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IRAN'S SUPPORT FOR TERRORISM WORLDWIDE

HEARING

BEFORE THE

SUBCOMMITTEE ON
THE MIDDLE EAST AND NORTH AFRICA

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

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IRAN'S SUPPORT FOR TERRORISM WORLDWIDE

TUESDAY, MARCH 4, 2014

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE MIDDLE EAST AND NORTH AFRICA,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittees met, pursuant to notice, at 10:10 a.m., in room 2172, Rayburn House Office Building, Hon. Ileana Ros-Lehtinen (chairman of the Subcommittee on the Middle East and North Africa) presiding.

Ms. ROS-LEHTINEN. The joint subcommittee will come to order.

After recognizing myself, Ranking Member Deutch, and Ranking Member Sherman for 5 minutes each for our opening statements, I will then recognize the chair of the full Foreign Affairs Committee, Mr. Royce for such time as he may consume. I will then recognize other members seeking recognition for 1 minute.

Unfortunately, due to weather, Mr. Poe has been delayed, but he hopes that he will be able to make it before our hearing ends. We will then hear from our witnesses, and without objection, the witnesses' prepared statements will be made a part of the record, and members may have 5 days to insert statements and questions for the record subject to the length limitations and the rules. The chair now recognizes herself for 5 minutes.

Last November, President Obama announced that the P5+1 and Iran had come to an interim agreement over Iran's nuclear program. The administration hails it as a big step forward, yet it refuses to allow the full details to be made public. I viewed the text, as have many others on our panel here today, and I don't see any reason for it to remain a state secret other than the administration doesn't want the American people to see how badly we got suckered. The joint plan of action is a lopsided bad deal for the United States and for our allies, like the democratic, Jewish State of Israel, and Iran continues to take advantage of it every day, and that is the crux of the problem here.

The administration is asking us to trust it, that it can ensure that the Iranian regime plays by the rules when 35 years prove otherwise. So, today we are taking an in-depth look at exactly with whom we are dealing as the administration seeks to make deals with the Iranian regime.

The hearing will focus on perhaps the most critical fact that has been downplayed and even ignored throughout this nuclear deal

process, and that is the fact that Iran is the world's foremost state sponsor of terrorism.

Iran is only one of four countries designated by the United States as a state sponsor of terrorism, SST. In order to be designated an SST, a country must have repeatedly provided support for acts of international terror, and that is a major part of Iran's foreign policy.

Recently, we have seen Iran support terrorist acts in Europe, Africa, Southeast Asia, and even right here in Washington, DC, as an Iranian plot to assassinate the Ambassador of Saudi Arabia was uncovered. Then there is Iran's involvement in Latin America. Iran's presence there has grown rapidly and now poses a very serious threat to our national security.

Last year I convened a hearing on the Iran-Syria Nexus, and Ambassador John Bolton testified that the largest Iranian diplomacy facility in the world is in Caracas, Venezuela, because that is where Iran launders its money. Yet even though all the evidence pointed to the contrary, the State Department issued a report that claimed that Iran's influence in Latin America is waning.

Dr. Levitt, you testified at the time, that the report was incomplete, full of faulty assumptions, and that the proper people were not consulted before the report was issued. This is very troubling indeed, especially this year, the 20th anniversary of the AMIA bombings on the Jewish Community Center in Buenos Aires, Argentina that left 85 dead and hundreds more wounded.

It is very troubling because it shows that the administration either doesn't have the full grasp of how dangerous Iran really is or is choosing to be willfully ignorant of the situation, and this, of course, doesn't even include Iran's support for terrorist activity and pro-Iranian armed forces in the Middle East.

Iran's proxy, Hezbollah, has been wrecking havoc throughout the region for decades and has been responsible for numerous attacks, especially its incessant and deadly attacks aimed at Israel. Iran's Revolutionary Guard Corps and the Quds Force have cultivated and supported terrorist activities worldwide, providing money, arms, material, and fighters for terrorist groups all over the map.

Most notably, Iran, through the IRGC, the Quds Force, and Hezbollah has been instrumental in propping up the Assad regime in Syria. Yet none of this was part of the Joint Plan of Action and none of this is being discussed as the administration attempts to reach a comprehensive agreement on Iran's nuclear plan.

The administration is dealing with these talks as if Iran's nuclear program exists in a vacuum, as if the nuclear program is not somehow related to Iran support for terror, and the most dangerous part of these negotiations is that the administration is willing to ignore these facts and other aspects of the regime so that it can say that it has reached a deal with Iran.

That is why I think this hearing is critical, so that we can draw attention to the true nature of the regime in Tehran.

And with that, I am pleased to yield to the ranking member, my good friend from Florida, Mr. Deutch.

Mr. DEUTCH. Thank you, Madam Chairman, Chairman Poe, Ranking Member Sherman for holding today's hearing, and I thank you, Chairman Royce, for joining us.

Thanks for our witnesses for being here today as well as we examine Iran's continued sponsorship of terror around the world.

Despite recent renewal of direct engagement with Iran, the regime must understand that regardless of whether any progress is made on the nuclear issue, it cannot and it will not mean that the United States and our allies turn a blind eye to Iran's standing as the largest state sponsor of terrorism in the world.

This is not simply a problem for Israel and the Middle East. In the aftermath of the Iraq war, the American public will not forget that it was Iran who was responsible for the improvised explosive devices that killed scores of American troops. Working mostly through its proxy Hezbollah, Iran has continually targeted American citizens and our allies in every corner of the globe, from 1983 Marine barracks bombing to the heinous 1994 bombing of the AMIA Jewish center in Argentina, to the 2012 attack on Israeli tourists in Burgas, Bulgaria, to the terrorist attacks against Israeli diplomats in India and Georgia, and the thwarted plots in Thailand, Kenya, and even right here in Washington, DC.

What was once deemed a resistance movement aimed at Israel, Hezbollah, backed by millions of dollars in Iranian funding, has transformed into a global organization with no reservations of striking anywhere in the world. This behavior, according to a 2013 State Department report, has seen a marked increase in recent years.

In addition to masterminding attacks around the world, Iran has been steadily expanding its global network of terror financing by fostering relationships in Latin America, Europe, Asia, and Africa. Hezbollah receives a large portion of its funding through activities in Latin America, primarily in areas with large Shia diasporas.

And during the Ahmadinejad presidency, the regime weaseled its way into America's back yard, aligning itself with anti-American leaders in Venezuela, Bolivia, and Ecuador. We all remember the pictures that Chairman Ros-Lehtinen placed around this room of Ahmadinejad embracing his Latin American friends on his tour of tyrants. Thank you, Madam Chairman, for coining that phrase.

