

**Under Secretary Thomas A. Shannon**  
**Senate Foreign Relations Committee Hearing on**  
**Iran's Recent Actions and Implementation of the JCPOA**  
**Tuesday, April 5, 2016**

Chairman Corker, Ranking Member Cardin, and distinguished members of the Committee, I am pleased to appear before you to discuss U.S. policy toward Iran. Thank you for the opportunity.

The successful negotiation of the Joint Comprehensive Plan of Action (JCPOA) with Iran created a framework whereby we and our P5+1 partners could pursue a common goal of ensuring that Iran does not obtain a nuclear weapon. Reaching that goal however, will depend on how the JCPOA is implemented and whether Iran lives up to its international commitments. So far implementation is proceeding well. Should Iran continue along this path, we believe that, through the JCPOA, we can achieve our goal. Indeed, the significant nuclear steps Iran has already taken have put it much further away from a bomb than before this deal was in place.

While we are encouraged by Iran's adherence to its nuclear commitments thus far, I assure you that the Administration shares your concerns about the government of Iran's actions beyond the nuclear issue, including its destabilizing activities in the Middle East and its human rights abuses at home. Iran's support for terrorist groups like Hizballah, its assistance to the Assad regime in Syria and the Houthi rebels in Yemen, and its ballistic missile program are at odds with U.S. interests, and pose fundamental threats to the region and beyond. Iran continues to violate fundamental rights of its citizens by suppressing dissent, restricting freedom of expression, and torturing prisoners, among other abuses.

It is my purpose today to talk about our progress since JCPOA Implementation Day and the path forward for the coming years. We have several key objectives in our policy toward Iran: First, to ensure Iran's adherence to the JCPOA, which will prevent Iran from developing a nuclear weapon and guarantees that its nuclear program remains exclusively peaceful. Second, to counter Iran's support for terrorism and other destabilizing activities, while also working diplomatically to encourage Iran to play a more constructive role in the region. Third, to promote respect for human rights in Iran. Let me speak briefly to each of these efforts.

## JCPOA Implementation

On January 16, the International Atomic Energy Agency (IAEA) verified that Iran had completed the nuclear-related steps necessary to reach JCPOA Implementation Day. This meant Iran had dismantled two-thirds of its installed uranium enrichment capacity, going from over 19,000 centrifuges before the JCPOA to just 5,060. In addition, Iran terminated all uranium enrichment at, and removed all nuclear material from, its underground Fordow facility. Reaching Implementation Day also meant Iran had shipped out 98 percent of its enriched uranium stockpile, reducing it from roughly 12,000 kilograms before the deal, to no more than 300 kilograms of up to 3.67 percent enriched uranium hexafluoride today, where it must stay. Iran also removed the core of the Arak Heavy Water Reactor and filled it with concrete, permanently rendering the core unusable and eliminating the nation's only source of weapons-grade plutonium, thus blocking that potential pathway to a weapon. The reactor is now being redesigned to not produce weapons-grade plutonium during standard operation and to minimize non-weapons usable plutonium production.

Additionally, Iran is now adhering to the IAEA Additional Protocol and the IAEA has put in place the JCPOA's numerous enhanced transparency measures. For example, modern technologies such as online enrichment monitors and electronic seals can detect cheating and tampering in real time. Iran's key declared nuclear facilities are now under continuous IAEA monitoring, and the IAEA also has oversight of Iran's entire nuclear fuel cycle from its uranium mines and mills to enrichment facilities.

Thanks to the JCPOA, Iran is now under the most comprehensive transparency and monitoring regime ever negotiated to monitor a nuclear program.

On March 9, the IAEA released its first monitoring report since Implementation Day. The report affirmed that Iran continues to adhere to its JCPOA commitments.

Iran has taken significant, irreversible steps that have fundamentally changed the trajectory of its nuclear program. Simply put, the JCPOA is working. It has effectively cut off all of Iran's pathways to building a nuclear weapon. This has made the United States, Israel, the Middle East, and the world safer and more secure. Before the JCPOA took effect, Iran was less than 90 days away from getting enough fissile material for a nuclear weapon. Today, thanks to the JCPOA, Iran is over a year away from being able to get that material. Any attempt to do so would be detected immediately by the international community.

This is why the United States is confident the JCPOA will ensure Iran's nuclear program is and will remain exclusively peaceful. In exchange for Iran completing its key nuclear steps, on Implementation Day the United States and the European Union (EU) lifted nuclear-related sanctions on Iran. The United States retains our ability and authorities to snap sanctions back into place should Iran walk away from the JCPOA. But as long as Iran continues to meet its commitments, the United States will continue to meet our commitments.

