation and dismantling of all sensitive nuclear fuel cycle activities. In this sense, the spotlight of the Congress and of our Government and the international community has to rest squarely on the Iranian Government.

Finally, Mr. Chairman, and I will abbreviate this section, our third concern with the Iranian Government has been its constant and persistent support of terrorist groups in the Middle East region. And you are exactly right that our State Department terrorism report has said that Iran is the most active supporter, state supporter of terrorism in the world today. We all know that Iran has directed the operations, funded and supported the operations of Hamas, of Hizbollah, and of Palestinian rejectionist groups.

We know that Hizbollah is responsible for the deaths of hundreds of Americans. No terrorist group has killed more Americans, with the exception of al-Qaida, than Hizbollah. We remembered what happened in 1983, with the bombing of our Embassy, with the bombing of the Marine barracks. We remember the imprisonment and torture of Colonel Higgins, who was executed by Hizbollah.

We remember all the attacks on America and its allies, and Iran has supported for more than 20 years the operations and the intent of these terrorist groups. Iran continues to hold senior al-Qaida leaders who are wanted for murdering Americans and others in the 1998 East Africa Embassy bombings. We have sanctioned Iran as a state sponsor of terrorism. We have repeatedly called on their regime to cease and desist, and it has not done so.

In November 2004, at the Sharm El Sheikh Conference, Iran made commitments to the international community, which it has not honored. And beyond terrorism and its own treatment of the incipient Iraqi Government that has emerged in Baghdad, its own support for warlords in Afghanistan, lead us to believe that Iran is also playing a negative role in relations with those two important countries.

So, Mr. Chairman, that is the indictment of the American Government concerning Iran. We remain separated from them because of these fundamental convictions that they are going in the opposite direction from the United States and all of our allies on these very important issues. And we will remain resolved, and I think five Presidents have been resolved since 1979, to focus the international spotlight on these actions of the Iranian Government, and to ensure that we have the ability with the international community to oppose them, as we must, and to expect that Iran at some

point in the future should return to the civilized community of nations. Thank you very much.

[The prepared statement of Ambassador Burns follows:]

PREPARED STATEMENT OF HON. R. NICHOLAS BURNS, UNDER SECRETARY FOR
POLITICAL AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

INTRODUCTION

Thank you, Mr. Chairman, Ranking Member Biden, and distinguished members of the committee, for the opportunity to discuss with you today United States policy toward Iran.

Iran remains a serious foreign policy challenge for our country and the democratic world at large. For nearly a quarter century the United States and Iran have been without diplomatic relations. With the images of our Embassy hostages seared so deeply into our collective consciousness, it is easy to forget that our countries once enjoyed excellent relations and, only a generation ago, 200,000 Iranians were studying in the United States. The United States is proud to be home to a large community of extremely talented Iranian immigrants who preserve a cultural and personal bridge to Iran where diplomatic contact long ago broke off.

It is not with the Iranian people, but with the Iranian regime's threatening and often irresponsible behavior, that our concerns rest. We have repeatedly made clear our grave concerns regarding the Iranian Government's pursuit of weapons of mass destruction and long-range delivery systems; its sponsorship of terrorism including its direct support to Hizbollah and Palestinian rejectionist groups; its appalling human rights and democracy record; its support for violent opposition to efforts to achieve peace in the Middle East; and its interference in the affairs of its neighbors—especially Afghanistan and Iraq.

Each of these issues is of vital concern to the United States and, in each and every case, Iran has a position inimical to that of the United States and the international community. At a time when countries across the region are moving toward greater openness, political participation, and economic freedom, Iran stands in stark contrast.

Our concerns with Iran are not merely historical; they do not simply reflect the pain felt, real as that pain is, over the storming of our Embassy more than two and a half decades ago. It is Iran's actions and policies today that drive our policy. Iranian Government policies, loosely grouped into three broad categories that I will discuss briefly today, directly threaten United States interests in the region and beyond.

In each of these three areas, Iran has a demonstrated track record of moving backward against the tide of world events. I will start with Iran's freedom deficit, appropriate given the recent election of democratic governments in two of Iran's neighbors and the upcoming June 17 Presidential elections in Iran.

IRAN'S DEMOCRACY AND HUMAN RIGHTS RECORD

Iran is a great country with a unique history and culture. The Iranian people have made extraordinary contributions in many fields for thousands of years. Modern Iran will undoubtedly remain a significant country in the future of the broader Middle East.

The United States believes the future of Iran should be democratic and pluralistic. We support those who wish to see Iran transformed from a rigid, intolerant theocracy to a modern state. A peaceful, democratic Iran would be a key feature in a reformed, more democratic Middle East. We believe Iran is a country in the process of change. Some two-thirds of its people are below the age of 35. Many young Iranians support the need for a more positive relationship with the United States. In fact, the United States may have a more positive public image in Iran than in other countries of the region. We sense that the sentiment among ordinary Iranians for change—for reform and democracy—is strong. But that sentiment is ignored by the ruling clique.

Iran suffers from a deficit of freedom. The regime's human rights record remains abysmal and the government continues to commit numerous, serious abuses, including summary executions, disappearances, torture, and other inhumane treatment. In the late 1990s, elements of Iran's secret services murdered a number of intellectuals and oppositionists. In 2000, a courageous journalist named Akbar Ganji was imprisoned for uncovering the truth and reporting it in his newspaper. Since Ganji was imprisoned, many journalists and even Web loggers have been taken into prison where they have been abused and threatened. The Iranian Government's actions

have essentially eliminated the free press in Iran. In 2003, an Iranian-Canadian photojournalist, Zahra Kazemi, was beaten to death in detention. The investigation and trial have been a farce and the Canadian Government has taken steps to scale back its relations with Iran.

During student protests in June 2003, 4,000 demonstrators were arrested; a few are still held. In December 2003, Parliamentarian Mohsen Mirdamadi was beaten by vigilantes as he started a speech in Yazd. Before the 2004 elections, when reformist members of Parliament signed a petition to the Supreme Leader asking for more democracy, they were threatened with arrest and arbitrarily stripped of their parliamentary immunity.

In fall 2004, for a second year in a row, the United States cosponsored, and actively supported, a Canadian resolution at the U.N. General Assembly condemning the human rights situation in Iran. The Iran human rights resolution passed in the U.N. General Assembly's 59th Plenary, sending an important signal to the Iranian people that the international community recognized their suffering and to the Iranian Government that dialog on human rights was no substitute for concrete action to improve its record, and that the serious concern about Iran's overall international behavior would not blunt the international community's focus on the internal human rights situation.

On the surface, the Iranian Government points to a picture of an active democracy in which Iranians participate regularly in national and local elections. But this is a veneer behind which lies a perverted process whose integrity is severely compromised by the oppressive oversight exercised by hard-line clerical bodies. One of the most egregious recent examples of this extraordinary system was the rigging of the February 2004 Majles elections, in which the Guardian Council disqualified thousands of reformist candidates, including more than 85 sitting members of the Majles. We commend the bravery and dedication of the many ordinary Iranians who put their livelihoods at risk to advance the principles of democracy, religious tolerance, and the accountability of the government to its own people.

We are similarly very concerned that the upcoming June 17 Presidential elections will represent another setback for the democratic hopes of the Iranian people. Candidate registration started Tuesday, May 10 in Iran and ended May 15. At the end of the registration period, the names of the Presidential candidates will be forwarded to the 12-member Guardian Council, which then has up to 10 days to assess the eligibility of the candidates. There is every indication the June election will not result in a meaningful expression of the popular will, because the political process and the media are controlled and manipulated by an unelected few—the clerical elite and their associates. These unelected leaders dominate Iran's political system, have the power to intimidate and disqualify candidates, and through the exercise of that power have stymied popular demands for freedom. Of the over 1,000 Iranians who have registered to run in the upcoming elections, the Guardian Council is likely to approve less than a dozen candidates. Indeed, in 2001, only 10 of the 814 registered candidates were allowed to run. The diminished role of women, in Iranian political life since the February 2004 Majles elections, is another clear indicator of the regime's effectiveness in stymieing free popular will and of its antidemocratic beliefs.

In November 2003 at the National Endowment for Democracy, President Bush outlined a forward strategy for freedom in the Middle East. He said that "60 years of Western nations excusing and accommodating the lack of freedom in the Middle East did nothing to make us safe—because in the long run, stability cannot be purchased at the expense of liberty." In his 2005 Inaugural Address, the President reiterated America's support for the people of the broader Middle East and North Africa in their fight for freedom. "We will persistently clarify the choice before every ruler in every nation: The moral choice between oppression, which is always wrong, and freedom, which is eternally right." President Bush spoke directly to the Iranian people in his February 2, 2005, State of the Union Address, saying: "As you stand for your own liberty, America stands with you."

The administration is deeply appreciative of Congress's and this committee's support for the resources that enable us to implement the President's Freedom agenda and reach out to the Iranian people. A few examples:

- Since May 2003 we have funded a Persian language Web site that serves as a "virtual embassy" by providing the only channel for both United States policy statements in Persian as well as a range of information about democracy, American society and values, and consular information.
- We are also funding political discussion in Persian on television and radio broadcasts into Iran under the auspices of the Voice of America. Recently VOA announced that it was increasing the duration of these broadcasts. The United States Government also funds news and music broadcasts into Iran on Radio

- Farda. This service is specifically targeted at the large population of younger people in Iran.
- The FY 2005 Foreign Operations, Export Financing, and Related Programs Appropriations Act doubled to \$3 million the funds available to our Democracy, Human Rights and Labor Bureau to support the advancement of human rights and democracy in Iran. We are currently reviewing applications for FY 2005; in 2004 we provided \$1 million to document human rights abuses inside Iran and \$500,000 for National Endowment for Democracy programming.
 - We have also recently established, with European and Canadian allies, a Human Rights Working Group that will convene quarterly to share information and coordinate our approach to the issue.

These initiatives and programs require resources. Our commitment of funds to support freedom in Iran is tangible evidence of the United States support for a better future for the Iranian people, and we appreciate congressional support for our programs and efforts.

The freedom deficit and the severe restriction on free expression and fair elections is the first of our concerns with Iranian Government policy.

COUNTERING IRAN'S NUCLEAR AMBITIONS

A second and critical United States concern is our strong and resolute opposition to Iran acquiring a nuclear weapons capability. Iran's desire to acquire a nuclear weapon threatens the peace and security of the United States, our friends and allies, and the stability of the entire region. Iran's demonstrated track record of nuclear deception and denial is troubling, including an 18-year history of trying to hide from the world a clandestine enrichment program, undeclared plutonium separation experiments, and other suspicious activities, as reported by IAEA Director General El Baradei. Iran failed to report the irradiation of uranium targets and subsequent processing of those targets to separate plutonium. Iran failed to report the use of imported natural UF₆ for the testing of centrifuges at the Kalaye Electric Company. Iran failed to declare the pilot enrichment facility at Kalaye Electric, the laser enrichment plant at the Tehran Nuclear Research Center, and the pilot uranium laser enrichment plant at Lashkar Ab'ad. The list of Iran's failures goes on and on and represents—not mere administrative failures—but, in our view, the foundation pillars of a clandestine nuclear weapons development program.

We see no sign Iran has made the necessary strategic decision to abandon what we conclude is an active nuclear weapons program. Iran's repeated brinkmanship in its negotiations with the "European Union Three" or EU-3, of France, Germany, and the United Kingdom, is part of Iran's continuing effort to divide the international community, weaken our resolve, and avoid adhering to its international obligations.

On this issue, though, let there be no misunderstanding in Tehran. The international community stands united: Iran must not be permitted to develop the capacity to build or deliver a nuclear weapon. Many in the United States were skeptical of the chances of success for the EU-3 diplomatic effort, given Iran's track record. But President Bush, on his recent visits to Europe and Moscow, heard a clear commitment from our friends and allies: We share the goal of denying Iran a nuclear weapon and recognize that there must be consequences should Tehran fail to adhere to its international commitments. Our partners made clear that Iran must provide objective guarantees to demonstrate that it is not pursuing a clandestine weapons program under the cover of a civilian nuclear energy program. On this point, the bar for Iran must be set high: Its history of deception of the IAEA and the world has undermined the international community's trust. To paraphrase a great American President: If we don't trust, then we really must verify.

During his visit to Europe in February, the President heard from our friends of the importance of United States support for the EU-3 diplomatic process, in order to reinforce to the world that the ball lies squarely in Iran's court to adhere to its agreements. On March 11, Secretary Rice announced that the United States was prepared to take tangible, practical steps in support of the EU-3 diplomatic track, and would no longer block Iran's application to join the WTO and would consider licensing the export of spare parts for civilian passenger aircraft to Iran. Since that time, we have maintained a near constant dialog with the EU-3. For example, the Secretary saw U.K. Foreign Secretary Jack Straw on Tuesday, and I speak on a daily basis with my United Kingdom, French, and German counterparts to reinforce our utmost support for their leadership on this incredibly vital issue to our shared security interests.

The EU-3 deserves our appreciation for its efforts to resolve Iran's nuclear challenge through patient, principled diplomacy. Iran appears to have maintained its

suspension pledge since November 22, 2004, but has asserted several times in recent weeks that it intends to resume uranium conversion activities at Esfaham which are covered by its November 2004 agreement with the EU-3, and would require the breaking of IAEA seals in place to monitor that suspension. The Europeans have made plain their deep concern with this possibility and reaffirmed that these activities would constitute an Iranian breach of the agreement, ending the negotiation process and requiring action by the international community. We support the EU-3 in their commitment to the Paris agreement signed in November and believe that, if it is breached, the United States and the EU-3 must support a resolution in the IAEA Board of Governors reporting Iran to the U.N. Security Council.

President Bush and Secretary Rice have made clear publicly that we support a peaceful, negotiated settlement of the Iranian nuclear problem. That is why we support the EU-3 process. Our message to Tehran today is: Adhere to the Paris agreement, maintain suspension of all nuclear-related activities, and negotiate in good faith the eventual cessation and dismantling of all sensitive nuclear fuel cycle activities.

The spotlight must remain on the Iranian Government and on the requirement that the Iranian Government adhere to its international commitments. Unfortunately, we see no sign of a strategic decision to abandon nuclear weapons efforts, and, particularly in the light of recent threats by Tehran to resume enrichment, we remain deeply skeptical of Iran's intentions. United States policy toward Iran on this urgent issue is resolute. As President Bush noted on September 27, 2004: "We've made it clear, our position is that they won't have a nuclear weapon."

IRAN'S DESTABILIZING IMPACT ON THE REGION AND BEYOND

Iran has already used another unconventional weapon—terrorism—against innocent Americans, Europeans, Arabs, Israelis, and others. Iran remains the most active state sponsor of terrorism in the world. The State Department's 2004 Country Reports on Terrorism notes that "its Islamic Revolutionary Guard Corps and Ministry of Intelligence and Security were involved in the planning and support of terrorist acts and continued to exhort a variety of groups to use terrorism in pursuit of their goals." Iran's extensive involvement in supporting terrorism truly puts it in a class by itself.

We are deeply concerned about Iran's connections to numerous terrorist groups, including those that violently object to the right of Israel to exist or to any negotiated peace between Israelis and Palestinians. For example, Iran provides money, weapons, and training to Hamas, Hizbollah, and Palestinian rejectionist groups. These are some of the world's most deadly terrorist organizations, responsible for the killing of thousands of innocents, including Americans. Hizbollah, for example, has been responsible for more American deaths than any other terrorist organization in the world apart from al-Qaida. Furthermore, Iran's support for these groups fuels terrorist violence in Israel and the Occupied Territories, seeking to undermine the prospects for Middle East peace at this moment of historic opportunity.

Iran continues to hold senior al-Qaida leaders who are wanted for murdering Americans and others in the 1998 East Africa Embassy bombings and for plotting to kill countless others, Iran has refused to identify those individuals in its custody.

We have sanctioned Iran as a State Sponsor of Terrorism, and called for the regime to abide by the requirements of U.N. Security Council Resolution 1373 to deny safe haven to those who plan, support, or commit terrorist acts and to affirmatively take steps to prevent terrorist acts by providing early warning to other states by exchange of information. Iran should immediately turn over, to face justice, all al-Qaida related terrorists in its custody or on Iranian soil to appropriate jurisdictions.

We are also working closely with the United Nations and our key allies, particularly France, to fully implement UNSCR 1559, which calls for the dismantling of all armed militias in Lebanon, including Lebanese Hizbollah, Iran has provided Lebanese Hizbollah with funding, safe haven, training, and weapons. We all remember that Lebanese Hizbollah was responsible for the death of hundreds of Americans in Beirut in the 1980s.

As we meet with our allies from around the world, we take every opportunity to express our concerns about Iran's support for terrorism and our concerns about Iranian interference in the efforts to secure a lasting, just peace between the Israelis and Palestinians. We actively seek the involvement of the international community to reflect those concerns in their dealings with the regime, diplomatically as well as commercially.

Iran must also live up to its commitments to develop productive relationships with its neighbors, support the new Iraqi Government, and renounce in word and

deed any relationship to individuals or groups that support instability and engage in terrorism.

Iran is not meeting these commitments with regard to Iraq. Iran made commitments to Iraq and the international community at the November 2004 Ministerial Conference in Sharm El Sheikh to assist Iraq in its security (including border control), to support the political process, and to practice noninterference in Iraq's internal affairs. Unfortunately, we see little evidence of Iranian assistance, and continuing troubling indications of Iranian interference in Iraqi internal affairs.

We will continue to work closely with the new Iraqi Government to address all issues related to Iraq's stability and security. In our dealings throughout the region we continue to stress the importance of protecting Iraqi sovereignty.

CONCLUSION

Notwithstanding the success of the worst regime elements in reasserting control over Parliament, Iranian society is moving in its own positive direction. Iranians are unhappy about the Guardian Council's heavy-handed exclusion of reformist candidates from elections, the government's curtailment of press freedoms, and the deteriorating human rights situation. In addition, they are frustrated by the country's chronic unemployment and their government's failure to provide jobs for the thousands of young Iranians entering the workforce each year. Structural flaws in the economy can be papered over with extraordinarily high oil revenues, but they don't go away. Iran is a great nation which has given the entire world a powerful cultural legacy and the Iranians have much yet to offer in the years ahead.

It is our hope that United States relations with Iran will change for the better; but that cannot happen without a change in Iran's policies in the areas I have discussed. The pursuit of weapons of mass destruction and delivery systems makes Iran less secure and the region more unstable. The regime must end its sponsorship of terrorism, including its direct support to Hizbollah and Palestinian rejectionist groups and begin to help build a better life for all parties involved. American citizens hear about Iranians who have gone to jail or have been murdered. How can we be silent when we see individual Iranians risking everything to achieve the democratic freedoms we ourselves treasure? How can we turn our backs when the Iranian regime attempts to subvert the newborn democracies in Iraq and Afghanistan?

We have had no diplomatic relations with Tehran for more than 25 years, through five Presidential administrations from both political parties. While we are optimistic about Iran's future, the onus to improve its relationship with the rest of the world is squarely on Tehran and will be found in concrete actions in the three broad areas I discussed briefly today. For all the lack of diplomatic contact, there is no lack of communication about what is necessary to transform this relationship. The government in Tehran knows what is expected of it, and must act if it wishes to rejoin the community of civilized nations.

The CHAIRMAN. Thank you very much, Secretary Burns.

We will have a 5-minute round of questions at this point. And I will commence by asking you this basic question. Analysts of the situation in Iran have suggested four possible outcomes in terms of our relations with Iran, one of which is that we foster regime change. Second, we conduct a military attack on Iran in the event that they are not forthcoming in terms of development of weapons of mass destruction. Third, that we offer very substantial incentives, along with European friends, and this would have to be a united front, so that Iran's economy would be perceived by Iranians as prospering to an extent that they would forego their nuclear experiments. And fourth, someone suggested that none of the above are going to work, that we shall simply have to learn to live with a nuclear weapon in Iran as we have with weapons in various other parts of the Middle East.

The third option I select, at least as potentially promising, although without prescribing what our policy ought to be. I note the New York Times this morning points out that an Iranian negotiator suggests that perhaps 10 nuclear reactors provided by Europeans and others might be an incentive to begin thinking about the

economic routes. He disparages the spare parts for aircraft situation that we have endorsed as almost disparaging.

Is there a route, in your judgment, along the economic front, or is this a situation in which your judgment is that the Iranians might pocket any of the economic incentives and proceed in a covert way with development of centrifuge technology and progress toward making a nuclear weapon?

Ambassador BURNS. Mr. Chairman, thank you. I would answer your question by pointing to the normal relations that Iran has with much of the world, and many of our European allies maintain Embassies in Tehran. They have normal—somewhat normal political relations. There is trade between the countries and none of that economic trade, commercial discourse has affected the Iranian Government in such a way that it would lead the Iranians to conclude that they should live without a nuclear weapons capability.

So I do not believe it stands to reason that if the United States suddenly decided to change the policy of the last five Presidents, Democratic and Republican, open up the trade gates in the hopes that that might encourage the Iranians to give up their nuclear weapons aspirations, that is the standard reason that would work.

Instead, we have pursued a patient policy, over many administrations, over more than two decades, of encouraging peaceful change within Iran, democratic pluralistic change. And more recently, since February and March of this year, we are on the course of hoping for a peaceful negotiated settlement of the nuclear negotiations between the EU-3 and Iran itself.

So, I think the policies of our government have been very clear and transparent, and that there is no reason to believe that extra incentives offered by the United States at this point would make a real difference. We believe that Iran needs to face the united will of the international community. And we are there now, because we know that the EU-3 and the Russian Government are advising the Iranian Government not to break the current accord, not to go into the plant at Esfahan, not to break the seals, and not to begin to convert uranium.

Just to get to the last part of your question, Mr. Chairman, some people have suggested, well, if you would allow Iran access to peaceful civilian nuclear power, then they would not want to build a nuclear weapons capability. But the problem with that is that the Iranians concealed clandestine nuclear weapons research for 18 years from the International Atomic Energy Agency, and that is the verdict of the IAEA, not just of our Government, and of its chairman.