For years Ahmadinejad traveled the world announcing with great fanfare millions of dollars of investments in infrastructure and trade deals. Three-hundred-and-fifty million dollars for a seaport in Nicaragua, $120 million in research to support the construction of six water treatment plants in Sudan, $30 million to conduct joint mining projects in Ecuador. Iran and Algeria agreed to create 220 million Euro cement plant in Algeria together, owned 51 percent by Iran.

And while many of these projects never came to fruition, they laid the groundwork for attracting those who may be sympathetic to Iran's intolerable "Death to America" mantra. It remains to be seen whether the more understated Rouhani will seek to further expand these relationships.

And while Rouhani has seemed to share some desire to mend Iran's international image, many of us question whether he has any influence over the fundamental objectives of this regime. This is why, perhaps Iran's most troubling behavior has been the supreme leader's unwavering support for the murderous Assad regime in Syria. Despite the tremendous economic strain inter-

national sanctions have placed on the Iranian economy, this regime has chosen to spend billions of dollars sustaining Assad's grip on power instead of taking care of its own people. For the past 3 years, Iran, working through its proxy Hezbollah, and even directly through its elite Quds Force, has been funneling money, arms, and manpower directly into Syria.

Iran also continues to be the largest funder of aggression toward our ally Israel. The regime funds Hamas and Islamic jihad, groups whose very existence is based on the destruction of the state of Israel and who are regularly responsible for indiscriminantly launching missiles at Israeli citizens. So, in attention focused on the Iranian nuclear crisis, it is important that we remind the world that we have not and we will not lose sight of Iran's destabilizing actions around the globe and of its blatant and unfettered support for heinous attacks on American citizens and on our allies.

Make no mistake, this Congress will not lift terrorism-related sanctions until Iran has ceased every bit of support—direct and indirect—for these despicable acts of international terror.

I look to our witnesses today to provide us with a more complete picture of Iran's activities and what drives its sustained support for international terrorism.

And thank you, Madam Chairman, and I yield back.

Ms. ROS-LEHTINEN. Thank you very much, Mr. Deutch.

We will now yield to Mr. Sherman of California 5 minutes for his opening remarks.

Mr. SHERMAN. First as to the agreement reached in Geneva, I share the chairwoman's concerns to some degree, but with anything you have to ask, compared to what? In October 2013, we had sanctions in Iran which were insufficient to stop a single centrifuge. We didn't have a great policy before this agreement.

And from 1998 to 2010, three administrations blocked every effort of this committee to impose additional sanctions on Iran and refused to enforce not every effort but virtually every effort, and refused to enforce the sanctions laws we did have.

So this latest policy, must be compared to our previous policy, and on that basis, it may be a step in the right direction. These hearings are held on Iranian terrorism but with the knowledge of Iran's nuclear weapon's program. We are often asked, so what is the problem with Iran having a nuclear weapon? The Soviet Union had nuclear weapons and never used them.

First and foremost, we are going to see terrorism with impunity. This is not a shy or reticent government. As the last two speakers have pointed out, we have seen Iran knowing that it could be subject to response to retaliatory bombing attacks on its own territory from the U.S. Air Force or others, but even knowing that, they have conducted terrorist operations in Lebanon, Syria, tried to kill the Ambassador here in DC, Bulgaria, Thailand, India, Georgia, and two raids and more in the 1990s in Argentina.

Now imagine terrorism with impunity. With this terrorism comes confrontation. Every time Hezbollah missiles rain down onto Israel, Israel may respond. We saw with the Cuban missile crisis how these things can escalate upward. How many Cuban missile crises do we want to have with Iran? Do we really believe that the government in Tehran is as sane and reasonable as Khruschev? Ter-

rorism by a nuclear Iran will be on a large scale, will require a response, and every response has the possibility of getting out of hand.

We are asked to compare North Korea's nuclear program to Iran's. North Korea wants to oppress its own people. It has committed terrible acts, all of them in or within a few miles of its own territory; whereas, there is not a continent in the world, with the possible exception of Antarctica in which Iran has not already tried to commit an act of terror. This is a regime with worldwide scope in its terrorist activities and worldwide ambitions for promoting its particular brand of an Islamic state.

So, if we allow Iran to develop a nuclear weapon, we will see a massive expansion in its already substantial terrorist activity that has already earned it from our State Department year after year the brand of the number one state sponsor of terrorism.

And of course, this will affect Israel, but it will certainly affect the United States. How many Ambassadors will be assassinated in Washington or New York by a nuclear Iran? Iran did not hesitate through its proxy Hezbollah, to kill hundreds of our Marines during the Reagan administration in Lebanon. They will be even more emboldened. And so the efforts against terrorism and the efforts against a nuclear Iran coincide.

Finally, Iran's greatest act of terrorism in terms of loss of life, at least outside of its own borders, is the propping up of the Assad regime. 140,000 Syrians have died. If it wasn't for Iran, Assad would be already swept into the dustbin of history, yet there he is, and who is to say he will not kill another 140,000.

And in this room we have often said that America should not repair the supposedly civilian planes of Iran's airlines. Those planes have been used to take Quds officers, to take Hezbollah thugs to Damascus where they kill the Syrian people, and it is time to say those planes should be grounded until Iran changes its behavior.

I yield back.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Sherman.

And both of our subcommittees' members are very honored to have the full committee chairman with us today.

Mr. Royce is recognized for as much time as he may consume.

Mr. ROYCE. Well, let me begin by thanking Chairwoman Ros-Lehtinen for the continued oversight that she and the ranking member here of this committee give on the interim agreement with Iran. And also the efforts to address this broader threat posed by the Iranian regime.

You know, before I go farther, there is a delegation that I wanted to recognize here, Chairman, and that delegation, if I could ask them to stand, is from Indonesia, and this is part of the legislative partnership program we have in 2014 for those who work in the legislature in Indonesia. We were in Jakarta in August, and I had an opportunity to meet many of them, and we are very proud of the relationship with Indonesia and this legislative exchange. Thank you very much for being with us.

I also just want to say our former colleague, Chairman Hoekstra, will remember on this broader theme the comment that Dick Armitage once made to the intelligence community which was that Hezbollah may be the A Team of terrorists, but in fact, al-Qaeda

is actually the B Team because Hezbollah, of course, controlled by Iran is the major, the major challenge as we look at terrorism worldwide.

And there are two aspects of this. One is Iran's efforts to acquire nuclear weapons capability. That is one of the greatest threat to U.S. security, to our interest in the Middle East, certainly to our allies, but the nuclear aspect there of this threat is only one aspect of the challenge that we face because too often overlooked, is this equally important role of Iran's terrorist activities, and we should remember that our sanctions, which we implemented, including the most effective oil and financial sanctions back in 2012, those of us on this committee worked many, many years to try to advance this concept of sanctions, and they exist not only because of Iran's nuclear program, but also because of Iran's terror program.