## **Regional Activity**

I want to re-emphasize that the JCPOA did not resolve our profound differences with Iran. We remain clear-eyed about continued Iranian destabilizing activity. For decades, Iran's threats and actions to destabilize the Middle East have isolated it from much of the world. Over the past three decades, Iran has continued its support for terrorism and militancy, including its support for Lebanese Hizballah, Palestinian terrorist groups in Gaza, Kata'ib Hizballah and other Iraqi Shi'a militia groups in Iraq, and Shia militant groups in Syria. Iran was designated a State Sponsor of Terrorism in 1984 and remains so-designated today.

The Islamic Revolutionary Guard Corps – Qods Force (IRGC-QF) cultivates and supports militant groups around the region. Iran has been smuggling weapons to the Houthis in Yemen, fueling a brutal civil conflict in that country. Additionally, Iran sees the Asad regime in Syria as a crucial ally in the region and a key link to Iran's primary beneficiary and terrorist partner, Lebanese Hizballah. Iran provides arms, financing, and training to fighters to support the Asad regime's brutal crackdown that has resulted in the deaths of over 250,000 people in Syria.

That's why we have retained our sanctions related to Iran's destabilizing activities in the region, including its support for terrorism. We aggressively employ Executive Order (E.O.) 13224, which allows us to target terrorists and those who support them across the globe including Iranian persons and entities that provide support to terrorism. The IRGC-QF, the Iranian Ministry of Intelligence and Security, Iran's Mahan Air, Hizballah, and over 100 other Iran-related individuals and entities remain subject to sanctions under this E.O. On March 24, we designated six additional individuals and entities engaged in procurement activities for Mahan Air, which was named in 2011 as a Specially Designated Global Terrorist due to its support for the IRGC-QF.

We have found through experience that the most effective way to push back on aggressive Iranian activity is to work cooperatively with our allies to deter and

disrupt Iranian threats. This is why we increased our security cooperation with the Gulf Cooperation Council – the GCC – following the Camp David summit and have provided additional assistance to Israel. We continue to interdict, and actively work with our coalition partners to interdict, Iranian weapons shipments throughout the region. Notable successes on this front include Israel’s seizure of the Klos C vessel carrying weapons bound for Gaza in 2014, military and diplomatic efforts to prevent an Islamic Revolutionary Guard Corps (IRGC) naval flotilla from docking in Yemen in April 2015, and the four dhow seizures since September 2015 carrying weapons from Iran that we assess were bound for Yemen.

We take any threat to Israel extremely seriously and we understand that Iran’s support for terrorism requires our strong support to one of our closest allies. This Administration has provided more than \$23.5 billion in foreign military financing for Israel under the current Memorandum of Understanding. Additionally, the United States has invested over \$3 billion – beyond our Foreign Military Financing (FMF) assistance – in the Iron Dome system and other missile defense programs for Israel. And we are currently working together on additional long-term support to Israel.

### **Iran’s Ballistic Missile Tests**

Iran’s attempts to develop increasingly advanced ballistic missile systems are a threat to regional and international security. While full implementation of the JCPOA will ensure that Iran is unable to develop a nuclear warhead to place on a missile, we will continue to use all available multilateral and unilateral tools, including sanctions when appropriate, to impede Iran’s ballistic missile program.

Following Iran’s October 2015 missile test, we sanctioned eight individuals and three entities involved in procuring materials and other equipment for Iran’s ballistic missile program. We also led an international effort at the United Nations to highlight and condemn Iran’s tests, which violated the provisions of UN Security Council resolution 1929.

Iran conducted another set of dangerous and provocative missile tests in March. On March 24, we designated two Iran-based entities directly involved with Iran’s ballistic missile program.

Additionally, we called for UN Security Council consultations on Iran’s missile launches on March 14, where Ambassador Samantha Power condemned these

launches as destabilizing and inconsistent with UN Security Council resolution (UNSCR) 2231. As a next step, on March 29, we submitted a joint letter along with France, the United Kingdom, and Germany to the UN Security Council requesting the UN Secretary-General report on Iran's ballistic missile activity as inconsistent with UNSCR 2231, and calling for additional Security Council discussions in the "2231 format" on the launches so that the Council can discuss appropriate responses. The Security Council met at experts-level in its "2231 format" on April 1, where U.S. missile experts briefed on the technical details of Iran's launches and explained why they were inconsistent with UNCR 2231.

We will also continue to work through the Missile Technology Control Regime and the Proliferation Security Initiative to prevent and interdict transfers of material and technology to Iran that would support its ballistic missile program.

In addition to our efforts to enhance Israeli security, we'll also work closely with our Gulf allies, as part of the Camp David process started by the President last year, to develop missile defense capabilities and systems.