Given that record of deception, we believe that Iran cannot be allowed to have enrichment and processing capability that would allow it to produce fissile material, which is the essential ingredient in a nuclear warhead. And we are focused on that. And I think we have the agreement of all of our allies. And so our final goal is the cessation and dismantling of all sensitive nuclear fuel cycle activities in Iran itself.

The CHAIRMAN. Thank you very much for that response. I wanted to wait until more members were here, but I am going to ask the staff of our committee to attempt to work with the leadership

on both the Republican and Democratic sides on the floor to gain unanimous consent this committee might continue to meet.

This is an extremely important hearing. I cannot imagine any argument with regards to judiciary matters on the floor that supercedes the importance of what is occurring here. So I am going to make that appeal publically, and I am hopeful that our leaders will respond, because we do have indications that thus far that response has not been forthcoming. That means that we will be shutting down at 11:30, and that will be unfortunate with regard to the hearing, as well as for other witnesses.

Senator Dodd, you are recognized.

**STATEMENT OF HON. CHRISTOPHER J. DODD, U.S. SENATOR
FROM CONNECTICUT**

Senator DODD. Mr. Chairman, the ranking Democrat, Senator Biden, is not here, and I always hesitate to try and speak for Senator Biden on any matter. I would certainly hear your concern on the point you just made and regret as well we are in this situation, but obviously there is an issue here that looms large over us, a cloud, so to speak, as we talk about the very issue before us here.

There is a nuclear option that is pending before the U.S. Senate and my hope is that matter can be resolved amicably within the next number of hours. And by creating a little bit of tension institutionally, it may get us closer to that result or not. So this is regrettable, because this is a very important hearing, and I commend you for holding it.

I am going to defer to my colleague from Florida, who has another engagement, and I will come back to—

The CHAIRMAN. Very well.

Senator DODD. Thanks, Mr. Chairman.

**STATEMENT OF HON. BILL NELSON, U.S. SENATOR FROM
FLORIDA**

Senator NELSON. Mr. Chairman, just in the interest of felicity, if Chuck Hagel were President I would go on bended knee and ask him to appoint Ambassador Burns to the United Nations, and then we would not have any fights here.

Senator HAGEL. And I would appoint him.

Senator NELSON. You just ruined Ambassador Burns' career by that statement. [Laughter.] I believe you might even have Senator Voinovich's support. [Laughter.] We know that the Europeans have been negotiating with Iran for some period of time. What has caused the sudden change of heart in the United States to decide to work with the Europeans now?

Ambassador BURNS. Senator, I think there was a fair degree of skepticism within our Government, and other places, about the Paris Accords in November of last year when it was announced, because of the long track record that we have watched, where Iran has hidden many of its clandestine activities.

When President Bush went to Europe in February, he went to NATO, had a long discussion with leaders there, had a dinner with President Chirac, had a day in Mainz, Germany, with Chancellor Schroeder, and this was the leading issue on the agenda. And it was clear to the President and Secretary Rice at the end of that

visit that the European leaders shared the same sentiment that we did, that the end result of these negotiations between the EU-3 and Iran had to be the cessation and dismantling of the nuclear fuel cycle activities, and had to be a place where Iran could not use what they said was a peaceful nuclear energy program to protect and hide behind it a nuclear weapons program.

And it was really that trip that then lead Secretary Rice to have a series of discussions with the EU-3 Ministers in late February, early March, and that lead to our March 11 announcement that we would support them. And I must say, they have been very, very faithful partners to us since then.

Now we are not at the table. We chose not to be directly involved with the Iranians. We are not talking to the Iranians directly. But we are talking to them every day. One of my jobs, working for Secretary Rice, is to keep in very close touch. They have been transparent with us. Our EU allies, they have been, we think, very tough, as they should be, as they negotiate this issue.

There is an important meeting next week, probably in Brussels, next Tuesday, May 24, where the three EU-3 Ministers will meet with the Iranian negotiator, and we have every reason to believe that the EU-3 will retain there a very tough position that will insist that Iran adhere to this accord.

What appears to be happening, if you look at the public statements out of Tehran—Iran, signed a deal in November, we will suspend all of our nuclear activities—now they want to recommence some of those activities and continue the negotiations. And that does not make any sense.

Senator NELSON. Is this a recognition or acknowledgment that the former policy of not talking to the Europeans was a failed policy?

Ambassador BURNS. Well, I would not say it was a failed policy, because I think you have to—we will both remember that before November 2004 there really was not a serious negotiating effort with an agreement in place that would provide objective guarantees that would suspend the nuclear activities of the Iranian Government, and, hopefully, lead to something even more rigorous.

And once President Bush had a chance to sit down and talk directly to the European leaders, he made the decision on behalf of our Government that we would support them.

Senator NELSON. Mr. Chairman, I thank Senator Dodd for yielding me part of his time so that I could go on to this meeting. Thank you very much.

The CHAIRMAN. Thank you, Senator Nelson.
Senator Hagel.

**STATEMENT OF HON. CHUCK HAGEL, U.S. SENATOR FROM
NEBRASKA**

Senator HAGEL. Mr. Chairman, thank you.
Secretary Burns, welcome.

Ambassador BURNS. Thank you.

Senator HAGEL. I noted yesterday in stories that appeared in most of our newspapers that the Iraqi Foreign Minister, or the Iranian Foreign Minister, was in Iraq on Tuesday. Could you share with the committee your thoughts about the Iranian Foreign Min-

ister being in Iraq a few hours after Secretary Rice was there, what you know about that visit, what you might conclude by that Iranian initiative?

Ambassador BURNS. Senator, thank you. It is true that Secretary Rice was the first Foreign Minister to visit the new government after it was formed. And she was very pleased to do that in her visit on Sunday. And she had an excellent discussion with the new Prime Minister and his entire Cabinet. She met with our military leadership. And then, of course, we saw the subsequent visit of Foreign Minister Karzai to Baghdad.

And, I guess, according to press reports, he is going to stay in the country for a few days. It is not surprising, given the fact that many of the Shiite groups in Iraq have had long-time contacts with Iran, and some of the current political leaders and the Shiite community in Iraq had refuge in Iran during the Saddam period.

What we would hope is the following: That Iran would play a much more positive and productive role in trying to support Iraq, as we are trying to support Iraq. But our suspicion has been that Iran did not play a constructive role in the many weeks and debates about the formation of the current Iraqi Government. And the key to a successful future united Iraq is to see this power-sharing agreement among the Shiite and Sunni and Kurdish elements, and the Iranians do not seem to have spent much time supporting that goal of multiethnicity, of shared power of a united state in Iraq that overcomes the ethnic and religious differences that have been so much a part of the fabric of Iraq for a long time.

So our strong advice for Iran would be to be more constructive about what really needs to be done to help the Iraqi Government.

Senator HAGEL. Thank you. Picking up a little bit on Senator Nelson's line of questioning. If the next Iranian Government represented by a new President after the elections next month would position themselves so that they would reach out to the United States for the United States involvement in some direct conversations, not negotiations, but direct talks, what would be our position if that occurred?

Ambassador BURNS. Senator, and you will understand, it is hard to answer a hypothetical question not knowing who the individuals are and not knowing the context, but I think I can say that if you look back over the history of our relations going back to 1979, we have not been without communication. There has been the Algiers process, where for many years the lawyers of the State Department and the lawyers of the Foreign Ministry of Iran have tried to adjudicate some of the claims that have arisen over the closing of the two Embassies and complaints by private citizens.

From time to time, over the last more than 25 years, various administrations have chosen to have discussions in various capitals with the Iranian Government on discreet issues.

I think there is a very real sense among those of us currently in government and those who are in government in the past, it has not been the United States that has not wanted to see change in this relationship, it has been Iran.

We have to judge them on their policies and on their actions. And on terrorism, human rights, and now on nuclear weapons development, they are going in the opposite direction of all the other

states that are making so much progress in the Middle East. So we have not been, over the past 25 years, against communication, but the Iranian Government has pretty consistently refused to have any interest in normal and responsible discourse, and they have not changed their policies.

Senator HAGEL. Do you think, however, if the United States was more engaged in a more direct way that that would have an effect, if the climate was better? Obviously, we are relying on our European allies. We are on the outside of that ring, possibilities that if the environment would be better that that might have more of an impact or do you think it would not? Or would it matter?

Ambassador BURNS. Obviously, we thought about this question. You have to think about all the tactics that are available to any government as you confront a very serious problem like a nuclear weapons capability in the hands of a theocratic state.

And it is our judgment that on the nuclear question, the EU-3 are pursuing a very tough resolute course of action. And we have supported them. We do not believe that there is any reason to think that if the United States were at the table the Iranians would be any more open to further change.

And on the broader question of relations between the two countries or the nonrelations, in an official sense, this is really their choice. They have isolated themselves by their actions. And so our Government is always going to be willing to look for ways to improve relations with any government in the world, but Iran has given us no reason to think that that will be—that that will happen any time soon.

Senator HAGEL. Thank you.

The CHAIRMAN. Thank you, Senator Hagel.

Senator Dodd.

Senator DODD. Thank you, Mr. Chairman. Let me just, if I can, pick up on a question Senator Hagel raised, and then I am going to take a couple of minutes and just share some thoughts on this. First of all, thank you for being here. I commend you for your fine work you are doing on these issues. They are complicated and terribly important.

I picked up some reports that following the visit by the Iranian Foreign Minister to Iraq that there is a proposed—at least I read about a proposed visit by the Iraqi Energy Ministry to be going to Iran—and there is some speculation about the possibility of some joint venturing on energy projects, which raises the obvious question of the Iraq-Libya sanctions legislation.

Can you tell us whether or not there is such a proposed visit in the plans, and what more we can—what you may know about that.

Ambassador BURNS. Thank you, Senator Dodd. We have seen the press reports about the Foreign Minister's visit to Iraq. I think we have received some initial very general reports from our Embassy in Baghdad about the nature of that visit. I am not aware of a proposed visit by the Iraqi Oil Minister to Tehran.

Senator DODD. Okay. I want to follow up on that, because, obviously, it would pose some thorny questions here, obviously, in terms of sanctions.

Mr. Chairman, let me, if I can, just share a couple of thoughts on the matter and come back with the limited time we have here

this morning. I do not know of any more important issue. If you had to prioritize the issues on foreign policy, I think this one is right at the top, in my view. So it is very appropriate we are having a hearing to discuss this, discuss the matter. And obviously, we thank our witnesses, and we have some wonderful ones here this morning. And my hope is, we can actually hear from them, but as you point out we may not be able to under this setting.

I think when it comes to the Iranian question we know a few things with almost absolute certainty. And I think there is probably universal agreement about this, although some may dissent from it. The five points, and there may be others, but the five points that I sort of identify as being—there is common agreement. Iran is almost certainly attempting to acquire a nuclear weapons capability, and it is in our common interest to do everything we can to stop them from doing so.

How do we know they are getting the weapons? The country has hid its nuclear program from the world for nearly two decades. It is now reluctant to give up its capabilities for a complete fuel cycle. We know that. And even as part of its offers to negotiations, Iran is insisting on keeping, at least, a small nuclear research program. Further evidence, I think that makes the point, which would eventually provide it with some capacity to develop weapons-grade fuel. These are not actions of a country that seeks only to have a nuclear energy program for civilian purposes.

The second point is, I think that Iran is developing, or attempting to develop, long-range missiles that would enable it to project power throughout the greater Middle East and beyond. Iran claims that its Shahab-4 missile has a range that would enable it to reach large portions of the Near East and Southeastern Europe. That places United States bases in Turkey at great risk. And Iran reportedly bought 12 X-55 missiles from the Ukraine in 2001. And that would even further extend its firing range, which should be of grave concern to all of us.

If Iran develops the capacity to arm those missiles with nuclear warheads, then, of course, there would be serious consequences on a global level.

The third point, which I think is general agreement, is that Iran continues to provide material and logistical support for terrorist groups, such as Hizbollah and Hamas. It seems quite clear they are doing it. This includes the provisions of weapons and money. Though it seems that Hizbollah is trying to increase its role politically in Lebanon, that group's military activities continue to pose a serious threat to Lebanese stability as well as to the Israeli-Palestinian peace efforts.

Fourth, Iran is attempting, I think, to extend its influence in the new Iraq. And again, the question by Senator Hagel and others, and the possibility of joint cooperation in some areas, certainly should cause us some concern.

Fifth, Mr. Chairman, and I will ask unanimous consent that further comments to develop these points in the statement here—the state of democracy in Iran is weak. Despite the clear movement of people in Iran who want to move in a different direction, every time they step forward they are barred, obviously, from holding office or running.

Having said all of that, and again, I do not think there is any disagreement about that, I want to sort of associate myself with the comments by Senator Hagel here, because I am of the view that as a result of these points, we have to engage a bit more. I just do not think you want to outsource your foreign policy to the Europeans on this matter. I think it is important what they are doing, and we ought to be supportive and cooperative. But I do think it is critical that we engage as well.

We have a diplomatic relationship with Iran. We have diplomatic relations with people who are sworn enemies. I think we make a mistake by assuming some sort of engagement as a sign of weakness, or that we are in some way condoning or endorsing activities here. And I am not suggesting full diplomatic relations at all, but a far more direct engagement. The very points that are a matter of grave concern, it seems to me, speak loudly of the importance of having some system by which we can begin to influence these events, unless we are confronted, ultimately, with the very dreadful choices that the chairman has outlined in his initial question to you, which none of us want to see us have to arrive at, if we can avoid them.

These questions demand our attention. And I just think, Mr. Chairman, as one member of this committee, I know I am probably at odds with most of my colleagues on this committee, and certainly I know. And Secretary Burns has made it quite clear that there is a great deal of reluctance for us to move forward in any kind of a direct engagement here. And he cites good reasons about Iranian behavior. But it seems to me, despite that, it is in our common interest here to try and find a way to become more directly involved here if we are going to solve any of these five or six issues that I have raised here this morning with any degree of success in the coming years.

And with that, I will come back with a couple of questions later on, Mr. Chairman, but I appreciate the opportunity to express that point of view.

The CHAIRMAN. Well, I thank the Senator for a very thoughtful analysis.

Senator Coleman.

STATEMENT OF HON. NORM COLEMAN, U.S. SENATOR FROM MINNESOTA

Senator COLEMAN. Thank you, Mr. Chairman. I do note my colleague from Connecticut mentioned the "nuclear option" and its relevance, perhaps, to this conversation. I would also note that the approach taken by my colleagues on the side of cutting off engagement, perhaps at about 11:30, may be tacit acknowledgment that sometimes you can put pressure on folks by cutting off engagement.

Let me turn, however, again to Senator Hagel's question, in which he talked about the prospects and the hypothetical of a representative of a new Iranian President reaching out.

The fact is the Mullahs rule Iran, so my question to you is: What is the prospect, regardless of who the President is, of having any sort of ability to actually formulate foreign policy?

Ambassador BURNS. Senator, I think you are right to point to that issue. If you remember back in 1997 when Mr. Khatami was elected, there was great hope in the United States and Europe—I remember at the time, the Clinton administration—great hope that we might be able to engage a reformist-oriented Iran, and all the promise of his particular government was not borne out in deeds, because of this ruling clique that holds the reigns of power in Iran itself.

And as we look ahead to the June 17 election, it looks like the Guardian Council will disqualify most of the reformist candidates. And so the people of Iran will be left with a choice of, you know, people who do not represent the drive for reform in Iran. And that would mean that after the new government is formed on June 17, we would all be left around the world in trying to communicate or deal with a government that has not wanted to deal with us and that has not changed in any way its support for terrorism, its refusal to recognize even the existence of Israel, and now its support for a nuclear weapons program, and its abysmal human rights record.

So it is a very difficult situation. I was trying to think, preparing for this testimony yesterday, is there another diplomatic relationship like this. And there really is not. We do sit down with the North Koreans. We are trying to sit down with the North Koreans, if they would just come to the table, in the six-party talks. We have an interests section in Cuba. We talk to the Cubans, have had for many decades. But we have this very strange relationship with Iran, or nonofficial relationship with Iran. The key to it is to see a change in behavior and policies and actions of the Iranian Government, and we have just not seen any improvement.

Senator COLEMAN. I believe I have time to ask one other question. In an interview with USA Today, Kofi Annan said he hoped the United States and the Europeans would not bring the issue of Iran's nuclear weapons program to the Security Council. I do not know whether you have seen the piece. I think he said he believed we would be too divisive.

I take it you do not share this perspective. At least, it is my understanding of your testimony. But I ask you whether you share that. And then I raise another issue: If, in fact, Iran violates, breaches the Paris accord, what is the likelihood of bringing China and Russia on board to get anything through the Security Council?

Ambassador BURNS. Thank you, Senator. It is our very strong hope that Iran will not break the Paris agreement. So that means, specifically, that it will not go into the plant at Esfahan, break the IAEA's seals, and begin to convert uranium. If they do that, then they violate the suspension provision of the 2004 agreement in Paris.

The European countries have said, the three of them, including Secretary Straw the other night when he held his joint press conference with Secretary Rice, that they would take Iran to the IAEA Board of Governors in emergency session, and then they believe the IAEA would refer the Iranian violation of the agreement to the United Nations Security Council. That is what our European partners have said, and, of course, Secretary Rice has said that we would support that. Now once it gets to the Council, anything could

happen. There could be a Presidential statement. There could be a U.N. Security Council statement. There could be much tougher actions leading to further international sanctions on Iran.

Our strong hope and our message to Tehran today is that they not take that step to recommence uranium conversion, that they honor the agreement they have had, that they continue the negotiations with the EU-3 on a peaceful, diplomatic basis through the June 17 elections. And if, and when, a new Iranian Government emerges after those elections, the Europeans would continue and we would continue our support. But we cannot support, and I think the Europeans have said they cannot support, a process where Iran breaks the agreement, breaks suspension, returns to nuclear activity, but says we want to continue the negotiations. That is not sustainable.

Senator COLEMAN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Coleman.

Senator Feingold.

**STATEMENT OF HON. RUSSELL D. FEINGOLD, U.S. SENATOR
FROM WISCONSIN**

Senator FEINGOLD. Thank you, Secretary Burns. In your testimony you suggested that the United States may have a more positive image in Iran than we may think, and you spoke of the youthful population's desire for reform. Say a little bit, if you would, about another factor in Iran's political dynamics. How strong is nationalist sentiment in Iran? What relationship exists, if any, between Iranian nationalism and popular support for Iran's nuclear program? If you could just comment on those, and how much of a factor is this going to be in our ability to support voices speaking out for reform?

Ambassador BURNS. Senator, I think it is the really important question, because it lies at the heart of whether or not we think Iran can change in the future. What I would like to say on the first part of your question is that, obviously, the Iranians are a very proud people. They have a great history, a very long history, and, in our view, a great sense of pride among all Iranians, including the younger generation about what their culture has achieved over a millennia. We are aware of that, and that is not surprising, given the great and rich culture of that country.

There is also a second new wave in Iran, and that is the under-35 population. It is the majority of the population. They clearly, in their support for Mr. Khatami in 1997, and subsequent elections, and what they have done in the streets, and what the university students have done in demonstrating, they clearly are signaling their desire for change, for greater rights for women. And women's rights have taken a major hit in the last couple of years. They have actually drawn back some of the advances that have been made, the Iranian Government has done.

So these young people want to live in a more pluralistic and liberal society, because they have access to the private radio and TV from Los Angeles and from our great Iranian-American community in the United States, which is broadcasting into Iran from Radio Farda and from Voice of America. They know what the outside world is like. They want to be part of it.

So I think you are right to suggest that there are two sentiments among the Iranian people. It seems to us, and I would like to get back to you on this, maybe with a more considered answer, that the drive for a nuclear weapons program has not been a major divisive issue within the Iranian society, and obviously one source of pride. Hard to say. We are not there on the ground. And that is why I would like to get back to you—

Senator FEINGOLD. Sure.

Ambassador BURNS [continuing]. With maybe some more considered thought on that. But I think you are right to assert that there are two perhaps conflicting streams of thought here.

[The submitted answer by Ambassador Burns to the information requested follows:]

Question. How strong is nationalist sentiment in Iran? What relationship exists, if any, between Iranian nationalism and popular support for Iran's nuclear program?

Answer. We believe that there is broad popular support for Iran's development of nuclear technology. For its domestic audience, the regime has couched its argument in favor of a nuclear program in terms of Iranian nationalism. The regime has played to longstanding Iranian public fears and prejudices by falsely claiming that United States and European objections are illegal, illegitimate, and seek unfairly to block Iran's "right" to develop nuclear technology.

The regime claims the West is motivated by a fear of Iran and a desire to limit Iranian scientific and technological advancement as a means to prevent or retard the Iranian nation from assuming its rightful leadership role in the region. In making these arguments, Iran has consistently ignored the requirement that its nuclear activities must be in conformity with the nonproliferation articles of the treaty on the Non-Proliferation of Nuclear Weapons and, in fact, they have not been. In response to international concerns that its nuclear ambitions are destabilizing, the regime insists emphatically that its intentions are peaceful and that use of a nuclear weapon would be "un-Islamic." This assertion by the regime serves to generate domestic support for Iran's nuclear program, clearly influences Iranian public opinion and, given the absence of access to nonstate controlled media, complicates efforts to assess real public support for development of a nuclear weapon.

Senator FEINGOLD. When I was in Mali in Africa, in January, I was really struck by the enthusiastic reception that it seemed like hundreds of thousands Malians gave to Iranian President Khatami, who was there. Thousands of Malians lined the streets to cheer his motorcade, and most of them were children.

What can you tell us about Iran's overall strategy of outreach and engagement of the developing world?

Ambassador BURNS. Well, Senator, we know that Iran, for a very long time since the revolution, has had a very vigorous public diplomacy campaign to authorize their brand of Islam throughout the Muslim world. We know they have been very vigorous in mosque construction, in supporting religious communities, and very vigorous in their outreach to their neighbors. Not surprising. Many countries do that.

The really interesting thing is, if you look at the Middle East region and look at the trends in the Palestinian community with the elections in Israel, in Iraq, the trend is—in the enfranchisement of women in Kuwait that just occurred 2 days ago—the trend is for greater openness and greater receptivity to pluralistic ideas. But Iran is marching in the opposite direction.