And Iran's status as the world's leading state sponsor of terrorism is very well deserved for those of us who regularly sit through these briefings of assassinations, assassinations done, you know, in Europe, in Central Asia, South Asia, conducted by Iran and not just external but assassinations and executions inside the country.

I think one of the things that is most disturbing to many of us is the fact that the executions have actually increased in Iran here under President Rouhani as head of state. We see an increase in the number of religious leaders and political leaders who are being taken out and executed. This regime, this Islamic republic is a regime—foments bloodshed, promotes chaos, not just to the West Bank, not just in Gaza, not just, you know, in Iraq and Afghanistan, not just in Lebanon, and I will just make a note about Lebanon. I was there during the second Lebanon war, and I watched those Iranian made and Syrian made rockets come crashing into civilian neighborhoods. We were at the trauma hospital. 600 victims of this kind of state sponsor of terrorism, and afterwards, when the I.D. badges were found, who had been on the ground helping Hezbollah launch these things? Iranian intelligence agents.

So, you know, as their meddling increases, our U.S. allies, our partners in the region such as Bahrain, which they are trying to topple, Saudi Arabia and there is this Shia minority there, and regularly Iran tries to kindle that low level insurgency out there.

Yemen, which Middle Eastern Ambassadors tell me is that close to being toppled, they bare the brunt of an emboldened Iran, and so that is why we need to keep the pressure on, and unfortunately, the scope of those plans continue to grow as successive administrations, and in my view, this has been a problem in administrations of both political parties, they have been reluctant to forcefully respond, including the subdued response in the face of Iranian proxies killing American soldiers in Iraq and in Afghanistan.

And I would make one point here. Daqduq is a Hezbollah member, a mastermind of the attack in January 2007 which resulted in the deaths of five U.S. servicemen in Iraq, disguised as U.S. military personnel in black SUVs, Iranian-backed operatives opened fire on our five U.S. servicemen there. One died immediately. Four others were captured by these agents. They were brutally tortured, and then they were executed. Daqduq, by the way, was handed over to the Iraqi Government, and of course, he was eventually, un-

fortunately, released to Lebanon. Allowing his release was a gross failure by the administration.

And I would just also quote our former CENTCOM Commander, General James Mattis. He criticized the administration's weak response in dealing with the Iranian plot to assassinate the Ambassador of Saudi Arabia here, and in 2013, he said they actually set out to do it. It was not a rogue agent off on his own. This decision was taken at the very highest levels in Iran. Again, absent one mistake, they would have murdered Abdel and the Americans at the restaurant a couple of miles from the White House. Referencing the real threat Iran poses to the U.S., Mattis also stated that while he was overseeing the wars in Afghanistan and Iraq, the first thing I asked my briefers about when I woke up every morning was Iran, Iran, Iran.

Now, I would point out it is not just Americans that would have lost their lives in that attempted bombing because I have talked to many Middle Eastern Ambassadors who say it was not just the Saudi Ambassador that lunches at the Cafe Milano. They said when this operative is quoted as saying that 100 dead would just be collateral damage, as Ambassadors, several of them told me, we were the collateral damage that he's talking about when he was attempting to target the Saudi Ambassador.

So, I think this, very unfortunately, you know, the scope of their plans, as I said, continues to grow, the response is ineffectual, and unfortunately, the current administration shares this limited vision of how we respond to Iran. The Obama administration did little in these cases of trying to really clamp down on the Iranian regime, and the administration has failed to recognize or effectively address Iran's support for Hezbollah, which is fighting for Assad, as you know, in Syria, and meanwhile, Iran is spreading its use of Islamist terrorist proxies, as Chairman Ileana Ros-Lehtinen has pointed out, not only across Africa and the Middle East but also to Latin America.

It is worrying that they would use these new footholds to destabilize other states and again launch terrorist attacks against U.S. interests, and this hearing raises an important concern.

And this is what I would like the members to just reflect on for a minute. If this is what Iran is doing today without a nuclear weapon, what will Iran do if it is ever emboldened with a bomb. We cannot afford to find out.

Thank you.

Ms. ROS-LEHTINEN. Excellent presentation. Thank you so much, Mr. Chairman.

I will now recognize members for 1 minute opening statements, and we will begin with Mr. Lowenthal.

Mr. LOWENTHAL. I pass.

Ms. ROS-LEHTINEN. Mr. Lowenthal passes.

We will go to Mr. Cicilline.

Mr. CICILLINE. Thank you, Chairman Ros-Lehtinen and Chairman Poe and Ranking Member Deutch and Ranking Member Sherman for holding today's joint hearing on this very important issue.

The continuing threat that Iran poses to international stability is of paramount concern to the United States and our allies and all those who care about freedom, rule of law and the ongoing fight

against global terrorism and addressing that threat must continue to be a top priority of the United States' foreign policy.

Even as we continue to monitor negotiations regarding Iran's nuclear program, we must also address other risks, especially how Iran has and continues to support terrorism in the region and around the world. We must make a concerted effort to better understand the violence that is currently occurring in the Middle East and how the United States can predict, identify and prevent terrorism and ultimately support peaceful democracy in the region.

The message that we must send must be very clear. Although our recent focus has been on nuclear weapons, terrorism will not be tolerated. The United States will stand on the side of democracy and freedom and do all we can working with our partners to prevent terrorism around the world.

I look forward to hearing the perspectives of the witnesses this morning and thank the chair for calling this important meeting as we discuss Iran's support of terrorism around the world.

I thank the chairman, and I yield back.

Ms. ROS-LEHTINEN. Thank you, sir. And now we will recognize Mr. Brooks.

Mr. BROOKS. Thank you.

In 1817, Thomas Jefferson stated that "knowledge is power and knowledge is safety."

I would like to thank the chair of the subcommittee for conducting this hearing on terrorist activities and threats posed by Iran. America has been somewhat blindsided by recent Syrian events and blindsided by recent Ukrainian events relating in loss of life, and quite frankly, ineffectual preventive policies. Hopefully, this hearing will illuminate and provide the kind of knowledge that is needed to develop effective policies that thwart the terrorist goals of the Iranian regime and help preserve peace throughout the world.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Brooks. Mr. Vargas.

Mr. VARGAS. Thank you very much, Madam Chair. I want to thank you again for holding this hearing, as well as the ranking member and the chair of the full committee.

As you know, I have been very critical of the interim agreement that we have had with Iran. I think it is based on a very naive view of Iran, and actually, probably a naive view of the world. So, I think it has been a mistake to relax sanctions on Iran. I think we need to strengthen and tighten them. I think that they were working. They just needed to be stronger.