## **Human Rights**

Iran violates fundamental human rights of its citizens by severely restricting civil liberties, including the freedoms of peaceful assembly, expression, and religion. Iran has the world's highest per capita rate of executions, which often happen after legal proceedings that do not follow Iran's constitutional guarantee of due process or international obligations and standards regarding fair trial guarantees. There are over 1,000 political prisoners in Iran, including 19 journalists. Many of them experience harsh treatment and extended pretrial detention. Women continue to face legal and social discrimination and limitations on their ability to travel, work, and access educational opportunities.

We use a variety of tools to raise awareness of these human rights violations and abuses and to hold their perpetrators accountable. This policy has not changed as a result of the JCPOA. We continue to have human rights sanctions authorities, including under the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) of 2010. Since 2010, we have imposed sanctions on 19 individuals and 17 entities that were determined to meet the CISADA criteria. Human rights-related sanctions are not subject to relief under the JCPOA, and we continue to vigorously enforce these sanctions.

We are also working multilaterally to press Iran to better respect the human rights of its citizens. The United States strongly supports the annual UN General Assembly Third Committee resolution highlighting Iran's poor human rights record and calling on Iran to take measures to address its abuses. Additionally, the United States fully supports the mandate of the UN Special Rapporteur on the Situation of Human Rights in Iran, which was renewed March 23 primarily because of our aggressive lobbying campaign.

We are vocal about our concerns with Iran's ongoing repression of human rights and fundamental freedoms of its people. We document the Iranian government's human rights abuses in the annual International Religious Freedom, Human Rights, and Trafficking in Persons reports. Iran is designated as a "Country of Particular Concern" under the International Religious Freedom Act and is a Trafficking in Persons Tier 3 country.

### **The Way Forward**

As a result of the nuclear negotiations, we have started to talk directly with Iran in ways we had not done for decades. While our concerns about Iran are substantial, we believe it is in the U.S. national interest to continue a dialogue with Iran on the issues that divide us – while we also continue to use all tools available to counter the Iranian activities we oppose.

The nuclear negotiations also opened up the opportunity to talk with Iran about U.S. citizens unjustly held in their prisons, which was done on a separate track. We had a dialogue that freed four U.S. citizens – Amir Hekmati, Saeed Abedini, Nosratollah Khosravi Roodsari, and Jason Rezaian – and Iran separately released U.S. student Matthew Trevithick. The protection of U.S. citizens is a top priority of the State Department. We will continue to hold Iran to its commitment to bilateral discussions about the whereabouts of Robert Levinson. Iran has a responsibility to assist us in locating and bringing home Mr. Levinson, as he went missing on Iran's Kish Island. And we continue to be concerned by the reports regarding the detention of U.S. citizens Siamak Namazi and his father, Baquer Namazi.

Iran also participates in the International Syria Support Group, working with over 20 other countries and international organizations to reach a political transition in Syria. We know Iran works against our interests supporting the Assad regime, but we also know we can't resolve this conflict with Iran outside the tent playing a spoiler role. We thus judge that Iran, with its close relationship with and history of

supporting Assad, needs to be a part of any lasting resolution to the conflict. This conflict has gone on far too long, and taken too many lives, to not have all the parties at the table trying to find a solution that gives the Syrian people a better future.

We know there is strong hostility towards the United States within certain Iranian quarters. We know parts of the Iranian establishment fear any relationship with United States. But we also know that millions of Iranians want to end their country's isolation while also benefitting from new economic opportunities. We now see Iran reengaging with the global community via high-level visits and trade agreements.

U.S. policy toward Iran must be calibrated to talk with Iran when it is in our interest while ensuring we address the threats to peace and security Iran continues to pose.

Congress plays an essential role in shaping this posture. The legislative and executive branches should work together, like we did to build international pressure on Iran, to now calibrate our approach such that we are simultaneously resolute when dealing with Iranian threats, while willing to engage when we think it in U.S. interests to do so. I look forward to continued consultations with Congress as we strive to find this balance.

We also must continue to make clear that our hand of friendship is open to the Iranian people despite the significant differences we have with its government. That is why President Obama and Secretary Kerry yet again this year delivered Nowruz messages addressed directly to the Iranian people, expressing the desire for stronger ties between Iranians and Americans.

It is up to Iran to decide the scope and pace of engagement. Whether Iran engages substantively with us or not, we are confident that the JCPOA makes us and our partners safer. We will continue to work with the IAEA, the EU, and the P5+1 to vigorously monitor and verify that Iran is keeping its commitments, and will continue to use all of the tools, both unilaterally and multilaterally, to address our other issues of concern with Iran.

Thank you for this opportunity to testify. I look forward to taking your questions.