And so we wonder if this Iranian public relations offensive can ultimately be successful in a Muslim world, which we think gradually is going to have to be more open to different types of ideas.

Senator FEINGOLD. Well, on a commercial side, how successful has Iran been in building commercially based alliances with China and India and Russia, and how much of an obstacle will that be to our diplomacy?

Ambassador BURNS. Senator, I cannot give you off the top of my head the trade figures, but I can tell you that, obviously, Iran has a vigorous trade relationship with Russia and China, and with many other countries in the region. We have counseled our European allies, all of whom have diplomatic relations, most of whom have Ambassadors, and Iran, that they should be very careful, especially in dual-use technologies.

The presence of ILSA I think has been—the legislation since 1996 has been a positive force, an instrument for both of the last two American administrations in trying to caution our allies about trade relations with Iran.

Senator FEINGOLD. What are the next steps if Iran does resume steps toward the uranium enrichment process that is supposed to be frozen? And what specifically would the United States pursue in the Security Council, if that happened?

Ambassador BURNS. Senator, we have made clear, but I think more importantly in this case, the European three countries have made clear that if Iran violates the Paris agreement of 2004, if it breaks the seals and begins to convert uranium, if it seeks an enrichment capability or reprocessing capability, it is obviously going to be going in the opposite direction. It would have violated the agreement. The EU-3 would want to take action, at the IAEA and the United Nations, and we would support that. And we said that quite consistently over the last 2 weeks.

Senator FEINGOLD. Have we laid the groundwork so we can be effective on this in the Security Council, if this happens?

Ambassador BURNS. You know, our strong hope is that this is not going to happen. It is very interesting what has been occurring publicly in the last 2 weeks. The Iranians have an agreement. They have been saying publicly in Europe and in Tehran, “We might now break the agreement,” but have not done it. So we are using, even forums like today, like this hearing, to say to the Iranians, “Do not break the agreement. Meet your commitment to the Europeans. Find a peaceful negotiated solution to this problem.” That is our very strong hope.

Senator FEINGOLD. Thank you, Mr. Chairman.

PREPARED STATEMENT OF HON. RUSSELL D. FEINGOLD, U.S. SENATOR FROM WISCONSIN

I thank the Chairman and Senator Biden for holding this hearing today, and I thank all of the witnesses for their time and their insights.

I share the deep concern of many Americans regarding Iran’s destabilizing nuclear program and Iran’s ongoing support for international terrorist organizations. And while I share the administration’s enthusiasm—though not all of their strategies—for promoting democracy around the world, I also recognize that there appears to be widespread popular support in Iran for nuclear weapons development, despite other sources of popular dissatisfaction with the ruling regime.

The serious security issues that we confront in Iran underscore the vital importance of moving forward on a number of broad policy fronts. The United States should be deeply engaged in working toward reforms of the global nonproliferation regime, and particularly the current review of the Nuclear Non-Proliferation Treaty. We must work to build a new international consensus so that countries cannot legally go right to the brink of producing a nuclear weapon, making it a little late

for enforcement action once they finally do cross the line. But the administration has failed to adequately prepare for this important opportunity.

The United States has limited leverage in Iran, and so must rely on effective multilateral mechanisms to apply pressure to Tehran. But again, although the United States is now working with the Europeans on the Iranian nuclear issue, for too long, and on too many other fronts, this administration has pursued go-it-all strategies that make it more difficult to muster international support for action when such support is vitally needed.

The United States needs unimpeachable credibility in the event that our intelligence does reveal ongoing Iranian pursuit of nuclear weapons. But as we all know, U.S. credibility on these matters in the view of the intelligence failures relating to Iraq—and the overheated, sometimes misleading rhetoric that the administration used to characterize intelligence relating to Iraq—is at an all-time low.

These issues—our pursuit of a better nonproliferation regime, our capacity to generate international support, and our credibility—are vital to our security. I am concerned that this country is not on sound footing to confront the difficult choices posed by Iran's policies today. So while I look forward to today's review of where we stand now, I also want to highlight the fact that our Iran pro-choices do not occur in a vacuum. We have to get the context for tackling this difficult problem if we are to succeed.

The CHAIRMAN. Well, thank you very much, Senator Feingold. Let me give some good news to the committee and all of our watchers. Very able work by Democratic and Republican staff members, with cold calls by respective parties, has brought agreement that there will be a unanimous consent request filed for the committee to be able to continue and that that will not be objected to.

So I just want to express publically my appreciation to the Democratic and Republican persons on the floor and to our leaders for permitting this to continue, because I believe it is important and I believe that all members feel it is important.

Senator Voinovich.

**STATEMENT OF HON. GEORGE VOINOVICH, U.S. SENATOR
FROM OHIO**

Senator VOINOVICH. I am comforted that you are on a regular communication basis with the EU-3, indicating our interest in what they are doing. I think that constant communication back and forth is as effective as if we were at the table.

Second of all, I wonder—I would assess that from what you said that you think we are making progress, as contrasted with some people who think that we are not making progress in terms of Iran and getting them to abide by their agreements. You have mentioned that the President has talked to President Putin and others.

What I would like to know is: How much communication have we had with other members of the Security Council in regard to what we are doing there? And the reason I am asking that question is that by having communication with the members of the Security Council about what is going on and perhaps trying to influence them to, maybe, pick up the phone and call some people, that that would put more pressure on Iran to comply with what the EU-3 are trying to get them to accomplish.

Ambassador BURNS. Senator, thank you. I would agree with your first two points, that we have played an effective role since March 11 through the daily diplomatic contact, even this morning, that we have had with the EU-3. We will continue that. I would also agree there has been progress over the last couple of months in the sense that there is an agreement in place between the EU-3 and Iran. It is very specific and it is very transparent. And it is verifiable by

the IAEA. And that had not been the case for many years prior to that agreement. And that is one of the reasons why President Bush decided we ought to support the EU-3 process.

We have worked very closely with other members of the Security Council. We were in touch with the Russian Government over the weekend. There was a visit by a Russian official to Tehran last week on this issue. We have a full debrief. The Russians have been—and we have been also in constant touch about this, so that if—if this issue should go to the Security Council, we would hope for the broadest possible support of all of its members. And we have talked—

Senator VOINOVICH. How about the Chinese?

Ambassador BURNS. We have had more limited contact with the Chinese, because the Russians also have a role here, as you know, because of the relationship that the Russians have had with the Bushehr facility in Iran. And we have advised the Russians that here is an opportunity for the Russian Government to play a very constructive and useful role. And our understanding, from conversations that I have had with the Russian Deputy Foreign Minister is that they have counseled Iran not to break the agreement, not to begin the process of uranium conversion, and we hope the Russians will continue to insist upon that in their talks with the Iranians.

Senator VOINOVICH. The other question I have is: If we are successful with the peace process in the Middle East between Israel and Palestine, and we are making some progress on that, what impact do you think that would have on this whole situation in terms of Iran?

Ambassador BURNS. Well, obviously, it would be a great and positive—

Senator VOINOVICH. Does Iran want to go back to before 48? I mean I do not—

Ambassador BURNS. Obviously, it would be a great and positive development to see a peace agreement. And we are working, the Secretary and President are working for that every day. Iran is alone among the states of the Middle East in refusing to acknowledge the existence of a State of Israel and its right to exist.

Iran has funded and directed the operations of three of the major terrorist groups that have inflicted countless casualties upon the Israeli public in Gaza and in the West Bank, and in Israel itself. And those groups have killed Americans.

As I said in my testimony, we have not forgotten 1983 and the hundreds of Americans killed in Beirut, and 1984, when Malcolm Kerr was killed, the president of the American University of Beirut. In 1985, when Colonel Higgins was captured by Hizbollah and tortured, and then executed. And Iran has supported these groups consistently, and to this very day. So at a time when you see in Egypt, in Jordan, in the gulf, you know, policies designed to support the peace negotiations between Israel and the Palestinians, Iran refuses and fuels the terrorism designed to stop that peace process.

Senator VOINOVICH. Are the other nations doing anything to influence them at all?

Ambassador BURNS. I think we would have to go through the relationship that each of them has. I do not think there is a lot of love lost, frankly, among many Middle Eastern countries for the Iranian Government and regime, and for the policies that they have pursued.

Senator VOINOVICH. Thank you.

The CHAIRMAN. Thank you very much, Senator Voinovich.

Senator Dodd, do you have a final question?

Senator DODD. Just a couple, Mr. Chairman. Again, I appreciate the secretary being here. And I am glad we are able to work out the situation—

The CHAIRMAN. I appreciate it.

Senator DODD [continuing]. So we can go forward on the floor. Just a couple of questions.

One is, there was a radio interview done by, I guess it was some months—I think January, when the Vice President, at least, seemed—and I do not want—I am not going to—I do not have the quotes here, but, at least, the impressions were in some quarters that the Vice President was suggesting that the United States might be willing to back up or back an Israeli air strike on Iran's nuclear facilities.

One, was there an interpretation within the Department that that is what he was saying, on the one hand. Could you share, first of all, your comments on that? Do you know what I am speaking about?

Ambassador BURNS. Senator, I do not recall the specific comments, but I can speak to the issue in general.

Senator DODD. Why do you not speak to the issue and put aside for a second whether or not that was the case, because I think your very interesting interchange with Senator Feingold is a very worthwhile one. I think it is important, I think, to make the point. I think it has been made by others, that this nuclear issue in Iran is not—there is not a bright line between the reformers and the existing government. There is a sense of probably collective Iranian pride over this capability, and that they are beyond the capabilities of whether or not you could actually take out the Iranian nuclear program by an air strike is one question I would ask you. You are very knowledgeable about this. And all of this would suggest is that this is much more complicated than the Iraqi strike a number of years ago that the Israelis conducted.

And second, what are the political implications of that should it occur, in terms of trying to build some relationships within that more moderate Iranian constituency?

Ambassador BURNS. Senator, obviously, this is a very sensitive question, and it requires a careful response. And the way I would respond would be to say that our policy is grounded first and foremost in the conviction that the Iranian people ought to have the same right to a democratic and free future that all people should have; that Iran should not be immune from the more positive changes that we think are under way in the greater Middle East; and that the basis of our policy in funding VOA and Radio Farda and the democratization programs that the Congress has funded, is to support that long-term change within Iran itself.

Secretary Rice was asked in her first trip to Europe in the first week of February of this year on countless occasions a variation of the question that you have just asked. And what she said on those occasions was that—was that that is not on the agenda. That type of action is not on the agenda at this time, because we have resolved to pursue and to support a peaceful negotiated settlement of the Iran nuclear problem.

Secretary Rice, and the President, and other administration officials, including the Vice President, have also said on many occasions that, of course, the United States and the American President never take any option off the table as well, but it is very clear that we are pursuing and supporting a peaceful negotiating process lead by the Europeans. And we have been very stalwart supporters of that process.

All of this lies within the hands of Iran. If they would just continue to honor the agreement they signed in November, then that will lead toward the peaceful negotiated settlement.

Senator DODD. I do not disagree with that. I just have this question. Let me move to that question, too, because I do think it is worthwhile. I was very pleased to see the shift that occurred with the EU-3 efforts that have been—at least the perception of some hostility to that particular effort earlier on. It, at least, appeared to this Senator that it was a change in tone, and I welcomed that. It was a very smart and proper move to make, and we are very hopeful that can prove to be successful.

You are not going to shock me, nor, I believe, that you would be shocked to hear the Iranians say that as part of this negotiation they would like the United States to be more directly involved. I am not going to be surprised to hear that request forthcoming. Are we prepared to answer that when it occurs, and if so, what is our answer going to be?

Ambassador BURNS. It is interesting that you should raise it. I would have to—and I will check with some of my colleagues in the Government. I just took this job 2 months ago, so my colleagues who were on this beat before I was. But certainly in my time, in the last few months, we have never received such a request from—

Senator DODD. No. I am not suggesting we have. I am anticipating we might get one, and I am curious as to what our response would be if we were to received one.

Ambassador BURNS. Our view is that the current negotiating process is the best way forward. And the other thing to keep in mind is, we are at May 19, there will be elections on June 17. We cannot now predict what type of government, who will be in charge in Tehran, what individuals will be sitting across the table. So, I think, that is not a question that we can answer right now. So we are content to support the current EU process.

Senator DODD. Well, I would be very interested, and I am sure the committee might be, that if it comes up, to re-engage in conversation about how we might respond to that if it were to occur, that is a request for our more direct involvement with the EU-3 as it emerges.

And last, if I can, just to quickly—and again, I wish we had more time to hear, because you obviously have some knowledge about all

of this. I have been interested to hear some people comment about the diversity of opposition groups within Iran itself. It runs a rather broad—a wide spectrum, rather, for those who are out and out hostile to it, and would engage in activities that would be more direct, and others who are looking to engage in opposing the present Government of Iran through the normal political processes in the country, albeit, they have had a very difficult time doing that.

Give us a few minutes, if you would, give us some sort of picture of this spectrum, if you will.

Ambassador BURNS. Senator, there is no question in our minds, given everything that we know about what is happening within the Iranian society itself, that it is a society in ferment. It is a very dynamic time in the history of Iran. We believe there is great disillusionment, particularly among the younger segment of the population, about the policies of the current ruling regime, particularly regarding women and the discriminatory policies that have gotten tougher over the last few years in denying women basic rights, certainly in the treatment of journalists and broadcasters by the Iranian Government, so many of them have been arrested. And in one case, the one that I talked about in my testimony, tortured and executed.

And so we believe that the best thing they can hope for is to see that fermentation continue, and to see a process where people gradually acquired greater rights, and so that their influence might be felt more strongly by the regime.

Senator DODD. How directly can we be supportive? Are we being supportive? Can we be more supportive? What are we doing to be supportive?

Ambassador BURNS. We are being supportive in some of the funds we receive from Congress. We are funding Voice of America radio programs into Iran, which is vital, given the lack of free information. Radio Farda.

We are now considering actually buying some time on private American radio and TV broadcasts into Iran to showcase our own programs and to Iran itself. The National Endowment for the Humanities has been active. We have formed a human rights group with some of the other—with our European allies, designed to put a human rights spotlight on Iranian Government performance.

So, yes; we are involved. We have limits in our ability to be effective, because we do not have people on the ground. We do not have an Embassy there. There are very few Americans who have access to that society because of the sanctions that are in place. So most of this is done through NGOs. And much of it is also being done by our European allies and other countries that have more normal relationships.

Senator DODD. We have been, though, quietly supportive of some contacts. I noted the other day that James Billington, the Librarian of Congress, spent some time in Iran meeting with people on a cultural level, obviously did so with the approval of the administration and facilitating that.

Are there other such contacts that we are quietly promoting without advertising, to a great extent, to develop some contacts?

Ambassador BURNS. There are a few. We have not taken a position that we should not talk in any way, shape, or form with the

Iranians. There have been diplomatic contacts in decades past, but none recently, and none on the nuclear issue.

And I would just point you back, do you remember the Bam earthquake?

Senator DODD. Yes.

Ambassador BURNS. A terrible tragedy there. I remember Secretary Powell offered assistance. We offered to send a high-level delegation with a Member of the Senate, with a member of the President's family to Iran, and that was refused.

So we have taken, in the past, many opportunities to try to signal our interest in reaching out to normal people there on a humanitarian basis, and more often than not have been rebuffed.

Senator DODD. Well, I appreciate that. We have other witnesses to hear from. I would hope that you would continue to pursue that, because I go back to the point I tried to make at the outset of my comments here. The importance of engaging—and, again, I want to emphasize, by that I do not in any way mean that we are sanctioning Iranian behavior. But I think keeping that effort up is very much in our common interest to do so. So I appreciate your testimony. You are very knowledgeable. And I thank you for being here.

The CHAIRMAN. Well, thank you, Senator. And I join Senator Dodd in thanking you for coming today, Under Secretary Burns.

Ambassador BURNS. My pleasure.

The CHAIRMAN. We asked that the administration furnish a witness at the highest level who is best informed with regard to our policy, and we are grateful that you have been forthcoming in response to our questions.

I congratulate you again on your tenure as our Ambassador to NATO. And we just mention this, as all committee members have on many occasions, that your tenure was very important in terms of the expansion of NATO's membership, and likewise, the expansion of the mission of NATO. The work you have done there has not gone without notice. We just take this opportunity again to congratulate you and your colleagues who worked with you in that endeavor.

Well, having said that—

Ambassador BURNS. Thank you, Senator.

The CHAIRMAN [continuing]. We appreciate you coming, and we now call upon our second panel of witnesses. And that panel includes Dr. Geoffrey Kemp, director of Regional Strategic Programs at the Nixon Center; Dr. Gary Milhollin, director of the Wisconsin Project and Nuclear Arms Control; Dr. George Perkovich, vice president for Studies, Carnegie Endowment for International Peace; and Dr. A. William Samii, regional analysis coordinator for Southwest Asia and the Middle East, of Radio Free Europe and Radio Liberty.

Gentlemen, we appreciate your coming to the committee this morning. I will ask you to testify in the order that I introduced you, and that will be first of all, Dr. Kemp. Let me just say that each of your prepared statements will be made a part of the record in full, so you need not ask for permission that that occur. It will occur. And I will ask you to proceed as you wish, hopefully summarizing many of your comments so we can then proceed to questions of the committee.

Dr. Kemp, thank you for coming again to our committee. It is always good to have you here, and please proceed.

STATEMENT OF DR. GEOFFREY KEMP, DIRECTOR OF REGIONAL STRATEGIC PROGRAMS, THE NIXON CENTER, WASHINGTON, DC

Dr. KEMP. Thank you very much, Senator. I am delighted to be here again. I will give a summary of a summary.

Iran's extensive program to develop an independent nuclear fuel cycle has reached a point where, short of a counterrevolution, I doubt if any future Iranian Government would be prepared to dismantle it. The focus of current negotiations between Iran, on the one hand, and the United States and the European Union, on the other, is whether the Islamic Republic would be willing to end some activities, such as uranium enrichment, in exchange for assistance for this nuclear power program.

In my judgment, Iran's leaders will never comply with these demands unless the United States and the EU can offer the Iranian Government far more incentives than they have, so far, been prepared to put on the table.

At the same time, as long as talks are ongoing, they are unlikely to precipitate a crisis, at least not in the short term. But absent some fundamental change in the Iranian leadership, combined with a willingness on the part of the Bush administration to take big risks, the United States is on course for a serious crisis with Iran at some point in the coming months.

No agreement between the United States and Iran on the nuclear question is possible unless two fundamental changes occur. First, there must be an Iranian Government prepared to negotiate with the United States about the fundamental problems of the bilateral relationship. Second, the administration here has to be prepared to negotiate on these issues with a regime that many of its policymakers and supporters wish to get rid of altogether.

What are the near-term options on this issue? A joint United States-European Union decision to take Iran to the Security Council, because of violations of its NPT agreements, could have a compelling impact on Iran, provided Russia, China, and other U.N. Security Council members supported it, and important countries, such as Japan, agreed to end key economic ties to Tehran.

Under these circumstances, Iran's leaders might blink, especially if other Middle East developments were, from its perspectives, going in the wrong direction. Namely, that American policy was succeeding better than we expect. This could include an Arab-Israeli peace settlement, an end to the Syrian occupation of Lebanon in its entirety, the disarmament of Hizbollah, and the emergence of a pro-American democratic Iraq.

But these are a lot of ifs. Iran would have to be found in clear, unequivocal violation of the NPT to get the support from the majority of the Security Council. So far, the Iranians have been too clever to allow this to happen. Russia and China both have huge stakes in Iran, and regard the Iranian Government as a friendly power. These interests will only grow in the coming years, especially given China's insatiable need for petroleum to meet its burgeoning car-owning middle class.

Another alternative that was just briefly discussed here is, of course, the possible use of force. By this, I mean a massive military assault by the United States on Iran's infrastructure that could cause significant damage to the program. But I think this option would have to assume the United States had no choice but to declare war on Iran, for this is what it really would be. Such an act would probably be unanimously condemned, including by the Bush's administration's closest ally, Britain.

Given the loss of credibility over United States intelligence on Iraq's weapons of mass destruction, proving that Iran has the bomb will be very difficult unless Iran obliges us by doing something reckless and out of character, such as testing a nuclear device.

If these options are not likely to work, what are the prospects for a political agreement that provides enough incentives on both sides to take it seriously? In my judgment, this will only happen if pragmatic, as opposed to ideological conservatives emerge as decisive players in Iran's June 2005 Presidential elections.

Could a leader such as Rafsanjani, the former President, contemplate such a deal? Could he sell it to his theocratic friends? Would the Bush administration be willing to negotiate with such a man and such a regime? For the United States the bottom line would have to be the end of Iran's nuclear weapons program, the end of terrorism against Israel, and cooperation with us in Iraq and Afghanistan.

For Iran, it would have to mean the end of United States economic sanctions. And this, I think, is the critical point, the acceptance of the Islamic Republic as a legitimate player in the region.

If for whatever reason a radical new approach on the part of both Washington and Tehran is out of the question, the best the administration can hope for is that we prepare for the coming crisis jointly with the Europeans as allies rather than as loggerheads. And in that regard I have to say, Mr. Chairman, I was very pleased to hear Secretary Burns' testimony, which mentioned cooperation with the Europeans more times than I have heard in 4 years.

In the face of European-Atlantic solidarity, there is a chance that the Iranians will be prepared to fudge the program for a few more years. But ultimately, I think we have to accept there is no way the United States, Europe, or the U.N. Security Council can stop a country, a proud country of 70 million people with abundant resources and lots of oil, from getting the ingredients for a nuclear bomb if that is what their leaders believe they must have.

For this reason, it would be very prudent to engage in substantive dialog, not just with our European allies, but other friends, particularly in the gulf countries, about what to do if the Iranian bomb becomes a reality, and preemptive war with Iran is considered the unacceptable option.

Most importantly, and here I reiterate what Secretary Burns said, the United States and Europe must bite the bullet and agree with each other on a common strategy that is unambiguous as to the limits of the carrots and sticks both parties are prepared to present to Iran's leaders and the international community.

In other words, we need to draw a much more specific roadmap to establish clear responses to certain Iranian actions, such as their

decision to convert hexafluoride gas or their resumption of the Iranian enrichment program.