And I hope I am wrong, but I don't think I am wrong. In fact, I think we have heard from Rouhani himself that he got us at the negotiating table. So I am not at the moment very positive about the direction that we are going, but I am very happy that we are holding this hearing to take a look at all the other terroristic acts that this nation has done around the world.

But again, I hope we don't lose focus on a nuclear Iran because I think that is really the most important thing. It is good to look at all these other issues, but I think the greatest threat to our security is a nuclear Iran, and I hope we don't lose focus on that.

Thank you. Thank you again.

Ms. ROS-LEHTINEN. Thank you, sir. Mr. Cook.

Mr. COOK. Thank you, Madam Chairman. I also want to thank you for having this hearing.

I look forward to hearing what our witnesses have to say, and it is somewhat ironic, I think, that a few people realize that I have addressed the Beirut bombing in 1983. It has a special place in my heart. That was my former Battalion in the Marine Corps, 1st Battalion 8th Marines, and a number of friends, colleagues, Marines died there, and the situation has, quite frankly, only gotten worse in terms of Hezbollah and the Iranian proxies that are all over the world.

So thank you very much again for having this hearing.

Ms. ROS-LEHTINEN. Thank you, Mr. Cook. Mr. Schneider.

Mr. SCHNEIDER. Thank you, Madam Chair. I want to thank the chair and the ranking members for holding this hearing as was previously mentioned, at a critical time.

Iran is a worldwide sponsor of terrorism. They have funded or committed acts in countries literally, I said before, on every continent.

As we get into the questions, I look forward to what witnesses have to say, but in particular what I look forward to is understanding how their funding has affected other terrorist groups within the regions of the world, including here in the Western Hemisphere.

And in particular, as we get into it, understanding how those relationships have changed in some of the remarks previously submitted from proxy to partnerships, and what those partnerships mean to us. It is an issue that we will be facing for a long time. We need to have policy that is structured on understanding and knowledge.

So again, I thank you for this hearing.

Ms. ROS-LEHTINEN. Thank you, Mr. Schneider. Mr. Meadows.

Mr. MEADOWS. Thank you, Madam Chair, and much of what has been laid out today sets forth the foundation for what we are here to deal with and what I look forward to hearing from you.

I would make 2 points. For the American people that are watching, the connection between Hezbollah and Iran is undeniable, going back to 1982 and some estimated $6 billion have now been funneled into terrorist activities through that, at the direction of Iran. Even the second in command of Hezbollah admits that they get their directions from Iran.

And the second part, and the Ukraine shows us this, is that foreign policy in action is not like a fine wine. It doesn't improve with time.

So I look forward to hearing from each one of you what actions, specifically, we can take in encouraging the administration on a foreign policy that actually addresses this issue.

I yield back.

Ms. ROS-LEHTINEN. Thank you, Mr. Meadows. Mr. Cotton.

Mr. COTTON. Thank you, Madam Chair, and thank you to our witnesses for addressing us on this very important topic.

A nuclear Iran is the gravest threat we face from Iran, but the terrorist threat that Iran poses does have two important links to it. Obviously, it reveals the soul of the regime and what they think of freedom and freedom loving peoples everywhere. They have

killed numerous Americans around the world through their terrorist activities to include some of my comrades in arms in Iraq when I was a platoon leader there, through the export of explosively foreign projectiles, a particularly lethal kind of IED that killed many American troops.

Second, a nuclear Iran would be operating with a massive deterrent that would only embolden its terrorist activities around the world.

So I do very much appreciate the chair for holding the hearing and our witnesses today for addressing this important topic.

Ms. ROS-LEHTINEN. Thank you again for your service, Mr. Cotton.

And we are so pleased to now present our panelists.

We welcome our former U.S. Congressman, our dear colleague, Pete Hoekstra. He is currently a Shillman senior fellow at the Investigative Project on Terrorism. Pete served as a Member of Congress from Michigan for 18 years, and in 2004, he was named chairman of the House Permanent Select Committee on Intelligence, and in this role he helped lead congressional oversight of U.S. intelligence as this adapted to the challenges of the global war on terror. Prior to his appointment as chair, he chaired the subcommittee on technical and tactical intelligence. In January 2011, the director of National Intelligence awarded Chairman Hoekstra the National Intelligence Distinguished Public Service medal. Welcome back, Pete.

Next we will welcome Dr. Matthew Levitt. Thank you, Dr. Levitt, who is the Fromer-Wexler fellow and director of the Washington Institute Stein Program on Counterterrorism and Intelligence. Dr. Levitt brings extensive experience in counterterrorism and intelligence, serving from 2005 to 2007 as Deputy Assistant Secretary for Intelligence and Analysis at the U.S. Department of Treasury, at the State Department as Counterterrorism Director to General James L. Jones, and as a Counterterrorism Intelligence Analyst at the FBI. Welcome, Dr. Levitt.

And lastly, Mr. Matthew McInnis, welcome to our subcommittees. He is a resident fellow at the American Enterprise Institute where he focuses on Iran, regional security issues in the Persian Gulf, and the effectiveness of U.S. intelligence. Prior to this, he served as a senior analyst and in other leadership positions for the Department of Defense.

Thank you, gentlemen for joining us. Your entire testimony will be made part of the record, and please feel free to summarize in 5 minutes.

We will start with Chairman Hoekstra. Welcome back, Pete.

STATEMENT OF THE HONORABLE PETE HOEKSTRA, SHILLMAN SENIOR FELLOW, THE INVESTIGATIVE PROJECT ON TERRORISM (FORMER CHAIRMAN OF THE U.S. HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE)

Mr. HOEKSTRA. Chairwoman, thank you very much.

Ranking Members Deutch and Sherman, and distinguished members of the committee, it is nice to be back, and thank you for providing me with the opportunity to testify today.

I have had the opportunity to work with many of you. I appreciate your bipartisan approach to developing effective U.S. foreign policy. From my work on the intelligence committee, I know how hard foreign affairs is and the number of unknowns that one must deal with.

In that context, I congratulate you on your efforts, and it is absolutely essential. The world is looking for America to speak with a single strong and unified voice. Today, there is so much to say and so little time to say it. Let me summarize my written testimony.

I believe that you need to look at international events in a broad context over a period of time. What happens in Iran doesn't stay in Iran. It has global ramifications. Iran has had a long and dark past. For over 30 years, Iran has faced sanctions for a variety of reasons, the hostage crisis, the bombing of the Marine barracks, financial aid to terrorism, a ballistic missile program, its nuclear program, sanctions have always been about the breadth of Iran's behavior. They have never been narrowly focused.

