Prepared Testimony before the Senate Foreign Relations Committee

Brian Hook, former Special Representative for Iran, Senior Advisor to the Secretary of State

Hearing: "Tehran's Shadow Army: Addressing Iran's Proxy Network in the Middle East"

February 28, 2024

Chairman Cardin, Ranking Member Risch, Distinguished Members of the Committee, thank you for inviting me to testify. I previously spoke before this Committee in 2019 as the U.S. Special Representative for Iran, and I am honored by the opportunity today to share my reflections more than five years later.

In 2019, I explained our Iran strategy had three objectives: deny the regime revenue for its proxies through oil and banking sanctions, defend our interests with the credible threat of military force, and keep the lines open for diplomacy.

To achieve our first objective, we vigorously enforced oil sanctions and reduced Iran's oil exports by more than 80%, while holding energy prices steady for American families. My office created an interagency team to counter Iran's sanctions evasion. Secretary Pompeo and I tracked oil sanctions metrics on a daily basis. The regime lost well over \$30 billion per year as a result. President Rouhani said that our sanctions cost the regime \$200 billion dollars.

Why does Iran's oil matter? Iran spends its oil revenue on its proxies who then kill and terrorize American troops. As Iran's funds dried up under our administration, so too did the money to its proxies. One fighter in Syria <u>complained</u> to the New York Times, that "the golden days are gone and will never return ... Iran doesn't have enough money to give us," he said. In 2019, Iran proposed a 28% cut to its defense budget because of our sanctions.

An Iran strategy without a goal of zero oil exports is fundamentally unserious. The proxies that are the subject of this hearing all bank at the same address: Tehran. That bank's deposits depend on oil revenue.

To achieve our second objective of deterrence, when American interests abroad were threatened by Iran and its proxies, we responded with targeted force. President Trump, supported by his national security cabinet, took Iran's most dangerous terrorist off the battlefield, stopping Qassem Soleimani as he plotted to kill Americans in the region. The regime understood we would always take decisive action when faced with credible threats to American lives.

Turning to the present, the Biden Administration has shown how quickly deterrence can be lost, how rapidly diplomatic leverage can be squandered, and how swiftly a region can slide from stability into chaos.

Today, U.S. sanctions on Iran's oil exports are largely unenforced. Exports have increased by more than 80%. This has netted the regime as much as \$100 billion in revenue since February 2021. Lobsided deals negotiated by the Biden administration with Iran have unfrozen billions more, with \$6 billion in funds now sitting in Qatari banks and as much as \$10 billion in accessible funds in Oman.

It is obvious to me and to a plurality of the American people that President Biden has not been aggressive enough in his dealings with Iran. Iran knows it can safely expand its axis of resistance because of the Biden administration's immense aversion to defensive military action. The Biden Administration deescalates to deescalate. The Iranian regime thrives under this strategy. American troops do not. They have been attacked over 200 times by Iranian proxies during the Biden presidency.

Directly or indirectly through its proxies, Iran has attacked the United States, Israel, Saudi Arabia, UAE, Pakistan, Jordan, Bahrain, and Iraq.

In the Red Sea, the Houthis are using Iranian missiles, rockets, training, and intelligence to bring international shipping through the Bab-Al-Mandeb to a grind. Their latest adventure at our expense is cutting subsea cables. Our military response to 45 Houthi attacks has failed to achieve deterrence.

The Biden administration's policy of diplomacy without pressure, of talks without the credible threat of military force is failing. We simply cannot lower the costs of Iran's violent extremism and expect to see less of it – we will only get more.

Admittedly, Iran policy has many facets and should not be oversimplified. Dogma and tired slogans will not get us anywhere. I have endeavored to present a respectful critique of this administration's approach to Iran. Members of this Committee can help lead the way in restoring accountability to the Iranian regime.

There are several good bills before this Committee to accomplish this. The bipartisan SHIP Act, introduced by Senators Rubio and Hassan has more than 36 bipartisan cosponsors. This bill would target Iran's illicit oil trade with a raft of new sanctions on foreign ports and refineries. A companion bill <u>passed</u> the House in November. 133 Democrats joined 209 Republicans to pass the bill. America's Iran policy can truly be bipartisan.

Another measure, the End Iranian Terrorism Act, was recently introduced by Senator Risch. It is a smart approach to target Iran's illegal oil smuggling to China, which today makes up the majority of Iran's illicit exports, a number that was as high as 1.5 million barrels per day in 2023.

When it comes to Iran, both sides of the aisle agree on more than they disagree. Republicans and Democrats are clear-eyed about the threats we and our allies face. Congress should unite to send a message to Tehran that its terrorism comes at a significant cost. This is the right and responsible course of action.

I thank you again for the opportunity to testify before you, and I look forward to your questions.