The key, Mr. Chairman, must be to prevent Iran from driving a wedge between the United States and Europe on this issue.

Thank you.

[The prepared statement of Dr. Kemp follows:]

PREPARED STATEMENT OF DR. GEOFFREY KEMP, DIRECTOR OF REGIONAL STRATEGIC PROGRAMS, THE NIXON CENTER, WASHINGTON, DC

The Bush administration and its European allies will soon have to make some tough decisions on what to do about Iran's nuclear ambitions. Iran's extensive program to develop an independent nuclear fuel cycle has reached a point where, short of a radical counterrevolution, no future Iranian Government will be prepared to dismantle it. The focus of current negotiations between Iran on the one hand, and the United States and the European Union on the other, is whether the Islamic Republic would be willing to end some activities, such as uranium enrichment, in exchange for assistance with its nuclear power program.

Iran's leaders will never comply, even with these demands, unless the United States and the EU can offer the Iranian Government far more incentives than they have so far been prepared to put on the table. At the same time, as long as talks are ongoing, they are unlikely to precipitate a crisis, at least not in the short term. But absent some fundamental change in the Iranian leadership, combined with a willingness on the part of the Bush administration to take big risks, the United States is on course for a serious crisis with Iran at some point in the coming months.

When it comes to Iran's nuclear activities, the Bush administration, like its predecessors, has tried to balance its formal wish to strengthen the global nuclear non-proliferation regime (which requires a high degree of international cooperation) with its specific demands on Iran and the other remaining member of the Axis of Evil, North Korea.

Iran's leaders and many ordinary Iranians accuse the United States of double standards and do not take kindly to the admonitions of the Bush administration and the European Union about the dangers of their nuclear program, which, so long as it is technically in compliance with NPT rules, is legal. The Mullah's surmise that the reason they are under scrutiny by the United States is because of their policies on other issues, such as support for terrorism and their rejection of Israel's right to exist. After all, the United States had plenty of opportunity to shut down the Bushehr nuclear plant when the Shah began to develop Iran's nuclear program in the 1960s and 1970s. But the Shah was an ally; the strongest pillar for the defense of the Persian Gulf. He was a man we could trust and a friend of Israel. He was the ruler whose country was, to quote President Jimmy Carter in 1978, an "island of stability." But in a matter of months, a revolution threw the Shah out, and the United States had to face the radical (and anti-American) Islamic Republic of Iran. In short, when the United States comes to the nuclear negotiating tables, whether in Vienna, Geneva, or New York, it comes with a lot of baggage and its homilies are greeted with great skepticism not only by Iran, but by many countries who are signatories of the NPT.

This does not mean that attempts to stop Iran's nuclear activities are unworthy; an Iranian bomb would radically change the strategic environment in the Middle East and be a further nail in the coffin of the NPT. Furthermore, President Bush has made it clear the United States will not allow Iran to get nuclear weapons. Speaking at the White House on June 18, 2003, Bush stated, "the international community must come together to make it very clear to Iran that we will not tolerate the construction of a nuclear weapon." This is a clear statement of policy and cannot be fudged. The question is: How will Bush and the Europeans implement an agreement with Iran that denies them the right to develop an independent fuel cycle? The answer is that they will fail unless Iran's leaders and its public are convinced a deal is worth their while.

No agreement between the United States and Iran on the nuclear question is possible unless two fundamental changes occur. First, there must be an Iranian leadership that is prepared to negotiate with the United States about the fundamental problems with the bilateral relationship. Second, the Bush administration has to be prepared to negotiate on these issues with a regime many of its policymakers and supporters wish to get rid of altogether.

Aside from a broad band "grand bargain" United States-Iranian settlement, what are the near-term options on the issue? A joint United States-European Union deci-

sion to take Iran to the Security Council because of its violations of its NPT agreements could have a compelling impact on Iran, provided Russia, China, and the other U.N. Security Council members supported it and important countries such as Japan agreed to end economic ties to Tehran. Under these circumstances, Iran's leaders might blink, especially if other Middle East developments were, from its perspective, going in the wrong direction. This could include an Israeli-Palestinian settlement, an end of Syrian occupation of Lebanon, the disarmament of Hizbollah, and the emergence of a democratic pro-American Iraq. But these are a lot of "ifs." Iran would have to be found in clear, unequivocal violation of the NPT to get support from the majority of the Security Council. So far the Iranians have been too clever to allow this to happen. Russia and China both have growing economic stakes in Iran and regard the Iranian Government as a friendly power. These interests will only grow in the coming years, especially given China's insatiable need for petroleum to meet the needs of its burgeoning, car-owning middle class.

The other alternative is the use of force. A massive military assault by the United States on Iran's nuclear infrastructure could cause significant damage to the nuclear program and could have negative fallout for the conservative autocrats, who are disliked by the population, and who would be seen to have grossly mishandled relations to the point where Iran had become a target of United States military actions. This option would have to assume that the United States had no choice but to declare war on Iran, for this is what it would be. Such an act would be unanimously condemned, including by the Bush administration's closest ally, Britain. Given the farce over United States intelligence on Iraq's weapons of mass destruction, proving that Iran has the bomb will be very difficult unless Iran obliges by doing something reckless and out of character, such as testing a nuclear device. There is a strong likelihood that while a military campaign against Iran would cause great damage, the net effect would be to reinforce Iran's determination to get nuclear weapons.

If these options are unlikely to work, what are the prospects of a political agreement that provides enough incentives on both sides to take it seriously? This will only happen if pragmatic, as opposed to ideological, conservatives emerge as decisive power players in Iran's June 2005 Presidential elections. Could a leader such as former President Rafsanjani contemplate such a deal? Could he sell it to his theocratic friends? Would the Bush administration be willing to negotiate with such a man and such a regime? For the United States, the bottom line would have to be the end of Iran's nuclear weapons program, the end of terrorism against Israel and cooperation in Iraq and Afghanistan. For Iran it would mean the end of United States economic sanctions and the acceptance of the Islamic Republic as a legitimate player in the region. It might be difficult to persuade the U.S. Congress to take these steps, especially if other trends in the Middle East were positive. Likewise, the Iranian security establishment will be highly suspicious of any deal with the Great Satan. Like their brethren in the former Soviet Union and present day China, they are invariably suspicious of the United States and, by and large, have not traveled outside of their country. Their attitudes are very different of those of the Iranian bureaucrats who are well aware that Iran needs access to the world market and more engagement with the United States to solve its long-term economic problems. The security establishment, on the other hand, benefits from the confrontation with the United States, getting abundant money to pursue many programs, including a nuclear program.

So, all of these signs are cause for pessimism. If, for whatever reason, a radical new approach (on the part of both Washington and Teheran) is out of the question, the best the administration can hope for is that we prepare for the coming crisis jointly with the Europeans as allies—rather than at loggerheads. In the face of Euro-Atlantic solidarity, there is a chance that the Iranians will be prepared to fudge the program for a few more years. But ultimately, there is no way that the United States, Europe, or the U.N. Security Council can stop a proud country of 70 million people with abundant resources from getting the ingredients for a nuclear bomb if that is what its leaders believe must happen. For this reason, it would be prudent to engage in a substantive dialog with other allies and friends, especially the gulf countries, about what to do if the Iranian bomb becomes a reality and a pre-emptive war with Iran is an unacceptable option.

Most importantly, the United States and Europe must bite the bullet and agree with each other on a common strategy that is unambiguous as to the limits of carrots and sticks both parties are prepared to present to Iran's leaders and the international community. In other words, the United States and Europe need to draw up a "Roadmap" to establish clear responses to specific Iranian actions such as Iranian conversion of hexafluoride gas or resumption of the uranium enrichment pro-

grams. The key must be to prevent Iran from driving a wedge between the United States and Europe.

The CHAIRMAN. Thank you very much, Dr. Kemp.
Dr. Milhollin.

STATEMENT OF DR. GARY MILHOLLIN, PROFESSOR EMERITUS, UNIVERSITY OF WISCONSIN LAW SCHOOL AND DIRECTOR, WISCONSIN PROJECT ON NUCLEAR ARMS CONTROL, WASHINGTON, DC

Dr. MILHOLLIN. Thank you very much, Senator. I am pleased to appear before the committee. The committee has asked me to concentrate upon the present negotiations between Iran and Britain, France, and Germany. Before I do that I would like to point out that my organization does maintain a very large Web site on Iran's mass destruction weapons programs. It is known as IranWatch.org. And I would refer the committee to that site for additional information and analysis.

I would like to begin by saying that the deal made in November was conceived to be tactical only. It was conceived to simply present an opportunity for continued talks and an opportunity to make a deal. It was not seen as a solution to the overall problem. That solution, as has emerged, would have to include action by Iran to give up its ability to make fissile material; that is, give up its ability to enrich uranium, and give up its ability to make plutonium. And the Europeans are clear on that. Neither of these materials is necessary to run Iran's civilian nuclear program. But the parties are still very far apart.

In March, Iran proposed that it be allowed to run 3,000 centrifuges. It proposed to be able to restart its conversion facility, manufacture thousands more centrifuges, up to 50,000, and at the same time receive additional reactors from the Europeans. The Europeans consider this a nonstarter, which is obvious.

So, right now the question is: What is going to happen? Are these parties ever going to get together? If they do not, then one possibility is that the present freeze could simply continue for a while. If that happened, I think we would be seeing a situation similar to the one that existed after the agreed framework between the United States and North Korea was concluded. That is, the North Koreans agreed to freeze their operation. They did not agree to give it up or to dismantle their capability. The same question basically is now facing Iran, that is, how long to keep the freeze in place.

It seems to me that it might depend on two things. First, how much the suspension is really hurting Iran's nuclear progress—how much it is pinching. And the second one is Iran's assessment of how much pain it will receive by being referred to the U.N. Security Council, because that is what the Europeans have said will happen if the freeze is broken.

If the case does go to the Council, what will happen? Mr. Burns sagely declined to elucidate that, but I think we could probably expect that the United States and the Europeans would ask for a U.N. resolution under which Iran would agree to resume the suspension. There seems to be a fair amount of support for that.

If Iran did not comply, then the question would be a resolution compelling Iran to suspend. If Iran did not comply with that, the

question would be sanctions. Nobody knows at this point what that would produce, including the Iranians. So, I think, in our favor is the fact that the Iranians probably do not want to face the uncertainties in going down that path at the United Nations.

On the other hand, we would also face uncertainties. If the Security Council does little or nothing, what would emerge is the fact that a country can basically violate its pledges under the non-proliferation treaty and not be punished, which would be a great blow to the treaty and a great blow to the nonproliferation efforts we have made and the structures we have in place internationally. So everybody has a lot at stake if this case goes to the U.N. Security Council.

Right now, there does not seem to be the kind of support it would take for an oil embargo or strong international trade sanctions, but that support may come after a while. I think, personally, that we ought to start thinking about where this chain of events is going to wind up. And Mr. Kemp has mentioned that.

I do not think international inspections will prevent Iran from success, and it is pretty clear that the U.N. route is uncertain. So, I think we ought to get used to the idea of thinking about what it would be like to live with an Iranian bomb; because if you just look at all the possible outcomes, that one is probably more likely than any other, in my judgment.

So what would such a world be like? What would the United States do in a world where Iran had the bomb? I think we would have to consider adopting a policy of containment, just as we did with respect to the Soviet Union. We would be facing an overtly hostile nuclear power.

This would mean that we would have to consider extending our nuclear or conventional umbrella to additional states. I think that Egypt and Saudi Arabia would be candidates. Also, I think that there would be a period of testing the waters. Iran would be exploring the boundaries of its new power. Somebody could make a mistake during this period.

To reduce that risk, I think the United States would have to formulate and promulgate what are known as red lines, that is, statements that if certain red lines were crossed, certain consequences would ensue. That is not a pleasant prospect. So the question is, how do we avoid that situation, which I think is, as I said, among the possible ones at this point, and perhaps the most probable.

The best outcome is for these negotiations succeed. And I agree with those who have said that we need to put more on the table for that to happen. Only the United States could provide security assurances or comfort to Iran. That is just a fact. And we have to be willing to accept that fact. And we have to start thinking about what kind of assurances we would be willing to provide.

We have also heard that it would be helpful if Russia and China supported this process. I think it is essential for them to do so. And also it is essential for the neighbors, for Iran's neighbors to support the process. If all that happened, if the world presented a united front to Iran, then Iran might decide that it would be better off without the bomb than with it.

But if you would just look at the whole situation, I think it is difficult to be optimistic. You have to say that we are now in a

process which could result in a willingness on the part of the world community to use sanctions or even the use of force, but we are not there yet. I do not think we will get there for a while. And before getting there, I think the United States and Europe, in particular, would have to convince the rest of the world that all the other options had been exhausted. Thank you.

[The prepared statement of Dr. Milhollin follows:]

PREPARED STATEMENT OF DR. GARY MILHOLLIN, PROFESSOR EMERITUS, UNIVERSITY OF WISCONSIN LAW SCHOOL AND DIRECTOR, WISCONSIN PROJECT ON NUCLEAR ARMS CONTROL, WASHINGTON, DC

I am pleased to appear today before the Senate Committee on Foreign Relations to discuss Iran's nuclear program. I direct the Wisconsin Project on Nuclear Arms Control, an organization here in Washington that maintains a Web site specifically devoted to monitoring Iran's mass destruction weapon efforts, www.IranWatch.org, to which I would like to refer the committee for additional information and analysis on Iran. In accordance with the committee's request, I will concentrate my remarks upon the present negotiations Iran is conducting with Britain, France, and Germany.

First, I would like to point out that the deal struck among these countries in November should be seen as a tactical step. It was intended to buy time, and to provide an opening for continued talks. It should not be seen as an answer to the overall strategic question posed by Iran's nuclear effort. The aim of the Europeans was to get Iran to freeze its uranium enrichment and plutonium processing work while negotiations went forward. The Europeans saw this as the best chance of working toward a long-term solution. That solution would be some arrangement in which Iran received economic and security benefits in exchange for giving up its plans to enrich uranium and produce plutonium. Both enriched uranium and plutonium are used to fuel nuclear weapons, and Iran does not need to produce either domestically to run its civilian nuclear energy program.

The parties to these negotiations still seem far apart. In March, Iran proposed that it be allowed to resume processing uranium at its conversion plant by July, be allowed to install and operate 3,000 centrifuge machines, and be allowed to manufacture thousands more while receiving benefits such as additional nuclear reactors that the Europeans would supply. This is directly opposed to the stated European position, which is that Iran would have to give up uranium enrichment as part of any overall solution.

If Iran could operate 3,000 centrifuge machines, it would allow Iran to master the enrichment process, bringing it a step closer to being able to produce nuclear weapons. In addition, the machines themselves might be able to produce enough enriched uranium for two or three nuclear weapons per year if configured to do so. Iran asserts that it will only produce low enriched uranium and will immediately make it into fuel for its reactor at Bushehr. Iran, however, has already contracted with Russia to supply this reactor's fuel. Thus, it is hard to see what peaceful purpose the enrichment process would serve. Iran itself has admitted that its enrichment effort "cannot be justified on economic grounds," according to a leaked European summary of the negotiations.

Since the talks began last December, Iran has been threatening to resume enrichment. Britain, France, and Germany have replied that if Iran does so, they will support the United States effort to refer the matter to the U.N. Security Council. They made this clear in a March letter to the European Union. At the present moment, it is difficult to predict how the standoff will end. If the Europeans are steadfast in their opposition to enrichment, Iran will have to decide how long to abide by the present suspension.

If the suspension continues, it could begin to resemble the one that existed after the "Agreed Framework" was reached between the United States and North Korea in 1994. Like Iran, North Korea agreed to freeze its production of fissile material, while retaining the ability to restart production at any time. The question was how long North Korea would decide to keep the freeze in place. That same question is now facing Iran. The answer may depend on two things: How much the suspension is slowing Iran's nuclear progress, and how much Iran thinks it will suffer by being referred to the Security Council.

To push forward its enrichment effort, Iran must finish converting its existing supply of natural uranium to uranium hexafluoride (UF₆), suitable for feeding into centrifuges. It must also manufacture, install, test, and operate a centrifuge cascade

in order to produce enriched uranium. Is Iran technically ready to do that? If not, then extending the present suspension is not costly. If Iran is ready, then the pressure will build to end the talks unless they produce substantial benefits. Iran has already produced several tons of UF₆ and has tested a 10-centrifuge cascade using UF₆. Judging from the insistence of the Iranians on finishing the conversion process, it appears that the delay is beginning to pinch.

But to end the talks means facing the Security Council. The United States and Europe can be expected to push for a resolution calling on Iran to reinstate the suspension. There already appears to be widespread support for such a resolution. If the resolution passes and Iran does not comply, then a subsequent resolution might require Iran to suspend. Failing to suspend at that point would put Iran in defiance of the Security Council, a position Iran would not relish. Defiance might lead to the imposition of sanctions, mild at first, but then possibly more severe. It is a progression that Iran would have to consider carefully before deciding to trigger it.

There are also risks for the United States and Europe. It could be counterproductive to send Iran to the Security Council without a good prospect that effective action will be taken. If the Council does little or nothing, it would show that states in violation of the Nuclear Nonproliferation Treaty do not bear any real cost. That could be the lesson Iran has already learned from North Korea's recent referral. The Council endorsed six-party talks with North Korea but has not voted any punitive measures. A repeat performance with Iran would deal a major blow to the treaty.

An oil embargo or other trade sanctions would impose the most severe burden on Iran, but there is little chance that such measures would be adopted unless Iran does something to provoke worldwide outrage, such as conducting more secret nuclear work, or producing nuclear weapon components, or dropping out of the Nuclear Nonproliferation Treaty. Absent such a provocative act, the political will to vote strong sanctions probably does not exist, especially on the part of veto-wielding members such as Russia and China.

Therefore, it is time to ask where this chain of events is likely to take us. First, there seems to be little doubt that Iran has a nuclear weapon in mind. All of its actions, so far, point in that direction. For 18 years it has been deceiving the International Atomic Energy Agency in order to run a secret and illegal effort to produce nuclear material that is not needed for Iran's civilian energy program, but is needed for atomic bombs. If this activity were only for peaceful purposes, as Iran says, why break the rules and do it secretly? And why spend money for something that is not needed for civilian energy? The activity includes building a 40-megawatt heavy water reactor, which happens to be larger than needed for research, but too small to make electricity, and just right for producing bomb-quality plutonium. Indeed, most countries with this sort of reactor are using it to make bombs, including India, Israel, and Pakistan. The IAEA has also documented Iran's experiments with polonium, a specialized material that can serve as a neutron initiator in fission bombs, and Iran has been observed shopping for the high-precision switches that can trigger a nuclear explosion. And finally, Iran is building a 1,300-kilometer-range missile called the Shahab-3, the most practical use for, which is to carry a nuclear warhead. When one puts all of these activities together, they add up to a nuclear weapon effort.

Unfortunately, international inspections are not likely to prevent Iran from achieving this goal. Last November, my organization convened a roundtable discussion that included two senior veterans of the U.N. inspection effort in Iraq, during which this point was raised. The results can be found on www.IranWatch.org. The roundtable concluded that it would be difficult, if not impossible, to verify that Iran was not secretly making nuclear weapons under any deal that allowed Iran to enrich uranium. The inspection burden would either be unacceptable to Iran or provide inadequate assurance for the rest of the world. Only an intrusive, specialized inspection regime—perhaps modeled on the U.N. special inspections organized in Iraq—in which inspectors were allowed anyplace, anytime access would offer a robust guarantee against cheating. This would require access to sensitive military sites with no declared relation to Iran's civilian nuclear infrastructure. Iran is unlikely to agree to such a regime, which it would see as a grave infringement on its national sovereignty.

The IAEA should not be asked to do more than it is capable of achieving. The agency can verify a suspension of activity at known facilities and it can track nuclear material at these facilities. But agency inspectors, under any inspection regime, are limited in their ability to detect secret nuclear processing at undeclared sites. Further, the IAEA is not equipped to detect any work that deals with the manufacture and testing of weapon components. Over nearly two decades, Iran has conducted secret nuclear processing at a number of sites. Some of these sites were

known to the IAEA, others were never declared. Iran's experience in duplicity will make it doubly difficult to catch any illicit nuclear work in the future.

If, therefore, inspections won't stop Iran, and effective action is not likely to be endorsed by the Security Council, and we accept the statements by relevant governments that military strikes are not in the offing, it is logical to assume that Iran may actually succeed in getting nuclear weapons. That poses a question: How would we live with an Iranian bomb? What would be the main effect on the United States?

As in the cold war, the United States would face an overtly hostile nuclear power. It would therefore be in America's interest to weaken that power as much as possible without resorting to force. To do so, we would probably embark on a new policy of containment. America would use its resources and influence to undermine Iran on every front.

The United States would be forced to consider extending its nuclear or conventional umbrella to additional states, as a way of restricting Iran's influence and persuading these states not to get nuclear weapons themselves. The most likely candidates would be Egypt and Saudi Arabia. It would also be natural to expect a period of "testing the waters," in which Iran explores the boundaries of its new power. As in the cold war, there would be a risk that someone could miscalculate. To reduce that risk, the United States would have to work out and then announce some clear "red lines" that Iran would be told not to cross.

The United States would also have to deal with Iran as a proliferation threat. After getting the bomb Iran could pass it to others. We have learned that Pakistan was a giant source of proliferation during the years when we were only worrying about Pakistan itself becoming a nuclear power. Iran might present the same problem. Its technology could spread through corruption, or its government could decide to spread the technology as a way of extending its influence. In addition, we would have to worry about Iran's ties to terrorist groups, which take on an entirely new meaning in the context of nuclear weapons.

It would, of course, be better if the United States never had to face such issues. What is the best chance now for not having to do so?

Negotiations seem to offer the only realistic hope. The United States has little choice but to join the Europeans in their talks with Iran. A package of economic, political, and security benefits could be offered for Iran's cooperation, while at the same time punitive measures threatened in the event of noncooperation. U.S. Secretary of State Condoleezza Rice's endorsement of the talks on March 11 was a good first step. She also said that the United States would no longer block Iran's application to be considered for the World Trade Organization or the purchase of spare parts for its ageing civilian aircraft. These two decisions were also positive. They helped convince the Europeans that the United States was behind a negotiated solution, if one could be reached. To have a chance of success, however, the process must have help from Russia, China, and Iran's neighbors. All parties would have to work together to induce Iran to roll back its nuclear effort. If that were to happen, Iran might eventually decide that nuclear weapons would have a negative impact on its security, its economy, and its standing in the world.