We have all witnessed Iran's terrorist activities and growing sphere of influence around the world, reaching our doorstep and actually reaching into the United States. This is of immense concern. It has all been well documented. From the killing of U.S. Marines in Lebanon to attempting to assassinate a foreign Ambassador in Washington, DC, Iran's past is dark. There is no debate about that, but what can we expect in the future?

I believe that Iran can be expected to continue its past activities aggressively, especially in South and Central America. With the easing of sanctions, there is no pressure to change. More importantly, as I prepared this testimony last week, I didn't anticipate the events that occurred this weekend. What happens in Ukraine does not stay in Ukraine. I was going to focus on two more transformational possibilities, fundamental changes that would radically alter the national security calculus between the United States and Iran. These two areas for fundamental change are Iranian cyber capabilities and Iran developing a closer relationship with Russia.

First, let me talk about Iran's cyber warfare capability. Cyber reaches globally, it crosses borders effortlessly. In cyber world, it is hard to identify attackers, it is difficult to defend against, and a cyber attack can have a significant impact. Iran recognizes this. They have made a significant commitment to develop cyber capabilities, and they are doing it successfully. In a very short period of time, Iran has moved from a Tier 2/Tier 3 capability to being almost world class in the cyber area, nipping at the heels of the United States, Russia, China, and Israel. Iran has used these capabilities to hack into U.S. financial institutions and even our own defense establishment. Even as Iran has increased its cyber capability, General Keith Alexander, the head of U.S. Cyber Command, admits that the United States may not be fully prepared to defend itself against a cyber attack. The cyber threat is real and it is worrisome.

Finally, the events of the weekend ensure that Iran and Russia will develop a much closer relationship. It has moved from "if" to how fast and how far that relationship will grow. Russia and Iran both have so much to gain from more significant cooperation. I think the immediate impacts will be profound.

The P5+1 talks were difficult to begin with. I think the President even himself admitted that there is perhaps a 50/50 chance of success, the events of the weekend, I think, make it almost impossible for us to expect that the P5+1 talks on Iran's nuclear program will be successful.

Reimposing sanctions will be difficult, if not impossible. Russia will continue to support and increase its assistance to Iran's cyber program as Iran continues to develop offensive and defensive capabilities. And that is just the immediate impact of closer cooperation.

Where does that leave us? Israel and Hezbollah's past is dark. Iran's increasing cyber capabilities and its closer relationship with Russia foreshadows an even darker future.

That concludes my testimony. I look forward to your questions.

Ms. ROS-LEHTINEN. Thank you so much, Chairman Hoekstra.

[The prepared statement of Mr. Hoekstra follows:]

MARCH 4, 2014

STATEMENT OF PETE HOEKSTRA

FORMER CHAIRMAN OF THE HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

SHILLMAN SENIOR FELLOW WITH THE INVESTIGATIVE PROJECT ON TERRORISM

BEFORE THE HOUSE FOREIGN AFFAIRS SUBCOMMITTEES ON TERRORISM, NONPROLIFERATION, AND TRADE; MIDDLE EAST AND NORTH AFRICA

Iran's Dark Past Foreshadows an Even Darker Future

Chairwoman Ros-Lehtinen, Chairman Poe, Ranking Members Deutch and Sherman, and the distinguished members of the House Committee on Foreign Affairs: Thank you for inviting me to testify at today's important hearing on Iran.

I have had the pleasure of working with many of you, and I understand your deep commitment to shaping and influencing American foreign policy. I appreciate your bipartisan efforts to achieve that end.

As talks between the P+5 nations and Iran over its nuclear program continue, we need to examine Iran's past and present, and determine how that will foreshadow its future.

We are all well-aware of the threats and actions of the Islamic Republic over the past 30 years – including its failure to pay what is now $18 billion in judgments against it – which I will discuss later in my testimony. However, it is the future and evolving threat about which we must be most concerned. My intelligence background tells me that we need to be anticipating potential developments and asking the tough questions about where Iran may be heading. We know the past. How does that inform the future?

What are the potential dramatic developments that could transform the threat from Iran, and its proxy Hizballah? There are at least three areas that I believe will significantly magnify the threat that the United States will face from Iran. These go well beyond Iran's commitment to continue to use conventional terrorist tools, expand its sphere of influence, and develop its ballistic missile and nuclear program. Transformational areas include:

- An increasing sophistication of Iran's cyber program and capability to conduct cyber warfare.
- A strengthening of the relationship between Iran and Russia.
- The possibility of more collaboration between Iran, Hizballah, Hamas, Al Qaeda, and the Muslim Brotherhood, as well as other Islamist groups.

The developments in these areas will profoundly impact America's security moving forward. Please allow me to discuss each of these in more detail.

Cyber Threat

First, cyber space is the new battlefield, and it is an especially difficult environment. It is hard to detect. It is difficult to identify attackers. It can do significant damage. It can reach globally and cross borders effortlessly. Press reports indicate that it has been used by Iran's enemies to disrupt its nuclear program.

The United States has established a Cyber Command headed by Gen. Keith Alexander. In recent congressional testimony he discussed a potential attack "that galvanizes some of these

Islamic fundamentalists into a true fighting force...we don't have the proper footing...to stop that." He went on to state that regardless of the work at cyber command, "I worry that we might not be ready in time."

The Iranian regime is fully aware of our vulnerabilities, and it reportedly has grand ambitions for its cyber warfare capabilities. Only a few years ago most experts rated Iran at tier two or tier three cyber capabilities. Today many are surprised and believe that Iran has dramatically closed the gap and ranks closely behind tier one cyber powers such as the U.S., Russia, China, and Israel. They are not only surprised, but they wonder how Iran could have made up that much ground so quickly.

In March 2012, Ayatollah Ali Khameini, the Supreme Leader of Iran, announced the creation a new Supreme Council of Cyberspace to oversee the defense of the Islamic Republic's computer networks and develop new avenues to infiltrate or attack the computer networks of its enemies, according to reporting by Shane Harris in Foreign Policy.

As with many of its capabilities, Iran is not afraid to use them once they have them. Iran has infiltrated U.S. financial institutions through a computer network at the University of Michigan, and last year it hacked into an unclassified computer network used by the Navy. It also claims to have used cyber capabilities to take control of a U.S. drone and capture it.

Furthermore, an Iranian military official recently said that the Armed Forces are equipped with the most advanced information technologies and should be ready to confront enemies in the field of electronic warfare, reports the Iranian Fars News Agency.

The very nature of cyber warfare and Iran's increasing capability should be of major concern to the United States.

Ties with Russia

The relationship between Russia and Iran has always been a complex roller coaster. Recently it appears that both of its leaders see a mutual benefit in forging stronger ties in the economic and security spheres.