The Europeans have a great deal to offer Iran economically. Europe, unlike the United States, has active commercial ties to Iran and had been negotiating a trade agreement with Iran before the present nuclear crisis erupted in 2003. The promise of future benefits in exchange for cooperation is the main thing Europe has to offer; their denial is Europe's primary threat.

While economics are important, Iran's nuclear program remains motivated by security concerns—which Europe is less capable of addressing—and by Iran's desire to increase its military and diplomatic power in the region. Only the United States is capable of providing Iran with adequate security assurances. It should start thinking about how to do so.

It would also be useful if Russia and China could approach Iran and underscore the importance of maintaining the current enrichment freeze. In particular, Russia and China could warn Iran that it should not try to back out of the freeze by accusing the Europeans of not delivering on their promises. Iran must understand that it currently lives under a suspended sentence, thanks to the deal it struck with the Europeans. If Iran decides to renege, then the sentence—notification to the U.N. Security Council of its previous inspections violations—would be applied.

Even with these steps, however, it is difficult to be optimistic. At the least, negotiations could increase awareness of the danger of a nuclear-armed Iran among key states in Europe, as well as in Russia and China, and, therefore, help to consolidate support for sanctions or the use of force should either be required. Before resorting to such measures, Europe and the United States would have to convince the rest of the world that all other options for preventing a nuclear-armed Iran had been exhausted.

The CHAIRMAN. Thank you very much, Dr. Milhollin.
Dr. Perkovich.

STATEMENT OF DR. GEORGE PERKOVICH, PH.D., VICE PRESIDENT FOR STUDIES, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE, WASHINGTON, DC

Dr. PERKOVICH. Thank you, Mr. Chairman. I just want to pick up on where Mr. Milhollin left off and say that if things do not change, then the outcome of Iran, at least acquiring the capability to build nuclear weapons—there is a fine distinction between that and actually having the weapons—is the most likely outcome.

And I think that means logically and politically that we have to do some things to change, also, because how we got to today is based on 26 years of Iranian behavior, our behavior, and other countries' behavior. And in that regard I want to say that Secretary Burns' testimony was remarkably positive and encouraging, because it represented, I think, a real shift, a subtle, but a real shift in the United States approach and the recognition, for example, that we absolutely have to cooperate and be as one with Europe if we are going to change Iranian behavior.

And also, there was a recognition in what he said, and how he said it, that the tone of America's presentation to Iran has to change, precisely because Iran is a country with a vibrant civil society, with an active political class, and a great history. So all of those features of what he said, while subtle, I think were very important and suggestive of a way that we could go on.

Let me talk a little bit about what may be a decisionmaking context in Iran. I was there in March and have been there at other times, talking to some of their officials, certainly, not a representative sample.

But my sense is that Iranian decisionmakers feel their situation is far from desperate. They say the removal of Saddam Hussein from power in Iraq was a great benefit to Iran. The removal of the Taliban in Afghanistan was a great benefit to Iran.

Moreover, the United States campaign for democracy in the Middle East is a great benefit to Iran; because one of the consequences of that is that Shiite minorities, which exist in much of the region, now have a political hope and a greater opportunity to protect their minority interests than they ever had before. And there is great solidarity that Iranians feel for it. So that is welcome. So history, in that way, is moving in their direction.

People recognize that they have a constitutional problem in Iran. We have not spoken of it in those terms here. We speak, correctly, about the problem of nonelected leaders and so on. But that problem is in their Constitution. So when we talk about wanting political change and complete popular sovereignty in Iran, there is a problem that the office of the religious leader is a constitutional office in Iran. And so we need to think more about how that change, that clearly many Iranian people want, and also one we want, how that can come about.

One of the things that I think any visitor in Iran hears is, people are unhappy with their government. They are dissatisfied with especially the Mullahs. But then they look and they say, "Okay. How do you change that?" And they look at Iraq and they say what is

happening in Iraq is definitely not what we want, because what they see is the bloodshed and the chaos and the violence. And they say, "We welcome this. It is to our benefit. But it is not—if that is democracy, we do not want to go down that road, because lots of people are getting killed."

And it harkens back to their own revolution, which even the leaders of that revolution, in many ways, the young people who are now leaders, now regret. They now look back on it and say, "My god, that was—lots of people died." They do not want to return to that possibility. So they are kind of stuck.

Yes, they want political change, but they want it to be peaceful and gradual, and they do not want it to come at the tip of a U.S. bayonet. And so they are, in a sense, confused, but also worried that we are not going to be patient enough to let them figure out how to change their government.

All of this then forms part of the context in which we are engaging with Iran on the nuclear issue and these other issues. It is perceived that what we are trying to do is to keep Iran from being a developed, advanced technological country, because Iranian people believe what their government is saying, which is all they want is to acquire nuclear technology for energy and to demonstrate prowess. Most Iranian people you talk to say a nuclear weapon is a terrible idea for Iran. "It does not accomplish anything for us," they say. "It brings bad results, but we want the technology, because great countries have the technology. We are a great civilization. We are really smart people. We should be able to do this. And why the United States is trying to stop us is that you have never gotten over the revolution. You cannot stand Iran as a nation. We know what you did with Mossadegh in 1953. You supported a repressive shah. Now you cannot get over the revolution. And so what you are trying to do is to retard us from being an advanced country." And so they resist.

They do not say, "We have to have the bomb." They do not think they are trying to get the bomb. But they want to resist this kind of outside pressure.

That leads to the conclusion that we have to change our policy in part. Not the objectives. The objectives Secretary Burns laid out were right on. Those were exactly the objectives that we should have. But in order to change Iranian behavior, we have to recognize that you have to change the political dynamic in which the Iranians see this issue.

And, I think, there are three key points there. One is that we cannot do it unilaterally. We need to have with us other people that Iranians care about, in particular, the Europeans. Second, coercion, sanctions, and pressure, and denunciations are not sufficient. And that has been our strategy for the last 26 years. That is insufficient.

So, at a minimum, we have to clarify that if Iran stops supporting terrorist organizations and accepts that its nuclear program will be run without indigenous fuel cycle, they will have a nuclear program, but will rely on foreign supply, if they do that, that the United States is prepared to guarantee Iran's security, that the United States will not pose a threat to Iranian security and will deal with the constitutional Government of Iran. Even as

we think that the Iranian people should change that Constitution, we will deal with the constitutional Government of Iran.

We have to convey that we support Iran's technological modernization and would be willing to work with it on projects that are technologically advanced through international cooperation.

And third, I think we have to convey that we have gotten over the revolution and the hostage crisis. The Iranian people love the American people. They are not so wild about the American Government. But when you are visiting in Iran, anywhere you go people slap you on the back and say, "Oh, it is great to see an American. Can I get you anything? America is a great country," and so on.

By the way, visiting our ally, Pakistan, you get a very different response. But in Iran, people love visiting Americans. They are not so wild about the U.S. Government. I think it's very important to signal that we have gotten over the hostage crisis, and that we are not going to keep the Iranian people hostage to their government.

There are ways we can deal with particularities—we can talk about it in the questions, but I think the general attitude is key, and is an extrapolation of the subtle shift that we heard, I think, today from Secretary Burns. I think we have to move farther in that direction. Thank you.

[The prepared statement of Dr. Perkovich follows:]

PREPARED STATEMENT OF DR. GEORGE PERKOVICH, PH.D., VICE PRESIDENT FOR STUDIES, CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE, WASHINGTON, DC

Mr. Chairman, it is an honor to testify before the Foreign Relations Committee. I commend you and the committee for convening this hearing on Iran. I believe that it is vital to United States and global interests to integrate Iran into the international community as a state that does not threaten its near or distant neighbors, that respects its citizens' human rights, including the right of popular sovereignty, and that facilitates its talented citizens' contributions to a diverse international culture. Iranian citizens and leaders ultimately will determine whether such integration occurs, but the United States, too, will play a role. I hope this hearing will contribute to this end.

By way of background, I am vice president for studies at the Carnegie Endowment for International Peace. For the past 23 years I have concentrated much of my work analyzing nuclear-weapons related problems in the United States, the Soviet Union, India, Pakistan, and Iran. I have written extensively on nuclear issues and advised several U.S. Government institutions on policy approaches to them. Most recently, my colleagues and I at the Endowment have produced "Universal Compliance: A Strategy for Nuclear Security," which provides comprehensive policy recommendations to deal with all major nuclear proliferation challenges, including Iran. I have traveled to Iran three times since 1997, most recently this March, and have interacted frequently with Iranian officials and scholars through Track II dialogues.

What Are Iran's Nuclear Intentions and Capabilities?

Public accounts indicate that the United States and international intelligence communities have been unable to paint an accurate, full portrait of Iran's nuclear program. Perhaps there is some solace in the likelihood that Iranian officials negotiating nuclear matters also do not know the full range of activities and intentions in their nuclear program. Historically, including in the United States, diplomats, and, sometimes, relevant Cabinet officials and even heads of state, do not know exactly what their nations' technical establishments are doing related to the design and manufacture of capabilities that could be used to produce nuclear weapons. Iran's decisionmaking structure is factious and informal, making it extremely difficult to ascertain who intends to do what.

The doubt I have expressed about our knowledge assumes that Iran may still be conducting undeclared nuclear activities. Such activities could include current or planned clandestine work to master uranium enrichment and/or development of know-how and means to fabricate and detonate a nuclear device. But it is also possible that Iran, after 18 years of lies, deception, and suspicious behavior, is no

longer conducting nuclear activities beyond those that they have declared. The International Atomic Energy Agency has a couple more outstanding questions to resolve and then seems ready to conclude that all of Iran's declared nuclear activities can be explained and accounted for consistent with Iran's NPT obligation to limit its nuclear activities exclusively to peaceful purposes. If no clandestine activity is occurring, then the International Atomic Energy Agency has a good picture of Iran's nuclear program.

Recall that UNSCOM inspectors and the IAEA actually developed a good picture of Iraq's nuclear, biological, and chemical weapons capabilities in the 1990s, and that what was assumed missing from this picture—namely, WMD in Iraq—turned out not to exist. This is because Saddam Hussein concluded, after the UNSCOM inspectors had proved their skill and determination, that he could not get away with hiding illicit weapons work and that the costs of getting caught were too great.

Considering the previous points, intelligence communities should test their data against the following scenario. From the late 1980s through 2004 Iran was secretly developing the full-range of capabilities and knowledge necessary to have the option to build nuclear weapons. Many of these activities were undeclared. Most, but not all of them were exposed between 2002–04 as a result of revelations by Iranian opposition activists and subsequent investigations by the IAEA. The revelations of Iranian deceit and deception, and the intense international condemnation and scrutiny through the IAEA, surprised Iranian decisionmakers and embarrassed informed Iranian society. Many elements of Iran's political class did not know anything about the now-documented illicit activities, and concluded that the people responsible for getting caught had made stupid mistakes. As more elites began to pay attention to nuclear issues, they learned about the rules of the nonproliferation regime, and came to the conclusion that if Iran had played by the rules and not lied it could have acquired capabilities to enrich uranium (and later to produce and separate plutonium). A declared nuclear program playing by the rules would give Iran nuclear know-how, materiel, and prestige sufficient to satisfy its interests for the foreseeable future, much as Japan has done with its nuclear program. Conversely, undeclared, illegal nuclear activities bring risk of detection that badly damages Iran's prestige, leads to its isolation, and buttresses its enemies. Therefore, Iranian leaders could well conclude that, for the time being, Iran should desist from illicit nuclear activities and play entirely by the rules.

If the intelligence community has not already done so, it should be tasked specifically to assess whether any inflexion has occurred in data indicating clandestine nuclear activities. Does the case that Iran is clandestinely trying to build nuclear weapons rely heavily on activities occurring prior to 2003? Are there more or fewer data points indicating clandestine nuclear activities in the 2004–05 period than there were in previous years? Is there reason to think that Iran has changed its nuclear strategy—activities and intentions—as a result of having been exposed and put under pressure not only by the United States, but also by the European Union and the IAEA?

Paradoxically, it will be easier to handle the Iranian and global proliferation threats if indicators of illicit Iranian nuclear activity are rising rather than declining. Rising indicators would heighten the chances of finding the “smoking gun” that would prove Iran's violation not only of safeguards agreements but of the core commitments of the Nuclear Nonproliferation Treaty. Such proof would destroy Iran's international credibility and severely damage the internal position of the decisionmakers responsible in Iran, including the Supreme Leader. Strong indications of ongoing illicit activity also would strengthen the case for more rigorously interpreting the rules of the nonproliferation regime—for freezing further net increases in uranium enrichment and plutonium separation capability worldwide, and for putting facilities in current producing countries under international management.

Conversely, if indicators of illicit nuclear activity in Iran are decreasing, and Iran has decided to strictly adhere to the rules, then the nonproliferation challenge may become greater. By complying with all IAEA requirements, Iran could strengthen the case for preserving the traditional interpretation of rules regulating nuclear technology. Iran could rally many other countries to preserve the “right” of all treaty-compliant states to acquire uranium enrichment and/or plutonium separation capabilities. Iran would find more support for its refusal to accept demands by France, Germany, and the United Kingdom (and the United States) that Iran revise its nuclear plans and rely on guaranteed international fuel services rather than national uranium enrichment and/or plutonium reprocessing. By foregoing illicit activities, and pursuing nuclear fuel-cycle capabilities in strict adherence with the rules, Iran would make military attacks by the United States or Israel much more politically risky.

In other words, if Iranian decisionmakers are clever, they will bring their nuclear program back into compliance with all international requirements, play by the rules and insist on outmoded “rights” to develop whatever nuclear technology they want under strict international monitoring and safeguards, and gradually acquire the know-how, technology, and materiel necessary to produce nuclear weapons some day, if a dire strategic threat should arise. This scenario, a variant of the Japanese model, is very difficult to counter, and could be a model for states beyond Iran.

What Should Our Strategic Objectives Be?

The most immediate objective in dealing with Iran’s nuclear activities is so important that achieving it alone would be a tremendous boost to international security: Iran should implement an agreement to develop peaceful applications of nuclear energy without acquisition and operation of uranium enrichment and plutonium separation capabilities. This objective recognizes that it will be politically impossible to seek Iran’s abandonment of nuclear technology altogether. Neither Iran nor many other states would accept this objective. On the other hand, this objective seeks greater restrictions on Iran’s nuclear activities than required by traditional readings of the NPT.

Pursuant to the objective of ending activities related to uranium enrichment and plutonium separation in Iran, states need to clarify the definition of which particular technologies states have a “right” to under the Nuclear Nonproliferation Treaty. Iran, backed by many countries, including perhaps the United States, argues that the Nuclear Nonproliferation Treaty gives states the “right” to acquire uranium enrichment and plutonium separation capabilities as long as such states comply fully with their safeguard obligations and do not seek to acquire nuclear weapons. Thus, if and when the IAEA deems Iran to be in full compliance with its NPT obligations, Iran will refuse to give up claimed “rights” to enrich uranium and/or separate plutonium. The problem, in this case, would be the international interpretation of nuclear “rights,” not Iran per se. Thus, while the international community concentrates now on the specific case of Iran, we must also establish rules that would apply not only to Iran but to subsequent cases.¹ The United States and the IAEA and the United Nations High-Level Panel on Threats, Challenges and Change all recognize this need to prevent construction and operation of new uranium enrichment and plutonium separation facilities in countries that do not now have such facilities. IAEA Director General ElBaradei has wisely proposed a moratorium on construction of new fuel production and reprocessing facilities. International leaders should apply their energies without delay to this end. U.S. officials should help by recognizing that major inducements will have to be offered to win support for new rules.

Persuading Iran to revise its nuclear plans and substitute guaranteed international fuel services for nationally produced fuel production and waste processing will require negotiations, including with United States participation, indirectly at first. These negotiations, in turn, will require satisfaction of additional Iranian and international objectives that are directly related to concerns about nuclear technology. These other germane objectives are encompassed in the framework under which France, Germany, the United Kingdom, and Iran are currently negotiating. The parties commit themselves to combat terrorism, to address regional security issues, to negotiate trade cooperation, and to support democracy in Iraq.

The Decisionmaking Context in Iran

Based on a recent visit to Tehran, and ongoing interactions with Iranian officials and scholars, I offer the following impressions of the context in which Iranian leaders will decide how to guide their nuclear and related policies. These impressions are admittedly limited, derived from interactions with elites in Tehran ranging from advisors to conservative politicians, Western-trained scholars, students, reformers, and current officials. The overall conclusion is that Iranian decisionmakers feel that their situation is far from desperate.

High oil prices have greatly enhanced national revenue and have allowed the government to keep popular disaffection manageable. Infrastructure has improved and parks and public spaces are well kept. Tehran bustles with activity on the streets and construction all around. Shops are filled with imported electronic goods. Traffic is horrendous, even as major roadways and a subway have been added. Young businessmen are optimistic about their economic prospects, though they would like various economic reforms to be implemented. Yes, people complain about the govern-

¹States that might see an interest in moving to acquire fuel production capability include South Korea, Taiwan, Turkey. Brazil already is constructing a uranium enrichment plant.

ment and the economy, as many do in other societies, too, but one senses awareness that things could be much worse.

The removal of Saddam Hussein from power in Iraq, and the defeat of the Taliban in Afghanistan, have greatly improved the sense of security. One cannot overstate the intensity of memories of the 1980–88 war with Iraq. So many Iranian families suffered losses in the war and experienced the fear of Iraq’s use of chemical weapons. Walking around Tehran University I saw walls adorned with posters portraying grotesque photographs of victims of the war—almost 20 years after hostilities ended. Iranians are relieved that Saddam and his regime are gone. The Taliban, too, frightened many Iranians with its violent sectarian Sunni ideology. Iranians felt (feel) that Sunni extremists, including Osama bin Laden, are terrorists and that Iran—Shiites—are more immediate targets than Americans. So the United States intervention in Afghanistan created welcome results.

As a result of the wars in Iraq and Afghanistan, and the broader United States campaign for democracy, Iranians feel that Shiites are in the best position ever to have their rights as a beleaguered minority protected. Iraq now is led by Shiites (the majority there), but even where they remain a minority, as in Afghanistan and Saudi Arabia, they are gaining opportunities to participate in politics and to have their rights better protected. The overall impression is that history is moving in beneficial ways.

Notwithstanding the good news for Shiites in Iraq, it is important to note that Iranians draw cautionary lessons from the turmoil and bloodshed there: If Iraq represents regime change and a transition to democracy, it is frightening. Iranians extrapolate from Iraq not the danger of sectarian conflict—Iran is much more homogeneous—but rather the danger of partisan bloodletting and chaos reminiscent of the early years of the Iranian Revolution.

From the above, a general impression forms that Iranians do not want to rock the political boat—shake it a bit, maybe enough ideally to throw the office of Religious Leader overboard, but not so much as to capsize it. This fear of capsizing, of major political upheaval, gives the impetus to established authorities. Average people realize this and simply retreat from politics and lower their expectations. The bloodshed and chaos of Iraq shows how much worse things could be and leads people to hope somehow for incremental peaceful change. Indeed, Iran’s own revolution shows how much worse things could be. Most urbanites don’t like the idea of Iran being seen as a pariah state—it rubs off on them as individuals, and limits their freedom of movement and opportunities to participate in international life. They blame “the mullahs” for what frustrates them. Corruption is always obnoxious, but when religious leaders are corrupt, the injury is doubled by the hypocrisy of its perpetrators. Still, if the choices are the existing system or political upheaval, people prefer the existing system and the hope that a new leader will make it work better.

The greatest fear that most of my interlocutors expressed was of “radical” conservatives tied to the Revolutionary Guards and newly potent factions elected to the Parliament. These elements, many of them veterans of the Iraq war, are financially and ideologically wedded to relative autarky. They benefit from Iran’s economic isolation and would lose out if the economy and polity were opened up to international competition. An example of this group’s mentality and interests was the takeover by Revolutionary Guards of the new Imam Khomeini Airport as it was due to open. The takeover appeared to be economically motivated—the occupiers wanted to capture the income from airport services—but the state’s incapacity to resolve the issue for almost 2 years has demonstrated the limitations not only of the elected leadership’s power but also that of the Religious Leader. The airport still sits vacant and unused.

Iranians also take some comfort from international antipathy toward the United States Government. Iranians emphatically welcome visiting Americans and profess admiration for “America,” but they also worry that the United States Government could act aggressively toward Iran. Awareness of international disaffection toward the United States Government (demonstrated in many ways, including international polls) therefore reduces Iranian fears that the United States would risk aggression against Iran. Liberal-minded Iranians feel that United States attacks would unify the nation around the government in Tehran and set back prospects of gradual reform, including efforts to diminish the role of the nonelected Supreme Leader.

Finally, consistent with these impressions, Iranian elites see the “nuclear issue” primarily in symbolic terms. This is not to diminish the importance of these perceptions. The nuclear issue in Iran, as in most countries, is an elite affair. Most people’s concerns are much more immediate, prosaic, and close to home. But for elites, the nuclear issue is about modernity, prowess, national superiority, and anticolonialism. Iranian officials insist they are seeking nuclear technology for peaceful purposes within the rights granted under the NPT. Most discussants in

Iran argue that nuclear weapons would do Iran little good, but that Iran should acquire nuclear technology in order to modernize. This is not a detailed, rigorous analysis, but rather a common equation of nuclear technology with modernity—nuclear technology proves that a society is smart and advanced. Efforts to prevent Iran from acquiring nuclear technology are seen as colonial discrimination, an effort to keep Iran from becoming an advanced country. The fact that the United States and Israel are seen to be leading the charge against Iran deepens the feeling that inherent hostility toward Iran is driving the dispute, not specific concerns about particular Iranian activities. Iranian officials smartly play on this by offering unprecedented monitoring of their nuclear activities to prove that Iran is playing by the rules. Rejections of these offers are seen as evidence that the United States-Israeli axis is determined to keep Iran down no matter what Iran offers.

This description of how the nuclear issue is seen politically in Iran does not preclude the possibility that the men actually driving Iranian technological development and policy have elaborated strategic plans to make use of a nuclear deterrent. The point is that such discussions do not feature in the political debate over the issue and over the negotiations with the EU-3. I have reminded Iranian experts that the evidence indicates that their country is trying to acquire, at least, the capability to produce nuclear weapons, and asked, “what security benefits would you gain from this capability?” They tend to answer that the capability to produce a bomb is enough to deter any of Iran’s regional adversaries from militarily threatening it. They point out that no one would threaten to attack Japan because Japan can produce plutonium, has stockpiles of the material, and a full range of missile capabilities. Iranians say they merely want to exercise the rights that Japan has exercised in playing by the rules.

If the foregoing gives a sense of the context in which Iranians will decide which outcomes of negotiations would meet their interests, one last tactical point should be made. Iranian leaders have been shaken by the negative attention, pressure, and potential isolation they have experienced over the nuclear issue in the past 2 years. They do not want the matter referred to the U.N. Security Council in part because this would be humiliating—an insult to national pride and to the leadership’s protection of national interests. Ostracism of such a great nation as Persia—Iran—would be a major set back.

Hence, Iranian leaders see themselves in a contest over isolation with the United States. Iran loses if the United States rallies the international community to isolate Iran; Iran wins if it can split the United States (and Israel) from the international community. The European Union is the pivotal player here. Whoever “gets” the European Union wins, because a combined United States-European Union front will likely pick up Russia and be able to isolate Iran. Whereas, if Europe defects from the United States, Iran will not be isolated. And, if the United States and the European Union split, Iranians feel they will be able, eventually, to negotiate an accommodation with the United States on better terms than if the United States and the European Union are unified in isolating Iran.

What Should the United States Do, Then?

By definition, United States policy toward Iran over the past 26 years has not worked. Otherwise, you would not be having this hearing. If we keep doing what we have been doing, we are sure to fail. In order to influence change in Iran, United States policy has to change, too.

The core failure is the refusal of the executive and legislative branches to agree that something more than sanctions, hostile rhetoric, and coercion are necessary to induce Iranian authorities to change their behavior. United States policy, often driven by congressionally mandated sanctions, focuses on seeking to inflict pain and loss on Iran. But Iran, like India, in important ways, is too big, too capable, too proud, and too important for the United States alone to coerce into major behavior change. Let me be clear: It would be ideal if the United States could coerce Iran to change its threatening behavior; but as realists we must admit regretfully that this ideal condition does not exist. A more realistic approach is necessary.

Change in U.S. policy should be informed by two key points. First, the United States cannot, by itself, motivate Iranian leaders to change their most threatening behavior. We need the cooperation, at least, of Europe, Israel, and in the nuclear area, of Russia, too, at a minimum. Second, sanctions, denunciations, and other forms of coercion are insufficient.

Coercive unilateralism does not work against Iran for reasons that an alternate strategy should exploit. Iran is by far the largest, most accomplished Islamic state in greater Middle East. Indeed, its proud national identity long predates Islam. Persia’s magnitude and grandeur limit Iran’s susceptibility to bullying. But this same national identity does make Iranians averse to pariahdom. Right now, the United

States is the leading bully (paired with Israel), which must be resisted, but has not rallied enough partners to make the truly troubling threat of pariahdom real for Iran. A more effective strategy would play to Iran's national identity and at the same time rally international cooperation necessary to make Iran a pariah if it acts threateningly.

Because the threat of isolating Iran is key, the United States, by definition, must develop strategy and tactics with the states needed to accomplish isolation. The European Union and the United States, plus Russia, must build robust mutual trust that none will accept a result short of Iran's willingness to build a nuclear power program that relies on guaranteed foreign-fuel services and eschews uranium enrichment and plutonium separation facilities in Iran. That bottom line must be immovable; once this is firmly agreed, the European Union, the United States, and Russia must then be willing to cooperatively devise incentives to raise Iran's interest in such an arrangement and disincentives to dissuade Iran from pursuing unsafe nuclear policies. If Iran perceives a unified European-American-Russian front, it can be expected to conclude that the benefits of accepting the trade-off or offer are greater than the costs of becoming isolated by the United States, Europe, Russia, and other states that would join them.²

The greatest impediment to this strategy has been United States unwillingness to provide the European negotiators with commitments that the United States will provide positive inducements commensurate with the obligations Iran would have to implement as a result of negotiations. (Washington's eagerness to provide negative incentives is well known.) The immediate issue is not whether the United States is willing to negotiate directly with Iranian authorities, but rather whether Washington accepts the premise that it is imperative to negotiate—to give and take—with the current constitutional authorities in Iran. Europeans can conduct the negotiations, but if the United States is unwilling to provide positive inducements to Iran, European negotiators are badly handicapped and Iranian decision-makers are unable to calibrate whether their interests can possibly be met through such negotiations.

While the United States and the European Union (and Russia ideally) must collaboratively devise sequences of specific positive and negative incentives, the central elements are obvious.

- An Iran that does not threaten its neighbors' security should be reassured of its own security: The United States should clarify that if and when Iran stops supporting organizations that purposely target noncombatants with violence and stops pursuing technologies vital to the production of nuclear weapons, then the United States will join the European Union and other relevant countries in reassuring Iran that its security interests will be respected, notwithstanding our ongoing support of the Iranian people's desire for full popular sovereignty.
- Iranians also want to be, and be seen as, the most technologically advanced state in their neighborhood. The United States, the European Union, Russia, and others should demonstrably support Iran's technological ambitions, and suggest impressive technological collaborations that will be pursued if Iran desists from acquiring nuclear technologies that make the world insecure.
- Iranians—in the government and outside—feel that the United States is determined to keep Iran down as a nation, as payback for the humiliation of the hostage crisis. The United States should cease holding the Iranian people hostage for the misdeeds of the nonelected elements of their government, and instead should demonstrate that it wants the Iranian people to prosper regardless of their government.

Reducing the sense that the United States is obsessed with bullying Iran is necessary not only to facilitate nuclear negotiations but also to encourage political change in Iran. Countries being threatened from outside are less inclined to transition to peaceful democracy: Security concerns "argue" for strong, if not dominant, roles by militaries or security services, and make open political competition seem too uncertain, inefficient, and divisive at a time when unity and strength are imperative. States facing insecurity tend toward strong central authority and resistance to dissent or even pluralism. Thus, even if one believed that the United States could, and should, play a decisive role in causing regime change in Iran, security reassurance is probably a precondition. (Frontloaded United States security assurances also would strengthen European leaders' capacity to get tough if Iran refuses

²Transatlantic unity on the issue of removing intermediate-range nuclear missiles from Europe in the 1980s was the key in persuading Soviet leaders ultimately to accept the zero-option arrangement that was codified in the 1987 Intermediate Nuclear Forces Treaty, an outcome that in the early 1980s seemed no more likely than a successful negotiation to persuade Iran to desist from operating facilities that can produce nuclear weapon fuels.

to eschew uranium enrichment. Anti-American European publics will give their own governments more latitude to pressure Iran if they see that the United States actually is trying to be nice.)

In addition to conditional security assurances, the United States should consider three moves that could dramatically buttress the case for Iran's relying on international fuel services rather than domestic uranium enrichment or plutonium separation. These moves would strengthen Iranian public sentiment toward the United States and throw hostile factions on the defensive, significantly improving the political context for the ongoing Iran-European Union negotiations and the leverage of European Union negotiators.

First, and most dramatically, the United States should demonstrate its interest in letting historical bygones be bygones by releasing the Iranian financial assets that have been frozen since the revolution. The Iranian people, most of whom were born after the revolution, want to move on and want their old-guard leaders to move on. If the United States demonstrates that it can get over the revolution, it could strengthen forces within Iran that would like to abandon revolutionary institutions, people, policies, and attitudes.

Second, the United States should not renew or tighten sanctions against non-American entities investing in Iran's oil and gas sectors. To abandon dangerous nuclear fuel-cycle activities, Iranians must have confidence that they can rely on international markets and cooperation in meeting their energy needs. The Iran-Libya Sanctions Act has only strengthened Iranian arguments that indigenous nuclear fuel production is necessary; by letting these sanctions expire, the United States would change the terms of the debate in Iran and also gain leverage in Europe for other forms of pressure on Iran. This is an important tactical step that only Congress can take.

Third, the United States should not impede development of the proposed natural gas pipeline that Iran and Pakistan would build to bring gas to India.

Of course, Iran's own actions will shape these possibilities: Moves to acquire nuclear weapons, to continue support of terrorism or other subversive activities against neighboring states will cause countervailing pressures on Iran that will exacerbate insecurity. To avoid a vicious insecurity cycle, the United States, Iran, and other relevant actors must establish a regional security forum in which relevant parties can redress security dilemmas. Iran needs to hear from its Arab neighbors how its nuclear program and other policies heighten their insecurity and make them rely more heavily on the United States. Iran needs a forum where it can express its security concerns and try to identify conditions under which the United States military presence in the region could be reduced. The United States and Iraqis need a forum where Iraq's security needs, especially against infiltrations, can be addressed collectively. The European Union could facilitate formation of such a regional security forum.

A Likely Scenario

I close with a scenario that assumes that the United States will take none of the steps recommended above (the most likely case). No later than September, Iran will move toward resuming operation of the uranium conversion plant at Esfaham, and perhaps resuming tests of centrifuges. Iranian officials will insist that such activities are entirely within Iran's rights under the NPT, and that they will be conducted in accord with IAEA safeguards. They will argue that the demands being made by Europe exceed any legal requirement, and that Iran is ending its voluntary suspension of enrichment activity because certain countries—read the United States and Israel—will never relent in their attempt to make Iran a backward, weak country. At the behest of these hostile states, the European Union has rejected Iran's offer of the most intrusive possible monitoring and inspections of its nuclear activities. Iran will publish what it has offered and let the world judge who is being reasonable or not. There is nothing more Iran can do to demonstrate that it will play by the rules in exercising its right to nuclear technology. Rather than be bullied by the United States, Iran must rightfully resume its nuclear program.

The United States will seize on Iran's ending of its suspension and insist that France, Germany, and the United Kingdom should "do what they've promised" and take Iran to the U.N. Security Council. Popular opinion and many political figures in these countries will balk. Officials will leak that the United States was unprepared to take steps that "everyone" knew would be necessary to persuade Iran to accede to demands that it permanently cease uranium enrichment and plutonium separation activities. "How can Iran be expected to give up nuclear capability if the United States is threatening regime change?" Many in Europe and elsewhere will argue that the United States intended all along to repeat the Iraq scenario and manufacture a case for war against Iran. As the EU-3 waver about when to refer

Iran's case to the Security Council and what action to take in the Council, Members of the United States Congress will denounce French perfidy and German equivocation. Trans-Atlantic recriminations will mount. Developing countries in the IAEA, and in the United Nations, will decry U.S.-led efforts to ignore their rights and to impose a new form of nuclear apartheid.

In Iran, the U.S. Congress's reauthorization of secondary sanctions and the administration's eagerness to refer the Iran case to the Security Council, straightaway, will strengthen the feeling that Iran must hunker down to defend its rights to technological development. Known political reformers do not dissent. Student demonstrations occur demanding that Iran not give up its nuclear program. The new Iranian President takes a defiant stance, and all factions of the Parliament unite to insist on exercising the "right" to enrich uranium. Iranian leaders will travel to China to sign new deals for investment in Iran's energy resources.

All the while, Iranian leaders calculate that if the United States, the European Union, and Russia maintain a united front and somehow refer the Iranian nuclear issue to the Security Council, Iran can then reinstate the suspension and return to negotiations with the EU-3 with a clearer sense of what action members of the Security Council would be prepared to take against Iran, if any. (If the matter got to the Security Council, and Iran reinstated the suspension, it would likely be able to rally significant support for its position against a United States effort led by Ambassador Bolton.) And if the United States, the European Union, and Russia split over immediate referral to the Security Council, then Iran has many tactical options.

Among other things, this scenario suggests that the United States must augment the European negotiating position by demonstrating that the United States is not unreasonable or ineluctably hostile to Iran, and that Iran truly has much to gain by modifying its nuclear program. As further evidence of reasonableness and moderation, the United States and Europe need to build a bridge of intermediate steps leading toward the U.N. Security Council. Going to the Council in one leap is a tactic too easy for Iran to counter, a bluff that could be called. This testimony has focused on positive inducements that the United States should be prepared to offer, in many cases through European negotiators. But the United States and the EU-3 also need to form a working group to develop an agreed series of escalatory punitive measures that could lead up to and beyond referral to the Security Council. These measures need to be coordinated and multilateral, not unilateral, as the failure of past and current unilateral U.S. sanctions indicates. EU officials should tell Iranian officials privately that the European Union and the United States have devised such an escalatory plan with international public opinion in mind.

Again, this challenge is ultimately about isolation. U.S. policymakers must ensure that each step they take, and word they utter, helps the United States and Europe isolate Iran within the international community, and Iranian leaders within Iranian society. United States officials should take no steps or speak no words that help Iran isolate the United States within the international community.

The CHAIRMAN. Thank you very much, Dr. Perkovich.

We appreciate the fact that the witnesses are all listening to each other and then supplementing these answers. This is very helpful.

Dr. Samii.

STATEMENT OF DR. ABBAS WILLIAM SAMII, PH.D., REGIONAL ANALYSIS COORDINATOR FOR SOUTHWEST ASIA AND THE MIDDLE EAST, RADIO FREE EUROPE/RADIO LIBERTY, WASHINGTON, DC

Dr. SAMII. Good morning, Mr. Chairman. Thank you very much for giving us this opportunity. As was referred to earlier, the Iranians are going to be holding their ninth Presidential election in less than 1 month. But also it is a deeply flawed process, and one of the problems that you are referring to, not a problem, but the Constitution, it is a deeply flawed Constitution, which basically disallows any sort of real democratic process taking place there.

Iranian's efforts to elect officials and reform the system have failed to yield results. Unelected institutions and officials can overrule elected ones. The Iranians have also tried to express them-

selves politically through the press, media, Internet, and so on. All these factors have really failed to yield any results.

But I have to express some caution here. For us to somehow expect that there is a democratic movement waiting in the wings ready to move against the regime with plans for its replacement, I believe, is unrealistic. The government uses extensive repression against its opponents. More than 100 mostly proreform publications have been closed down since the year 2000.

The Internet became a popular source for public expression, but a crackdown against online journalists began in autumn 2004, with complaints of torture while in prison. And also forced confessions. The Iranian Government has, of course, linked these issues with the United States and it blames global network directed from the United States.

We have very high expectations from young Iranians, something that has been referred to earlier. Some two-thirds of the Iranian population is under the age of 30, with 46 million out of a total population of 69 million. However, there are only 1.2 million university students. So it would be a mistake, I believe, to expect a great deal from this group.

These are students. Many of them are politically apathetic. They are more interested in working and earning a living than in politics. They are discouraged by these pointless elections and elected officials who never fulfill their promises. The impact of this has been a brain drain. Young Iranians love America. They would love to come here to work and gain a decent living.

The student groups are disunited. The main student organization underwent some splits in the year 2000. It allegedly came back together in May of last year, but the reality of it is that the split still exists. There are also government-backed student organizations. Again, the government uses repression against student leaders, and you have people getting detained by unaccountable security institutions, a network of secret prisons, which are very similar to the dirty war that took place in Argentina in the 1970s.

There have been calls for an election boycott by some of the student groups. Then we have the exile groups that were referred to in the earlier session. These exiled leaders and the groups do not have any measurable backing in Iran. The Mujahedin Khalq organization, known as the MKO or the MEK, is hated in Iran for siding with Saddam Hussein's regime during the Iran-Iraq war.

Human Rights Watch yesterday issued a report about the MKO entitled, "No Exit, Human Rights Abuses Inside the MKO camps." Nevertheless, the regime is concerned about these exiled groups. It complains frequently about the MKO personnel in Iraq and demands their extradition to Iran. Also, demonstrators in October 2001 chanted the name of Reza Pahlavi, the son of the former monarch of Iran.

There are practical steps that we can take to help the democratic process in Iran. We should assist carefully selected nongovernmental organizations. This kind of assistance can include the provision of laptop computers, satellite phones, cell phones, and even fax machines. There is no independent labor organization in Iran. Collective action is rare and workers are not free to express themselves.

The United States could play a part in organizing workers and creating independent unions. Ethnic groups also deserve attention. They complain of discrimination at the hands of the state, poor programming by state media, jobs going to Persians, low-quality schools.

In mid-April, ethnic Arabs in southwest Ahvaz rioted against the government for almost a week, all because of a false letter which claimed the government planned to move them to other parts of the country and bring Persians to their predominantly Arab region.

Prospective Iranian leaders should be identified and their travel to the United States or other overseas locations facilitated. Once outside Iran, they could learn more about the roles played by NGOs in other countries' transitions to democracy and receive organizational training. Expatriates who travel to Iran could organize workshops and conduct training.

Just to summarize very quickly, things like pressure from other countries does have an influence in Iran, especially if it is connected with sanctions. The international community must continue to criticize the politicized court system that closes newspapers and jails journalists, and also criticism must come for the legal system in Iran, which discriminates against women and ethnic and religious minorities. Thank you, sir.

[The prepared statement of Dr. Samii follows:]

PREPARED STATEMENT OF ABBAS WILLIAM SAMII, PH.D., REGIONAL ANALYSIS COORDINATOR FOR SOUTHWEST ASIA AND THE MIDDLE EAST, RADIO FREE EUROPE/RADIO LIBERTY, WASHINGTON, DC

Iranians will vote for a new President on 17 June, and some 1,100 prospective candidates registered from 10–14 May. This will be the ninth Presidential election since the Islamic revolution of 1979, and Iran's rulers cite the number of elections as evidence of their theocracy's democratic nature. But these elections are democratic in name only. Presidential candidates' qualifications must be approved by a cleric-dominated body called the Guardians Council. The council's six clerics are selected by the country's top official, another unelected cleric known as the Supreme Leader. The six lawyers on the council are selected by the head of the country's judiciary, another cleric appointed by the Supreme Leader.

Iranians want a voice in running their own affairs, they want to determine their own fates, and they want relief from the oppressive theocracy that runs their country. They tried to achieve these goals by electing a charismatic dark horse with a relatively liberal reputation as President in 1997 and re-elected him 4 years later. They also voted in a parliamentary majority of reformists in 2000. However, Iran's political system, in which unelected institutions have the power to overrule the elected officials of the executive and legislative branches, made it difficult to accomplish anything substantive. Moreover, a timid President Mohammad Khatami failed to use his popular mandate to push through the measures that could have democratized the system.

Iranians' political expression is not restricted to the electoral process. They frequently demonstrate against injustice and incompetence on the part of state officials. They expressed themselves in the press, and when that venue was severely restricted by the authorities, they turned to the Internet. In a recent development, they are using the Internet to push for a referendum on the country's Constitution.

These developments may lead observers to expect regime change in Iran. However, most of the factors necessary for a revolution's success are absent in Iran. Most importantly, there is no unified democratic movement that is ready to act against the regime and which has plans for its replacement. For example, students, who were among the most vociferous political actors in Iran during the last decade, are members of several groups with divergent views toward the regime. Nor have any serious leaders emerged—imprisonment and torture has been used against a brave few in Iran, and the effectiveness of those in exile is questionable. Finally, there is no agreement on foreign involvement in opposition activities—organizers of

an online referendum welcome this, but student leaders and mainstream reformist figures oppose it.

Nevertheless, there are measures that could assist and accelerate the democratic process in Iran. These include logistical assistance to nongovernmental organizations, the creation of independent labor organizations, and identification of, and training for, potential prodemocracy leaders. Furthermore, the international community should continue to condemn the Iranian legal system, which closes news publications on the flimsiest of excuses and which does not grant equal rights to women nor to ethnic and religious minorities.

STIFLING DISSENT

Iranians' dissatisfaction with the regime is never far from the surface. Townspeople and villagers demonstrate against inadequate provision of social services, workers protest over layoffs and factory closures, and students object to poor facilities. After 25 years in power, the regime has become quite skilled in dealing with such events. In some cases it just lets the unrest burn itself out by allowing the demonstrators to gather, shout some angry slogans, and maybe burn some buses or break some windows. But the security forces contain the situation, and calm is restored after people have let off steam.

The unhappiness of some Iranians is not confined to personal and immediate issues, however. They are also disturbed by the limits on personal and political freedom. In the face of serious press restrictions, some express their political views via the Internet, particularly through Web logs (blogs).

The regime has taken a resolute approach to the Internet dissidents, combining disinformation and repression. In September 2004 an editorial in *Kayhan*, a high-circulation daily affiliated with the Supreme Leader's office, accused Iranian journalists, living in and outside the country, of participating in a United States controlled and directed network. This network allegedly shaped and manipulated information originating in Iran, and then relayed it as news to Europe and then back to Iran.

Around that time—autumn 2004—a number of the online journalists and bloggers were arrested. According to Reporters Without Borders and the bloggers' interviews with a Presidential commission in early 2005, they were kept in solitary confinement and tortured. They were released after newspapers published their open letters, in which the online journalists said they'd seen the error of their ways and expressed gratitude for the kindness they received while in detention. The online journalists acknowledged participating in a network that involved "foreigners and counterrevolutionaries" who were cooperating with reformist politicians in Iran and "fugitives" who left the country. The letters of contrition referred to illegal Web sites, and their authors admitted giving interviews to foreign radio stations.

If the regime cannot get to somebody it will go after his family. In the case of Netherlands-based online journalist Sina Motallebi, the authorities arrested his father, Said Motallebi, and released him only after forbidding him from having any contact with international organizations or the press.

These measures have been quite effective and appear to have forced some of the Internet activists to withdraw from politics. "I am quitting political work for good in Iran," activist Hanif Mazrui said in the *New York Times* on 26 December 2004. A former detainee who requested anonymity told the newspaper that he and some of his colleagues intend to leave the country. On 10 May 2005, the *Aftab-e Yazd* daily newspaper reported that 17 bloggers were acquitted, but the father of one blogger complained in the 14 May issue of the daily that his son is still in jail and the authorities have not acted on his case yet.