Cooperation in the security sphere is easy to understand, with both seeing the U.S. as their primary target.

Russian antagonism toward the U.S. and its ambitions of once again becoming a world superpower are well-documented.

It is currently working to bring Ukraine back into its fold over the overtures from the European Union and other Western powers. It harbors a U.S. traitor who leaked secret documents while working as a contractor with the U.S. National Security Agency.

More relevant to today's hearing is that Russia is largely suspected of helping Iran to develop its advanced cyber capability. Both Russia and Iran are reportedly providing arms to the brutal Bashar al-Assad regime as it builds up its death toll in the country's civil war.

Will Iran itself serve as a proxy in Russia's aggressive posture against the U.S.? Just how much is Russia working with Iran to foment violence in areas like Iraq and Afghanistan and assert itself in other Middle Eastern affairs? Recent reports about Russian intentions for military basing in Central and South America should also be of concern.

How far will a closer relationship between Iran and Russia go, and what will that mean to U.S. national security? Cooperation between these two U.S. antagonists creates a dangerous new dynamic.

Iran's Affairs with other Islamist Terror Groups

What is the prospect for Iran, Hizballah, Al-Qaeda, Hamas, the Muslim Brotherhood, and other Islamist groups, to work together in the future to achieve their goals of destroying the U.S., the West, and Israel?

Again, these are very complex relationships. The groups are deeply divided in the brutal and deadly Syrian conflict. There is the long history of conflict between Sunni and Shia Muslims. Their differences are well understood and historically documented.

However, in the past they have bridged their differences and have found opportunities to work together, successfully.

In the multidistrict case in regard to the terror attacks on September 11, 2001, plaintiffs' attorneys demonstrated that Iran, Hizballah, and al Qaeda formed an alliance in the early 1990s. Experts testified that Iran had been waging an undeclared war on the U.S. and Israel since 1979, often through proxies such as Hizballah, Al Qaeda, and Hamas.

For more than 20 years, Iran, via its Islamic Revolutionary Guard Corps (IRGC), provided training to Hizballah and Al Qaeda.

Furthermore, according to court documents, Iran's facilitation of the travel of at least eight of the 9/11 hijackers "amounted to essential material support, indeed direct support, for the 9/11 attacks."

According to the 2012 State Department report on international terrorism that was released on May 30, 2013, "Iran provided financial, material, and logistical support for terrorist and militant groups in the Middle East and Central Asia. Iran used the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) and militant groups to implement foreign policy goals, provide cover for intelligence operations, and stir up instability in the Middle East."

The United States needs to understand the capabilities of each of these organizations individually, as well as the threat that they pose in their totality. They share the same goals, as Senator Dianne Feinstein, the Chairwoman of the Senate Intelligence Committee, recently articulated on CNN. They want to engage in jihad, impose Sharia law, and establish the caliphate.

They have much that separates them, but they also have much in common.

Developments in cyber, Russian/Iranian relationships, and cooperation among Islamic terror groups will do much to shape the nature of the future capabilities not only of Iran, but the totality of the threat that the United States faces. The developments in these areas will determine whether there is transformational change.

Reviewing Iran's Dark Past

Sanctions against Iran

Sanctions against the Islamic Republic of Iran have never been limited in scope to its nuclear weapons activities.

Sanctions have always been used to target a wide range of Iranian actions.

President Carter ordered a freeze on all Iranian assets in the first series of sanctions against Iran, which resulted from the 1979 Iranian hostage crisis in which the Supreme Leader of Iran Ayatollah Khomeini held 52 Americans in the U.S. Embassy for 444 days. Nuclear weapons were not an issue at this time.

Additional sanctions were introduced in 1984 when Iran was implicated in the bombing of U.S. Marine barracks in Beirut, Lebanon. Since the attack, consecutive administrations have designated Iran as a state sponsor of terrorism and banned all foreign aid to Tehran.

In 1992, the Iran-Iraq Arms Nonproliferation Act targeted the acquisition of chemical, biological, nuclear, or destabilizing numbers and types of advanced conventional weapons.

The Iran and Libya Sanctions Act of 1995 imposed new sanctions on foreign companies that engage in specified economic transactions with Iran or Libya. It was intended to help deny Iran and Libya revenues that could be used to finance international terrorism, as well as limit the flow of resources necessary to obtain weapons of mass destruction.

President Bush froze the assets of any entity determined to be supporting international terrorism following the attacks of Sept. 11, 2001 in New York and Washington. These included individuals, organizations, and financial institutions in Iran.

In 2011, the United States designated the entire Iranian banking system as potentially supporting terrorist activities. In 2012, President Obama issued an executive order aimed at disrupting Iran's oil revenue.

The support for further strengthening sanctions in Congress is strong.

There is in fact growing bipartisan support in the Senate for introducing new penalties related to its ballistic missile stockpiles – which are the ideal delivery systems for nuclear warheads – and are not included in current negotiations with Iran.

Senate Foreign Relations Committee Chairman Robert Menendez (D-N.J.) and Ranking Republican Mark Kirk (R-IL) have introduced legislation, but President Obama has issued a veto threat citing the ongoing negotiations.

Iran's International Terror Network and Global Reach

Iran continues to fund global terrorism unabated. The regime's relentless support of terrorists and terrorist-supported organizations since the horrific 1983 attack on the Marine barracks in Beirut is well-documented.

The current list of countries where Iran has significant outreach and sponsored terrorist activity is breathtaking.

They include Afghanistan, Bahrain, India, Nepal, Saudi Arabia, Kuwait, Nigeria, Sudan, Eritrea, Kenya, Somalia, Comoro Islands, Djibouti, Tanzania, Azerbaijan, Iraq, Lebanon, Syria, Gaza, Ecuador, Venezuela, Yemen, Argentina, Brazil, Bolivia, Colombia, Chile, Paraguay, Uruguay, Surinam, Trinidad & Tobago, Mexico, USA, France, Germany, UK, Australia, Canada, Georgia, Thailand, Cyprus, and Bulgaria. (Chart 1)

In testimony before the Senate Armed Services Committee on March 5, 2013, outgoing Marine Corps Gen. James N. Mattis described Iran as "the single-most significant regional threat to stability and prosperity."

Over the years the Iran-controlled Shia terror network – comprising the Islamic Revolutionary Guard Corp- Quds Force and Tehran's proxy in Lebanon, Hizballah – have plotted numerous attacks on Western and Israeli targets.

Iranian Presence in South America, Latin America, and the Western Hemisphere

Iran has an active presence and extensive network in Latin America and the broader Western Hemisphere. In addition to enjoying strong bilateral ties and state support from governments in Cuba, Ecuador, Nicaragua, and Venezuela – and, we fear, El Salvador might be the next to roll out the welcome mat – the Islamic Republic "maintains a network of intelligence agents specifically tasked with sponsoring and executing terrorist attacks in the Western Hemisphere."