ONLINE REFERENDUM

The Internet has proven to be an important new vehicle for public expression. Persian is reportedly the third-most popular language on the Web, after English and Chinese. For many young Iranians, the Web logs (blogs) are a means by which boys and girls can communicate and discuss topics no more significant than movies and hip-hop music.

Internet use took a more political turn in autumn 2004, when a group of Iranian dissidents and students called for a referendum on the country's form of government. Their Web site (<http://www.60000000.com>) encourages people to sign a petition calling for "a national referendum with the free participation of the Iranian people, under the supervision of appropriate international institutions and observers, for the drafting of a new Constitution that is compatible with the Universal Declaration of Human Rights and all its associated covenants." The Committee to Organize a Referendum includes prominent figures such as Harvard University professor and

human rights lawyer Mehrangiz Kar, national religious activist and former Tehran University president, Mohammad Maleki, and journalist, Mohsen Sazegara, who is currently in Washington. Moreover, the involvement of Iranian expatriates and the international community is being encouraged.

Theoretically, the call for a referendum is not so far-fetched. Article 59 of the current Iranian Constitution says there can be recourse to public opinion on important economic, political, social, and cultural issues by holding a referendum if two-thirds of the legislature approves of this, and article 177 says the Constitution can be revised by a referendum if the conditions of article 59 are met.

Realistically, it is very unlikely that the current legislature would permit a referendum to take place. The majority of sitting parliamentarians are conservatives, and the younger and more activist ones tend to dominate political discourse. They owe their posts to the Constitution and the electoral interference of powerful unelected bodies. They will not seek to undo the arrangement which brought them to power.

Moreover, the call for a referendum has generated opposition from mainstream reformist politicians in Iran. Their preference is for operating within the current constitutional framework, and they also argue that the call for a referendum leaves a number of important questions unanswered. For example, what is the relationship between mosque and state, and what about rights for religious and ethnic minorities? An organizer of the referendum told the author in early May 2005 that the reformists' opposition stems from their fear of losing access to power.

The referendum's objective is 60,000,000 signatures. As of mid-May it has approximately 36,000. The dispute over the referendum and its lack of realism is one reason for the low interest in it. Another reason could be that the regime has blocked access to the Web site. Possibly reflecting frustration over the lack of progress, an organizer of the referendum, Ghassem Sholeh Sadi, said two approaches to the June Presidential election are being considered, the New York Sun reported on 31 March 2005. The original plan was a boycott, he said, but with fresh inspiration from events in Kyrgyzstan the election could be turned into an uprising. He did not explain further.

DISUNITED STUDENTS

Observers inspired by the role of youth movements such as Serbia's Otpor, Georgia's Kmara, and Ukraine's Pora in those country's revolutions may have similar expectations from their Iranian counterparts. Indeed, some two-thirds of the Iranian population is under the age of 30 (46 million out of a total population of 69 million), there are approximately 1.2 million university students, and the voting age is 15.

Iranian students have a long history of political activism, and student demonstrations in Tehran and Tabriz in July 1999 rocked the country and alarmed the regime. Students in major cities protested in November 2002 after a provincial court sentenced political activist and university lecturer Hashem Aghajari to death for blasphemy. There were more demonstrations in June 2003, as university students reacted to rumors that they would have to pay tuition. The audience at Student Day speeches every December has gotten increasingly unruly, and in 2004 President Mohammad Khatami was heckled the entire time.

There are many reasons to be skeptical about the student's revolutionary potential. Many university places are reserved for children of war veterans and state officials, and they are unlikely to oppose the regime outright. For others, economic and professional issues take precedence over politics. Those who must get a university place on their own merits face a vigorous and demanding examination process. Hoping that a college degree will help in the quest for a job when there is double-digit unemployment, they are unlikely to risk expulsion. In fact, the Iranian media and the country's officials occasionally bemoan the continuing "brain drain," as educated young people seek employment overseas.

Those students who are politically active are not very united. The best-known student organization, the Office for Fostering Unity (Daftar-e Tahkim-e Vahdat), split in two in early 2002 because of a dispute regarding support for President Khatami and the reformists. This situation persisted until May 2004, when members of the two wings reportedly decided to reunite and elected a new leadership consisting of older figures.

Nevertheless, the Iranian media continues to describe the existence of two separate factions. Indeed, members of the majority wing organized a sit-in at Amir Kabir University in early May to protest the holding of political prisoners and actions against student activists.

There is a more radical student organization known as the "Tabarzadi Group" (named for its founder, the oft-imprisoned Heshmatollah Tabarzadi). Furthermore,

the regime created the University Jihad and the Student Basij in the early 1980s to monitor on-campus political tendencies; 1998 legislation created a Basij unit in every university.

The regime's formal and informal repressive apparatus also limits the students' potential. The July 1999 unrest, which was triggered by the attack of uniformed police and plainclothes vigilantes on a Tehran University dormitory, came to an end after massive arrests and a threat by Islamic Revolution Guards Corps commanders to President Khatami that if he did not calm the situation they would take matters into their own hands. The June 2003 demonstrations ended only after vigilantes intervened and police arrested some 4,000 people.

The national police force has taken a new tack since several low-level officers were tried for their part in the 1999 unrest (this was a show-trial intended to assuage public anger). Rather than using brute force to suppress dissent, the police try to keep student protestors and vigilantes apart. Nevertheless, the vigilantes act with support from state institutions. Furthermore, unofficial parallel security institutions that do not answer to any elected branch of the government have emerged. The threat of violence, therefore, is omnipresent.

"Unknown prisons" is a phenomenon reminiscent of Argentina's Dirty War in the 1970s. There are many detention facilities that are not under the purview of the Prisons, Security, and Correction Organization. The national police, police precincts, the Armed Forces Judicial Organization, the Ministry of Intelligence and Security, the Islamic Revolution Guards Corps, the judiciary, and the Revolutionary Courts all run separate penal facilities that are free of oversight. Detainees sometimes disappear into this system and are not heard from for weeks.

The majority of the detainees are eventually released. But rather than dismissing the charges against them, the authorities merely suspend the charges. This means that the charges can be reinstated at any time and the individual can be arrested again. Moreover, individuals are arbitrarily summoned for questioning. These actions serve to intimidate individuals and discourage their activism. There are notable exceptions to this rule. A photograph of student Ahmad Batebi waving a bloody shirt was published by major international media in July 1999, and he was subsequently imprisoned for his role in the 1999 tumult and his comments and actions. He and some other students are still in jail. This serves as a powerful reminder to other young Iranians.

Economic prioritization, the lack of organizational unity, and the constant threat of violence and repression has discouraged many potential activists. Their activism of 8 years ago has changed, with the Office for Fostering Unity reportedly urging people not to vote in the June 2005 Presidential elections, in the hope that this will be interpreted as a vote against the system.

NO LEADERS

Politically active students and promoters of democracy in Iran face yet another problem—the absence of leadership. Anybody who is considered a serious threat is imprisoned. Incarceration and the accompanying dangers of torture, death, or disappearance tend to discourage all but the most ardent activists. It is reasonable, therefore, to look to the Iranian diaspora for a possible leadership figure, but there are few candidates.

One side of the opposition spectrum is represented by the Mujahedin Khalq Organization (MKO or MEK) which the U.S. State Department designated a "foreign terrorist organization" in 1997. Still identified as a terrorist organization, the MKO also is known as the National Liberation Army of Iran (the militant wing of the MKO), the People's Mujahedin of Iran, National Council of Resistance, the National Council of Resistance of Iran, and Muslim Iranian Student's Society (a front organization used to garner financial support). The EU designated the MKO's military wing as a terrorist organization in May 2002.

The MKO was created in the 1960s and its ideology combines Islam and Marxism. It was involved with anti-U.S. terrorism in the 1970s, and it initially supported the 1978–79 revolution. In June 1981, it staged an unsuccessful uprising against the Islamic regime; many members were imprisoned while others fled the country. The MKO transitioned from being a "mass movement" in 1981 to having "all the main attributes of a cult" by mid-1987, Professor Ervand Abrahamian writes in his 1989 book, "Radical Islam: The Iranian Mojahedin." The MKO refers to its head, Masud Rajavi, in religious terms, calling him the rahbar (leader) and imam-i hal (present imam).

From its Iraqi exile the MKO attacked the Iranian regime's leadership: A 1981 bombing killed President Mohammad-Ali Rajai and Prime Minister Mohammad-Javad Bahonar, in 1992 it attacked 13 Iranian Embassies, and it is behind other

mortar attacks and assassination attempts in Iran. Former President Saddam Hussein granted the MKO refuge in Iraq, and it helped Saddam Hussein suppress the 1991 uprisings of Shia in southern Iraq and Kurds in the north, so it is not very popular in Iraq. The MKO fought Iranian forces in the Iran-Iraq war, and this has discredited the organization among the Iranian public.

In May 2003, after Operation Iraqi Freedom, the MKO agreed to turn over its weapons to U.S. forces, and over time most of them have been restricted to one location, Camp Ashraf. In July 2004, MKO members in Iraq were granted “protected status” under the Geneva Conventions. The Iranian Government has repeatedly offered an amnesty to rank-and-file members if they return to Iran, but the amnesty does not extend to the organization’s leadership. A reluctance to return is understandable: Many MKO members who were imprisoned in the early 1980s were tortured into recanting, and for a few months in 1988–89 thousands of MKO and leftist prisoners were executed. Iranian state media sporadically reports on groups of former MKO members who have returned, but it is not clear how they are treated.

Some United States commentators have recommended removing the MKO from the terrorist list and using it as an armed resistance movement against Iran. There also are suggestions that MKO personnel should be cultivated as intelligence assets that might re-energize the reform movement in Iran. It is unlikely that MKO members would be trusted, since some reformists fought MKO personnel in the war, others created the security institutions that hunted them down, and most are part of the current political system. Furthermore, information provided by the MKO, which does not have the same objectives as the United States, is likely to be self-serving and unreliable. Using MKO personnel as a partisan force is appealing, but association with them will discredit the United States in Iranians’ eyes.

The MKO is just one end of the spectrum. There are other expatriate leaders who have less of a formal organization. For example, Reza Pahlavi, son of the last Iranian monarch, appears with some frequency on satellite television programs broadcast from the United States. In October 2001 the authorities arrested over 1,000 people for rioting after Iran lost a World Cup qualifying match in Bahrain. Chanting “Only Reza Pahlavi” and egged on by the television broadcasts, rioters attacked banks, ticket kiosks, public telephones, and traffic signs, as well as police and public vehicles.

It is impossible to quantify these leaders’ impact (i.e., the number of followers). Furthermore, are those who chanted in favor of Reza Pahlavi in October 2001 truly monarchists, are they old enough to recall the monarchy, or were they just reacting to the TV broadcasts and letting off steam? Regardless, they are an annoyance to the regime, which arrested hundreds of people in 2001 and mentioned the possibility of reeducation.

Other exile promoters of regime change are secular communists, constitutionalists, nationalists, and pan-Iranists. There are organizations with inspiring names such as the Alliance for Democracy in Iran, Coalition for Democracy in Iran, and the International Committee for Transition to Democracy in Iran. This listing is not a comment about any group’s objectives, nor does it reflect the size of its membership. This is not a comment on how representative the organizations are, either, because there is no way to independently confirm the extent of support within Iran.

RESPONDING WITH APATHY

In countries where the government depends on tax revenues to fund its activities, it is answerable to taxpayers and their elected representatives. In Iran, the government depends mainly on oil revenues to operate, and it is the public that is dependent on the state. Commodities such as cooking oil, meat, rice, and bread are available at subsidized prices, and subsidized gasoline is among the cheapest in the world. The country’s unemployment rate is estimated to be over 20 percent, and hiring quotas for veterans’ families and a privileged few serve to exacerbate the situation. This dependence tends to discourage those who would oppose the regime.

Apathy appears to be the overwhelming Iranian response to the country’s political climate, the limits on political expression, and the threat of repression. After participating in large numbers in the 1997 and 2001 Presidential elections (88 percent and 63 percent turnout, respectively), 1999 municipal council elections (about 64 percent nationwide), and 2000 parliamentary elections (69 percent), fewer and fewer voters have turned out as reformers failed to deliver. The council election of 2003 saw a 50-percent nationwide turnout and in the major cities of Tehran, Esfaham, Shiraz, and Mashhad turnout was 12–20 percent. In the February 2004 parliamentary election, 51 percent of eligible voters cast ballots, and 6 percent of the ballots were spoiled or voided. Defacing ballots is a traditional Iranian way of showing dissent.

Some Iranian activists want to convert public apathy into political action by advocating a boycott of the 17 June Presidential election. As candidates registered from 10–14 May, more than 500 Iranians signed a letter saying they will not vote because the polls are neither free nor do they serve the public, Radio Farda reported. An Interior Ministry official conceded that a possible boycott worries the regime. In fact, this is a lose-lose situation. If Iranians do not vote, the victory of a conservative candidate is almost certain. The conservatives have easily mobilized constituencies, such as conscripts and state employees, so those who bother voting will back conservative candidates. If Iranians vote in large numbers, the regime will describe this as popular support and sign of its legitimacy. In the unlikely chance that a pro-reform candidate is elected, his or her ability to implement meaningful changes is sharply curtailed.

THE VIEW FROM THE UNITED STATES

The United States wants to help the Iranian people. President George W. Bush has enunciated America's solidarity with the Iranian people several times. At his 3 February 2005 State of the Union Address, for example, Bush said "And to the Iranian people, I say tonight: As you stand for your own liberty, America stands with you." During his February 2005 tour of Europe, Bush again expressed his support for Iranians' aspirations. "We also look for Iran to finally deliver on promised reform," he said. "The time has arrived for the Iranian regime to listen to the Iranian people and respect their rights and join in the movement toward liberty that is taking place all around them."

Congress is similarly supportive. The recently introduced "Iran Freedom Support Act" states: "Congress declares that it should be the policy of the United States to support independent human rights and pro-democracy forces in Iran." (H.R. 282; 6 January 2005) and "Congress declares that it should be the policy of the United States (1) to support efforts by the people of Iran to exercise self-determination over the form of government of their country, and (2) to actively support a national referendum in Iran with oversight by international observers and monitors to certify the integrity and fairness of the referendum" (S. 333; 9 February 2005). The legislation authorizes the White House to assist the advocates of democracy in Iran, and it calls for increased contacts with "opposition groups in Iran."

These are praiseworthy objectives, and the President's statements remind Iranians that they are not forgotten and should not lose hope. However, as the discussion above shows, putting these plans into action would be very difficult. Nevertheless, there are several practical steps that can help the democratic process in Iran.

- Assistance should go to carefully selected nongovernmental organizations in Iran. This could include the provision of laptop computers, satellite phones, cell phones, and even fax machines. The provision of cash is risky but may be unavoidable, as in the case of Serbia, relatively small amounts of funding from the National Endowment for Democracy and the International Republican Institute helped create Otpor offices and branches in Belgrade and other cities.
- There are no independent labor organizations in Iran. A state-licensed House of Labor purports to represent workers, but individuals from the House of Labor attacked the office of an independent labor syndicate and injured its leaders, Egbal daily newspaper reported on 10 May. Furthermore, labor actions are usually connected with problems at individual workplaces, such as a factory where workers have not received their wages. Collective action is rare, and workers are not free to express themselves. The United States could play a part in organizing workers and creating independent unions.
- Prospective Iranian leaders should be identified and their travel to the United States or other overseas locations facilitated. Through no fault of our own, there is no United States Embassy or consulate in Iran, and Iranians who want to visit the United States must go to Dubai or Istanbul to request a visa. The process is slow and potentially expensive for the applicant, and there is no guarantee of success. Washington should maintain a list of Iranians whose visa applications are preapproved. Individuals on this list could be political figures, journalists, academics, and intellectuals, and even promising young Iranian students. This would encourage them to visit the United States. Even if travel to the United States is not feasible, these individuals could meet with democratic organizers in international locations. Once outside Iran they could learn more about the roles played by NGOs in other countries' transitions to democracy and receive organizational training. Expatriates who travel to Iran could organize workshops and conduct training.
- Pressure from other countries has an influence in Iran, especially if it is connected with sanctions. The international community must continue to criticize

the politicized court system that closes newspapers and jails journalists. These events have become so commonplace in the last 5 years that they are rarely mentioned in the Western media. International bodies should call for the dismissal of the notorious press court judge, Said Mortazavi, who is responsible for many of the press closures.

- Continuing international criticism must be directed toward Iran's legal system, where the value of one's testimony and the extent of one's rights are based on gender. Iranian women must have the same legal rights as Iranian men. International criticism of this situation will show Tehran that trying to justify this situation by attributing it to religious and cultural peculiarities is unacceptable. Similarly, ethnic and religious discrimination must face continuing and vocal condemnation.

Some observers believe Iranians should be left alone to sort out their own political evolution. This is an appealing thought, and if there was an infinite amount of time it would have a lot to recommend it. As Iran comes ever closer to becoming a nuclear power, because its regime sponsors international terrorism, and because the Iranian Government continues to interfere in Iraqi affairs, waiting is not an option. A democratic Iran is far less likely to pursue such destructive policies.

In conclusion, there are steps the United States can take to hasten Iran's becoming a democracy. The belief that there is a pre-existing democratic movement or even an effective opposition group, however, is inaccurate. And although most Iranians undoubtedly favor independence and self-determination, assisting individuals rather than organizations without proper planning will be neither efficient nor effective.

The CHAIRMAN. Thank you very much, Dr. Samii.

I would like to recognize now Senator Biden, distinguished ranking member, who may have an opportunity to give his opening statement as well as initiate questions.

**STATEMENT OF HON. JOSEPH R. BIDEN, JR., U.S. SENATOR
FROM DELAWARE**

Senator BIDEN. Thank you, Mr. Chairman. I apologize. My Governor was in town and I am sorry I missed Ambassador Burns' testimony. I would ask that my opening statement be placed in the record.

The CHAIRMAN. It is placed in the record in full.

Senator BIDEN. And I will wait my turn for questions, if you would like to begin. Thank you.

[The opening statement of Senator Biden follows:]

**OPENING STATEMENT OF HON. JOSEPH R. BIDEN, JR., U.S. SENATOR FROM
DELAWARE**

With the dispute over Iran's nuclear program coming to a head, our hearing today couldn't be more timely.

Iran is threatening to break out of an agreement it reached with the Foreign Ministers of Britain, France, and Germany last November in which it committed to halt all uranium enrichment and reprocessing related activity.

Any breakout by Iran must be met with a swift, firm, and united response by the United States and our European allies.

Just last week, Europe's strong response to Iran's latest threats to resume enrichment-related activity caused Tehran to back away from the brink . . . for the time being.

Mr. Chairman, our diplomacy is facing a serious test. We must urgently develop, with our European allies, a strategy that will penalize and isolate Iran should it choose to go down the nuclear path. At the same time, we should agree on credible security and economic incentives for Iran should it verifiably abandon its quest for nuclear weapons. The risks of miscalculation are high on all sides.

Iranians of all political stripes seem to share the desire for nuclear weapons capability, whatever their differences may be on domestic policy. Tehran may believe that Europe won't follow through with penalties because of Iran's geopolitical weight, including its oil reserves.

Europe has consistently demanded that Iran give up a full nuclear fuel cycle, but it hasn't said what it will do if Iran doesn't.

For our part, it is not clear to me that we have our diplomatic ducks in a row. Should Iran be referred to the United Nations Security Council, have we done the spadework with our European partners, with Russia, with China, to find common ground?

Unfortunately, the record of our diplomacy has been mixed in recent years. The Bush administration has vacillated between two very different approaches. At times it signaled support for regime change. At other times, it engaged in direct discussions with Tehran over Iraq and Afghanistan.

I was pleased that the President, after his visit to Europe in February, decided to explicitly support the EU-3 initiative. This is a significant development. Previously, the administration had simply thrown cold water on the EU effort.

There is no guarantee that the EU-3 effort will succeed. But by backing Europe, the President has made it more likely that a decision by Iran to break out will isolate Iran, not the United States.

So where do we go from here?

I believe we must urgently develop, with Europe, a more detailed game plan consisting of European sticks and American carrots. Europe should be willing to support a gradually escalating set of sanctions if Iran breaks out of its obligations. The United States should be willing to offer specific economic and security incentives in exchange for a tough, verifiable agreement with Iran to give up enrichment and reprocessing.

The bottom line is this: Neither the United States nor Europe can succeed on their own. But we have a chance of dissuading Iran from taking a terrible step if we work together.

I am eager to hear from Secretary Burns on progress that has been made in forging a common approach with Europe and others.

I also want to get a sense of the administration's priorities. To me, the most clear and present challenge from Iran is its nuclear program, but it is far from the only challenge that Iran poses.

The world should lend greater support to the Iranian people's desire for democracy and freedom. Three years ago, I called for an end to self-defeating restrictions that prevent United States NGOs from directing aid to Iranians working for democracy. Those restrictions inexplicably remain in place, even as the reform movement has been crushed before our eyes.

Iran's support for terrorist groups that seek to undermine an Israeli-Palestinian peace is unacceptable and must be confronted.

Also, we are now Iran's neighbor, with over 150,000 combined troops in Iraq and Afghanistan.

And we are, obviously, directly affected when Iranian hardliners play an unhelpful role in these countries.

We will have to keep working at these other matters, even as we deal with the urgent issue of Iran's nuclear programs. It is clear that we have our work cut out for us.

I look forward to the testimony.

The CHAIRMAN. Thank you very much.

We will have a 10-minute round on this occasion. Let me begin by once again summarizing some of the thoughts you have enunciated so well.

Essentially, we have heard in the committee before that the United States is held in high esteem, especially by the young people of Iran. As the foundation and others have conducted polls elsewhere in the world, asking for approval, disapproval, frequently the United States does not come out well, depending upon the question. And that might be true in Iran as a whole. At least the young people, perhaps two-thirds under 30, tend to like us, as you have just identified.

Now this leads some people to say, "Well, if that is the case, they must not have high regard for the Mullahs," the old people that might be moving off stage in due course. Perhaps so. But as everybody else universally points out, they are not in a rebellious mood. They are not appearing to be indigenous cell groups. Political activity, if there has been any, has been successfully repressed by the government.