A 500-page indictment released by Alberto Nisman, chief prosecutor of the investigation into the July 1994 bombing of the AMIA (Associacion Mutual Israelita Argentina) Jewish Community Center in Buenos Aires corroborated evidence of Iran's infiltration into Latin America. "For the first time in the Argentine and world judicial history, it has been gathered and substantiated in a judicial file, evidence that proved the steps taken by a terrorist regime, the Islamic Republic of Iran, to infiltrate, for decades, large regions of Latin America, through the establishment of clandestine intelligence stations and operative agents which are used to execute terrorist attacks when the Iranian regime decides so, both directly or through its proxy, the terrorist organization Hezbollah," the report said.

In addition to Argentina, where the AMIA bombing took place, the report named Brazil, Paraguay, Chile, Colombia, Guyana, Trinidad & Tobago and Suriname as countries that had been deeply infiltrated by Iranian intelligence networks.

An earlier indictment related to the AMIA bombing from 2003 referenced a document seized from the house of an Iranian diplomat that proposed a strategy to export the Iranian revolution and Islam from South America to North America. The document said that areas densely populated by Muslims "will be used from Argentina as [the] center of penetration of Islam and its ideology towards the North American continent."

There have been reports of Iran and Hizballah militants working in collusion with Mexican narco-traffickers as part of their larger global, asymmetric warfare against the United States. A leaked 2010 Tucson police department report cited growing use of improvised explosive devices and car bombs by Mexican terrorist organizations signaling possible collaboration with Hizballah that specializes in such explosive devices. Hizballah is also helping Mexican cartels set up "narco tunnels" along the border to help get narcotics into the U.S. from Mexico.

As national security expert Douglas Farah notes in his October 2011 testimony before the House Foreign Affairs Committee, "There is growing concern that Hezbollah is providing technology for the increasingly sophisticated narco tunnels now being found along the U.S.-Mexican border which strongly resemble the types used by Hizballah in Lebanon."

Several cases of Hizballah activity in Mexico have been recorded in the past decade: Salim Boughder-Mucharrfille, a Mexican of Lebanese descent who ran a café in Tijuana, smuggled at least 200 "Lebanese nationals sympathetic to Hamas and Hezbollah into the United States" from Mexico. Boughder-Mucharrfille was sentenced to 60 years in prison on immigrant smuggling and organized crime charges.

Hizballah has engaged in a wide range of criminal activities in the U.S. itself, including cigarette-smuggling scams, procurement scams, intellectual property crime, tax evasion, counterfeiting, and drug trafficking to raise millions of dollars in the United States.

Monetary judgments against Iran in U.S. courts

Iran has been held liable and assessed judgments in excess of $18 billion to compensate victims of its terrorist activities, yet it has only paid out a pittance of that amount.

In numerous cases brought in U.S. courts under the state-sponsored terrorism exception to jurisdictional immunity of the Foreign Sovereign Immunities Act (FSIA) after it was amended in 1996, Iran has defaulted and been found liable for acts of terror that have killed or maimed U.S. citizens, both domestically and internationally.

Iran generally does not fight against a judgment, but hires major U.S. firms to fight the collection of the award.

The plaintiffs in these cases include victims of: the 1983 bombing of the U.S. Marines barracks in Beirut; the 1996 bombing of the U.S. Air Force residence at Khobar Towers in Saudi Arabia; numerous suicide bombings, rocket attacks and other assaults by Middle Eastern terrorist groups, financed and facilitated by Iran; the September 11, 2001 attacks, and other violent attacks on Americans. Award amounts have risen over the years, but judgments are largely unsatisfied.

The bombing of the U.S. Marines barracks in Beirut killed 241 American servicemen operating under peacetime rules of engagement. After a bench trial in March 2003, the district court found that Iran and the Iranian Ministry of Information and Security were liable for damages from the attack because they provided material financial and logistical support to Hizballah to carry it out. On September 7, 2007, the court entered a default judgment against the defendants in the total amount of $2,656,944,877.

The June 25, 1996 bombing of the Khobar Towers residence in Saudi Arabia killed 19 U.S. Air Force personnel and wounded hundreds more. The Department of Justice announced the indictment in June 2001 of 13 members of the Saudi Hizballah group and one member of Lebanese Hizballah who assisted with the construction of the tanker truck, but the defendants were never tried in the U.S. on those criminal charges.

The indictment noted the linkage of entities:

"These Hizballah organizations were inspired, supported, and directed by elements of the Iranian government. Saudi Hizballah, also known as Hizballah Al-Hijaz, was a terrorist organization that operated primarily in the Kingdom of Saudi Arabia and that promoted, among other things, the use of violence against nationals and property of the United States located in Saudi Arabia. Because Saudi Hizballah was an outlaw organization in the Kingdom of Saudi Arabia, its members frequently met and trained in Lebanon, Syria, or Iran."

A series of cases brought by victims and their families alleged that Iran, the Iranian Ministry of Information and Security ("MOIS"), the Iranian Islamic Revolutionary Guard Corp ("IRGC" or "the Pasdaran"), and "John Does" were "liable for damages from the attack because they

provided material support and assistance to Hezbollah, the terrorist organization that orchestrated and carried out the bombing."

The trial judge found that "'the Khobar Towers bombing was planned, funded, and sponsored by senior leadership in the government of the Islamic Republic of Iran; the IRGC had the responsibility and worked with Saudi Hizballah to execute the plan, and the MOIS participated in the planning and funding of the attack.'" As of November 2013, the judgment awarded in these cases stood at approximately $591 million in punitive and compensatory damages, as plaintiffs continued to attempt to collect.

Similarly, numerous cases were filed in U.S. courts against Iran for damages from bombings, rocket attacks and other terrorist events by Hamas, Palestinian Islamic Jihad, and Hizballah. The courts found that Iran materially supported the terror groups, and was therefore liable for the damages from the attacks.

As one court held:

"Iran funnels much of its support to Hamas through MOIS, a ministry with approximately 30,000 employees and a budget of between $100,000,000 and $400,000,000 [citations omitted]. With Iranian government funds, MOIS 'spends between $ 50,000,000 and $ 100,000,000 a year sponsoring terrorist activities of various organizations such as Hamas.'... The bombing also would not have occurred without Iranian sponsorship."