And likewise, they may have the view, as you have expressed in having taken a look at Iraq next door, that they would not want to see a repetition of bloodshed, disorder, and so forth. So, as a result, they may just sort of bumble through in the process hoping for the best.

The Mullahs, understanding that, may appreciate that they may not be loved, but on the other hand, they do have leverage and authority. And some among that group, maybe not all, likewise, maybe have some desire for an Iranian nuclear weapon, for whatever reasons. Some may want to go short of that.

Now the problem in all of this is how does this ever resolve itself in Iranian society without there being substantial debate, some representative institution, somebody who can object peacefully, vote, and so forth. This is not clear. It seems to many Americans that things are drifting despite the fact that two-thirds of the country might like us to work through a course of nuclear armament.

So this might lead at least a couple of you to suggest, well, it is best to consider what happens after they have weapons. What do we do then under those circumstances? And how well does the NPT work, or is it around at all at this point? That conference has not been going particularly well in trying to define what the NPT is these days.

That is unfortunate. And that might be the result of a part of our policy of maybe being less definitional about what we wanted from that conference or from the NPT. But I keep having a feeling that despite the fact that no one really wanted this to happen, the drift of affairs is that covertly, despite stops and starts, there might be some attempt to satisfy the Europeans or us, that somewhere back in the weeds somebody is still working with centrifuges, attempting to find somewhere in the world maybe some fissile material that would hurry up the process. They might get lucky. Somebody might turn up someday with some material. There is still some around, unfortunately, that could make that hastier.

We have been left with this issue, which some of you have suggested, and which I asked in my first round of comment or questions today, do we take military action? You suggested that if we did, it would probably be very unilateral, condemned even maybe by the United Kingdom, quite apart from the United Nations or anybody else. But we could say, "After all, that is our burden. Too bad others do not step up to the plate, but nevertheless, somebody has got to do the job."

But then some say, "Well, how are we certain? We think that we know where all of these installations are, including ones we think have been closed down or delayed. But there might be ones that may be out there somewhere that are not known to us." And, of course, we do not know all that much, I suspect.

With military action, we cause destruction. We maybe change the course of events, but we do not really get the job done, necessarily, with regard to the nuclear weapon, if that was the point. And some have raised the question, well, how good is our intelligence? Is it better than pre-Iraq? How confident are we, as we ask the American people for a declaration of war, that we are after something here? Well, that is a very good question. And we all need to be raising those issues as we contemplate that.

Another prospect has been that we do not necessarily go to war, but we try to get economic sanctions that are of sufficient quantity and quality that they make a difference. Maybe they will. There are some who will say that the Iranians are sensitive to this. Certainly, they would be sensitive if the world said that we are not going to buy your oil, period. We are just stopping it. But we are not optimistic enough to think the world will come to that conclusion.

In fact, many Americans are either pessimistic or cynical, believing that a good number of countries in Europe and Russia have trade relations that are very strong, that their populations would say, "Hold on here, and before your foreign policy gets carried away, there is business to be done. There is unemployment abounding in Europe. No growth. We need both the energy plus the commerce." So that would tend to mainly bumble along further in that direction.

In essence, almost all of the signs dictate, although we may talk about going to the Security Council, we have Secretary General Kofi Annan saying, caution light here. Members might not act in concert. As a matter of fact, the Russians and the Chinese may not like the idea at all, and, therefore, we can debate the issue. But in terms of effective action, once again, are we left to go unilaterally or with the coalition of the willing, or do we have this?

So I am looking for some ray of hope in all of this for our policy-makers. I agree with you that those looking for more engagement will find that there are some who argue that there ought to be a great deal more. But if there was, if the United States was fully engaged with these folks right now, and we got everybody to agree that we go to the Security Council, and we are still not sure exactly what is going on back in the weeds in terms of developments, even while we are talking there, what is the hope for us in all of this?

Is there a glimmer, at least at the end of the day, that the right policy might lead to, one, no development of nuclear weapons in Iran? And second, to an Iran that became a normal nation, that had some general relationships with us, with the Europeans, with the rest of the world, that would be, in fact, a country that was able to work in the Middle East constructively, in an area where there are all sorts of other controversies, in which sometimes they become involved.

Can anybody offer a glimmer of hope, a scintilla, at least, of sunlight to the situation? Dr. Kemp, would you like to try?

Dr. KEMP. Not in the short run, Mr. Chairman, but I do think that if you look at the big picture over the years, it is clear that the regime is worried about its own internal stability for the long term, given the demographics, given the inability of the economy to truly reform. And here, I would say parenthetically, I think sanctions have had a significant impact on deterring foreign direct investment in Iran.

Now, I think one of the dilemmas we have is that there is a great deal of confusion, both in Iran and, I think, here, about what we mean by Iran going nuclear. I mean it is one thing for Iran to develop nuclear weapons, put them on a missile, and declare like Pakistan and India have, that they are a fully fledged nuclear power.

It is quite another for Iran to develop all the wherewithal to fabricate a nuclear warhead, but not physically cross the line, creating a more ambiguous set of circumstances. My judgment is that most Iranians support the Iranian Government's arguments that they make in public, namely, that they have the right to develop the technology. But I am not sure there has ever really been a debate in Iran about how good it would be for them to actually have the bomb.

In fact, you find a lot of Iranians who say we oppose the idea of the bomb. Indeed, the government opposes the idea of a bomb, they want the technology. And one of the reasons I think this great ambiguity exists about this is because the Iranians themselves have to think through very carefully what impact a bomb in Iran would have on the neighborhood, and, therefore, on them. I think it is certainly possible that if Iran gets the bomb, Saudi Arabia, Egypt, and possibly even Turkey, would reconsider their nonproliferation stances.

Certainly, the smaller gulf states would turn to us for help. There would be huge downsides for the Iranian regime getting the bomb. And one of the things we can do, I think, is to encourage more of a debate in Iran about the benefits they get from crossing this awful red line.

The CHAIRMAN. Senator Biden.

Senator BIDEN. Mr. Chairman, you approached your question the way I was about to. High regard. Regime change not likely. Nuclear capacity desired pretty much across the board; acquisition inevitable with that capability. And United States, Europe should stay the course, but we are not really going to be able to do anything about it. That is the essence of what I am getting from you all.

If we go to the Security Council, we may get something we did not wish for, which we have to basically accept or act unilaterally militarily. And even then that is another question, accept this inevitability, which basically says a nation that openly and recently defies the NPT, it is okay. There is no downside, which is further undermining this already shaky regime.

I have three questions. One of the things we do not discuss a lot, at least in my experience, is the impact of acquisition. The American people hear us say all the time, it would be a disaster if the Iranians acquired a nuclear weapon and acquired the capacity to thrust that nuclear weapon some distance from their borders in a missile.

But there is very little discussion publically about why that would be so disastrous for the United States. Some suggest that the likelihood of the Iranians ever using such a weapon, knowing they would be annihilated if it were done, that this is one place where the doctrine of assured destruction still has relevance.

The other question I want to ask you about is the impact not only of acquisition, but the impact of threats. We hear from varying quarters. Those of us who spent a lot of time focusing on this, and experts like yourselves, intelligence folks, and a whole array of people, are concerned that threats do not work very well in Iran. They actually may be counterproductive in terms of dissuading them from pursuing this acquisition capability.

And it has been said by some that I respect, that sanctions have even had a perverse impact of not moving the process forward.

And so I would like to know what you think about the impact on U.S. interests with acquisition of a nuclear capability, the impact of physical threats and sanctions, combined, and I would like to ask the rhetorical question. You have said, Dr. Kemp, and others have said, that the regime has a long-term concern about its own stability, although it is not in jeopardy and the likelihood of some spontaneous uprising of antiregime forces in Iran is nonexistent in the minds of almost everyone I have spoken to at this point. But if there is a long-term concern about their viability, then why is it not a good idea for us to focus on short-term efforts that have the effect of delaying the ability to acquire this technical capability?

Do you speak to people who are very steeped in the knowledge of the construction of, the acquisition of, the production of, fissile material and the like? It is not an easy undertaking, and the Iranians are not particularly close to that process at this point, according to most people that I have spoken to.

So, does it make sense for us to seek objectives that have, if nothing else, the ability to maintain inspectors in place on their centrifuge system, the one site that we know they have. Is that a good thing? Does that slow up the process?

And is time on the side of the United States and those who are concerned about the acquisition of a nuclear capability? And if it is, how do we push this down the lane so that we move further in the direction of observing the prospect of Iranian discontent with the theocracy growing.

There is a lot of questions in there, but acquisition, what is the impact? Impact of the threats and sanctions. And impact of us having delay as a strategy, increasing the difficulty, in terms of time, of acquiring the ability to produce their own fissile material. Anybody?

Dr. PERKOVICH. Let me jump in a little bit, Senator. I think, partly because of what Senator Lugar said and what you said, that the default position is going to be the buying-time position. I mean that is kind of where you get led through the logic that none of the options are great, and the options are not that great for Iran, and so we will buy some time.

Let me try to address the other two questions. The impact of acquisition, we can all model ways in which you get a relatively stable outcome or a bad one. The metaphor for me, which makes me nervous about it, is the Iranians built a new airport in Tehran, the Imam Khomeini Airport. The day it was to open, the revolutionary guards took it over.

It has been there, built, ready to go for, I think, going on 2 years now. No revenue. No nothing. We have an image of the Leader, the Ayatollah Khamenei, who somehow can control everything. But this inactive airport is not something he welcomes. They have this airport sitting out there for 2 years with nothing.

So the concern would be that they acquire a nuclear capability. Who controls it? By which lines of authority? It is a very kind of circular difficult governmental structure there to try to figure out. So that would be a worry about acquisition.

Last, on the impact of threats. I think you have to have——

Senator BIDEN. Is that the totality of the worry? In other words, what is the case you make to the American people as to why this is such an absolute disaster, catastrophic, would change our security circumstances in a fundamental way if Iran got a weapon?

Dr. MILHOLLIN. Could I respond to that, sir?

Senator BIDEN. Yes. Is that not—

Dr. MILHOLLIN. I think that the case of Pakistan is the best piece of evidence that it would be a catastrophe.

For years we were worried about Pakistan itself becoming a nuclear power. And during that time, we did not realize that Pakistan was helping other countries become nuclear powers; that Pakistan was not just a threat on its own, but it was proliferating. And so we are going to face that problem with Iran, also.

In fact, I would say that Iran's knowledge probably brings us there already. That is, Iran is going to have the ability to extend the ability to make the bomb beyond itself, and will probably use it to further its foreign policy goals. Other countries have. The Chinese have for years. So that is one of the most powerful arguments behind this, I guess you could say, "catastrophe" rubric.

I think there is a second one, and that is that we tend to think that the delivery capability of a nuclear weapons state is limited by its missiles or its aircraft. I think after 9/11 we should realize that that is not necessarily so. With Iran's ties to terrorist groups, with the obvious fact that our borders are porous, I think if the Iranians had a dozen bombs and were worried about an imminent war with us, I think they could get one here without putting it on a missile.

Senator BIDEN. We are really in trouble with Korea, are we not, right now?

Dr. MILHOLLIN. Well, I think we are. We do not know how many SQs, how many significant quantities, how many warhead quantities North Korea really has, and we do not know where any of them are.

Senator BIDEN. We know they have. We are not sure, we think Iran does not have. But we know North Korea does have.

Dr. MILHOLLIN. Well, we know they have enough material to make probably eight or nine bombs.

Senator BIDEN. Right.

Dr. MILHOLLIN. We know that they have worked on making warheads. We know they have probably received a design that works perhaps from A.Q. Khan. And we know that somebody can figure it out. I mean, after all, we figured it out in the forties.

So, if you are just looking at probabilities, you would have to say that the North Koreans, if they wanted to, could probably get one here tomorrow. So, I mean, I do not think we could ever assume that that was not possible. And as time goes on, that is going to be with us.

But I think there is a glimmer of hope that if we can continue the freeze, we might see a change in heart in Iran. That is what happened in Argentina and Brazil. We slowed their programs down long enough so that there was a political change in those countries, and instead of becoming nuclear powers, they did not.

Senator BIDEN. It seems to me that this is the only rational strategy proffered thus far, that if you were President of the United

States yourself all the other strategies that are talked about seem to be beyond the ability to accomplish in the near term. The one strategy is if we could accomplish a freeze, that it buys time. Is there any other suggestion other than that one?

Dr. KEMP. Not really. I mean the other model that has sometimes been used, which I happen to think will not work in the case of Iran, is what is called the Qadhafi model. After all, here is a man who had all the ingredients for WMD, and gave them all up, lock, stock, and barrel, but in exchange for one very important thing, regime survival.

And I think that the only lesson we can learn from that is that this regime does worry that we are interested in regime change, and, therefore, the extent they see our strategy is to delay, delay, delay until they topple. They are more and more encouraged to accelerate their programs so that they have this insurance—

Senator BIDEN. But, is not that argument even more profound when you say to the extent that they see us threaten, threaten, threaten, the extent that they see us sanction, sanction, sanction, they are even more encouraged to move more rapidly?

Dr. KEMP. With one caveat, Senator. I think that they—they are worried about the idea of joint United States-European sanctions, possibly joined by Russia, China, and Japan. I think they would be very worried about the impact of those sort of sanctions on them. They can live with our unilateral sanctions.

Senator BIDEN. But you do not think that and I do not think that and they do not think that. They are wiser than that. I have not heard a single person realistically suggest that there will be genuine sanctions in Iran. They are making their deal with China right now, pretty darn smart, with Russia. They have their own interests that are related—unlikely to cause Russia to engage in these overall sanctions.

Are any of you seriously suggesting that you think there is even a 20-percent chance that Europe, Russia, and China would engage in a full sanction on no purchase of Iranian oil? Anybody thinking that? What makes you think they think that?

Dr. MILHOLLIN. Well, I do not think you can rule it out completely. If you get into a defiance situation where they are defying U.N. resolutions, you do not know what will happen.

Senator BIDEN. I will make you a bet. Maybe I have been around here longer than you. I will make you a bet.

Dr. MILHOLLIN. Well, it is uncertain, obviously.

Dr. KEMP. If there were a global recession where we did not need their oil, it would be a different story.

Senator BIDEN. That is true. That is true.

Dr. PERKOVICH. There is one alternative, Senator, that falls on what both Senators have said, and that is that if we made the focus broader, in other words, we are not saying that only Iran cannot have uranium enrichment or plutonium separation capability, it is a broader requirement, that would generate a lot more pressure on them.

For example, ElBaradei, the Director General of the IAEA, has proposed a moratorium, a global moratorium on constructing new facilities. If you could get that, then it adds a lot more pressure on Iran.

The problem is that we oppose it, the Japanese oppose it, and the Europeans oppose it, because our nuclear industries do not want moratoria on those things. So then we are back to—

Senator BIDEN. Bingo.

Dr. SAMII. If I may interject also, if we look in terms of the Presidential election, we will see that Hashemi Rafsanjani, the former President, he actually advocated Iran having weapons of mass destruction back in 1988. So it seems unlikely that if the front runner is suddenly going to have a sea change, although it might be a little more discreet about it. The other conservative leaders for the Presidential election, Larijani, he has dismissed negotiations with the NPT saying—with the EU, saying that Iran has given away too much in the negotiation process. Rezai has pretty much said the same thing. He says the diplomats are trying hard, but they are not very good at their jobs. So it seems very unlikely to me that any of these candidates would give up this nuclear capability.

The CHAIRMAN. Thank you very much, Senator Biden. I appreciate listening to the thoughts about the IAEA solution, NPT, and these other situations. We are all searching for something that makes some difference in all this.

Senator Dodd.

Senator DODD. Well, thank you, Mr. Chairman. I will be brief here. You have been very patient, all of you.

Let me just ask you to quickly comment on this. I used the word “engagement.” And obviously, a lot of things can fall under the rubric of engagement. But I think you all understand what I was driving at here, the question of whether or not you are sort of relying, to the extent we have become reliant on the Europeans, to be the principal negotiators in this entire effort.

Tell me how you feel about this notion of us getting more directly involved with the Europeans, that is, the United States more directly involved. I know what the Iranian reaction has been, but I suspect that were we a bit more aggressive in pursuing our engagement with Iran, there might be a bit more of a positive reaction there. And I wonder if you would quickly give an assessment of that.

Dr. KEMP. Well, I quite agree. I think that unless there is more direct American engagement, there will be no deal at the end of the day, because the Europeans cannot come up with enough carrots for the—

Senator DODD. Right.

Dr. KEMP [continuing]. Iranians—only the United States can.

Senator DODD. Right.

Dr. KEMP. And, therefore, what we have to decide is if we are prepared to go the extra yard and provide more than just a few aircraft spare parts. Obviously, we have to put much more on the table. I do not think the government has decided whether to do that or not.

Dr. MILHOLLIN. I agree with Mr. Kemp. I think that what we have to do is put the best offer on the table we can put. The United States has to think about it, work it out with the Europeans, and figure out what our best shot is. That is, we have to calculate what it is that we can afford to offer, what it is we think the Iranians will take, and we have to give it our best shot.

If that is insufficient, which probably one would say is more likely to be the case than not, then, at least, we will have shown the world that we are willing to go that route and to explore every possibility short of sanctions or force. And I think even doing that would improve our position.

Senator DODD. And it probably would increase the likelihood—I think your point is made. And the possibility of getting a sanctions regime imposed will increase dramatically with our direct involvement, I think.

Dr. MILHOLLIN. Yes. And without that, it is going to be harder for us to achieve that.

Senator DODD. I agree.

Dr. PERKOVICH. I would make a distinction between our participation, physically, in the negotiations with EU and Iran, which I think is a bad idea, and what my colleagues have said, our conveyance to our European colleagues that we would support and are prepared to provide what they need, whether it be Presidential statements, economic policies, whatever. Having us in the room—

Senator DODD. I was not suggesting that necessarily. I am talking about more direct U.S. involvement here. You are for that. You presume that is correct.

Dr. Samii, what are your thoughts on that?

Dr. SAMII. Sir, all I can say is that the Iranian negotiating process, in my opinion, seems to always be one of demanding a great deal, giving away just a little bit, and when things seem to come to a standstill, then the Iranians will give yet a little more ground.

Senator DODD. Right.

Dr. SAMII. But they seem to be trying to get much more out of it than they are giving up. And I think that will continue to be the process. Rafsanjani, this morning, said that basically, the Americans should gradually begin to take positive actions instead of misbehaving with Iran. They should not expect to see an immediate big reaction in return for a small action. When these positive United States actions are forthcoming, the people of Iran and its government will fuel that idea that the United States is giving up its hostility.

Senator DODD. Yes.

Dr. SAMII. So they are always demanding things from us.

Senator DODD. Yes.

Dr. SAMII. And they do not seem to be giving any ground at all.

Senator DODD. No. I understand that. I mean, look, I am not arguing about who we are dealing with here, and obviously, I could show you some of the statements being made by Members of Congress in the last month or so on these issues, and I presume they are being read widely by Iranian officials from time to time, too. I am trying to get beyond that a bit.

And the point here, that I think has been made by the Chairman, by Senator Biden, by all of you, as I have heard you, is that the best likely outcome here is to have something happen before the Iranians reach the ability, if they have not already, to really possess these weapons of mass destruction. That is our greatest hope, that all the other options we are talking about are just rife with problems, serious, serious problems. And the question I had was: Can we rely—can we outsource, in a sense, our participation

in that? Will the Iranians accept that and agree on some formulation here that would limit their willingness or ability to acquire these weapons? So I was curious about your comments on the engagement.

Let me ask you one other question, if I can, because I am curious about the change. And by the way, I could not agree more. I think, Dr. Kemp, you made this point. I think others have. Certainly, there is tremendous, what I see as a significant change in the administration's view on the EU-3 effort. And I applaud that. Go back, and people can have fun, if they want, politically about what was going on before. But I think we ought to welcome and applaud our very significant engagement, and the comments this morning of Secretary Burn's support that.

I guess I am sort of curious, as you are watching this as people who are very astute observers of this situation, what are the motivations here? Do we wish success of this effort or is it more tactical, in your opinion?

Dr. KEMP. My view is that I think there was an appreciation both in Washington and in Europe, that without this coming together—

Senator DODD. Yes.

Dr. KEMP [continuing]. It would fail. The Europeans would fail in their approach and we would fail in our options. So it is the only hope. And it is better to go down together, rather than to go down divided, because of what follows afterward.

Senator DODD. Any other—

Dr. MILHOLLIN. I think there was also the factor that the Europeans assured us that if the deal did flounder that they would deliver in the sense that they would be willing to go to the United Nations and they would stand side to side with us in demanding whatever action was appropriate. That is, I think we got something in exchange for supporting their position.

Senator DODD. Yes.

Dr. MILHOLLIN. Which was a promise by them that they would support us if the process failed.

Dr. PERKOVICH. I do not think it was just tactical, because I do not think we have plan B. So tactical makes sense if you have plan B that you think is a great plan, but nobody here has a great idea how we solve the nuclear problem. To suggest that all of this talk about cooperating with Europe is somehow a ruse because we have a strategy we really think is going to work, is rather optimistic.

Senator DODD. Unless you accept the notion that there are those who believe that there is quite a military answer to all of this, in which case you have now gone down the road of the political diplomatic approach, if you will, and that has cratered and failed. Thus our options are off the table and we are left with what Secretary Burns talked on earlier, and that is saying we would never take any option off the table.

There are those who, I think, embrace that view, unfortunately, within the administration, but I think I would be naive to assume otherwise.

The CHAIRMAN. Thank you.

Senator DODD. Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you very much, Senator Dodd. And we thank each one of you for staying with us and responding to our questions and engaging in dialog. I suspect that the committee will have additional hearings on this topic, because the subject that we have been discussing today will be with us, I suspect, for a period of time. And our role is to conduct oversight, but likewise, to be inquisitive, and to try to be helpful in the formulation of American foreign policy. You have made great contributions to that with your testimony this morning.

The hearing is adjourned.

[Whereupon, at 12:36 p.m., the hearing was adjourned.]