At a hearing in 2009, after Congress modified the FSIA to include punitive damages, the federal district court judge presiding over a consolidation of cases brought by American terror victims against Iran noted:

"The cases against Iran that will be addressed by the Court today involve more than one thousand individual plaintiffs. Like countless others before them, the plaintiffs in these actions have demonstrated through competent evidence – including the testimony of several prominent experts in the field of national security – that Iran has provided material support to terrorist organizations, like Hezbollah and Hamas, that have orchestrated unconscionable acts of violence that have killed or injured hundreds of Americans. As a result of these civil actions, Iran faces more than nine billion dollars in liability in the form of court judgments for money damages. Despite plaintiffs' best efforts to execute these court judgments, virtually all have gone unsatisfied."

Of course, efforts to collect funds to satisfy the judgments have yielded almost nothing. The federal district court in Washington has "awarded more than $18 billion in judgments against Iran since 2008 for its support of terrorism." While award amounts have risen, judgments remain largely unsatisfied.

Conclusion

Iran has long been an outlaw state. For decades the United States has faced an Iranian threat consisting of brutal terrorist attacks. The United States has watched Iranian influence grow around the world. We have watched it develop networks near our borders and even within our borders. We have watched with great concern Iran's development of ballistic missile capabilities and its pursuit of nuclear weapons capability.

Iran in fact all but declared war against the United States when its agents attempted to assassinate a Saudi Arabian ambassador on U.S. soil in 2011. The threat is real and growing. The question is now whether the threat is entering a transformational phase.

The Investigative Project on Terrorism believes the Iranian theocracy has a very dark past and present, and in that context we are very concerned about its future. Iran will view cyber warfare, a closer relationship with Russia, and the possibility of closer cooperation with other Islamist terror groups as potential opportunities to radically change the national security equation for the U.S. and our allies. Just like the nuclear program, each of these will take some time to develop. But that's what it has always been about Iran: buying time.

Iran has skirted away from accepting responsibility for the regime's actions since the 1979 revolution. After billions of dollars in judgments against Iran, it is time for those who have suffered greatly from Iran's brutal actions to receive just compensation. Even Muammar Gaddafi in Libya was required to do so under the Iran and Libya Sanctions Act of 1996.

Libya fulfilled its obligations under the bill by accepting responsibility for the 270 people who died in the 1988 bombing of PanAm 103, renouncing terrorism, and arranging for the payment of appropriate compensation to the families of the victims.

The bill is now titled the Iran Sanctions Act because Iran has refused to do the same.

We need to keep in mind that Iran is a ruthless killing machine, it is committed to creating a global Islamic caliphate ruled by Shariah law by any means possible, and it flagrantly makes a mockery of international laws and norms.

Can we really expect Iran to fulfill any of its unenforceable commitments reached during the ongoing negotiations over its nuclear program, especially keeping in mind that it has never really been held accountable for its actions prior to now?

It would be an incredible leap of faith to sign such a significant deal with a regime that has shown time and again that it cannot be trusted in the past to trust it in the future.

Ms. ROS-LEHTINEN. Dr. Levitt.

STATEMENT OF MATTHEW LEVITT, PH.D., DIRECTOR AND FROMER-WEXLER FELLOW, STEIN PROGRAM ON COUNTER-TERRORISM AND INTELLIGENCE, THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY

Mr. LEVITT. Madam Chairwoman, ranking members, members of the subcommittees, thank you so much for the opportunity to testify before you today.

This hearing is indeed timely. Over the past few years, Iran's state sponsorship of terrorism has increased dramatically to levels not seen since the late 1980s and early 1990s. Some of this terrorism is carried out by Iran's own Quds Force, some of it is carried out by Hezbollah, its primary proxy or others, some of it is the two of them together, and this should not surprise.

We no longer see the Iranian Hezbollah relationship as a proxy-patron relationship but as a strategic partnership with Iran as the primary partner to quote senior U.S. intelligence officials, and that makes all the difference. Events in Syria today have further cemented this partnership with dire consequences for regional and international security.

In 2012, the State Department talked about this marked increase, and we had of course the plot at Cafe Milano that several of you have mentioned already, but I want to point out that senior law enforcement officials at the time noted, though few have picked up on it, that this was only one of a number of violent missions Iranian operatives discussed carrying out at the time.

Over the past year, the operational tempo of the types of plots we saw around the world by Hezbollah and Iran appear to have decreased significantly, and some suggest that this might have to do with the election of President Rouhani who is a relatively more moderate, the subsequent negotiations of Iran's nuclear program, and maybe that has played some peripheral role, but I think that the main reason that we are seeing this drawback is actually because Iran and Hezbollah are all in their investment in the defense of the regime of Bashar al-Assad in Syria.

They are completely absorbed in what they see as an existential battle, and this battle, by the way, from their perspective has—well, from any perspective, has clearly yielded results, whereas U.S. intelligence predicted early on that the Assad regime's days were numbered. That assessment was quickly revisited once Iran convinced Hezbollah to go in and support the Assad regime as it has all in. They just don't have the bandwidth to simultaneously prosecate this kind of global asymmetric battle and do what they are doing in Syria, which is paramount for them at the same time.

But Iranian surveillance and terrorist plots continue around the world, so for example, in September 2013, an Iranian with Belgian citizenship was arrested for conducting surveillance outside the U.S. Embassy in Tel-Aviv. In July 2013, 7 Iranians were caught using fake Israeli passports at Vancouver International Airport, and 2 months later, three men, one Iranian, and we believe two possible Eastern Europeans were arrested at the Brussels Airport, again with forged Israeli passports attempting to fly to Toronto and Montreal.

As I explain in my written testimony, more standard Iranian state sponsorship of terrorism continues around the world. U.S. Treasury designations have recently noted that IRGC Quds Force operatives in Afghanistan were planning to carry out attacks there, that Mahan Air, which had already been designated by Treasury, Treasury designated more affiliates, not because of the proliferation issue but because these elements were facilitating the shipment of cargo to the Syrian regime.

In Yemen, there have been all kinds of weapons shipments to the Houthis rebels, and Bahrain, this continues. And indeed, just yesterday, we had a bombing killing three policemen, two Bahrainians, and an Emirati, and today, just this morning, the chief of Dubai police has said, according to their information, at least one of the bombers got his training from Hezbollah in Lebanon.

Of course, Iran continues to undermine the peace process not only through Hamas. That relationship was badly damaged, but now there is the beginning of a reproshma between the two, but increasingly, Palestinian Islamic Jihad, State Department just designed the Deputy Secretary General of Islamic Jihad, he went to Iran, quite proudly was received, there was just another attack, or attempted attack yesterday, and the Israelis bombed someone, an Islamic Jihad operative who was trying to fire rockets at Israel at the time.

But of course, the main issue right now is, as I mentioned, Syria, and not just Syria, but the implications for the region, and in particular, for Lebanon. Most people talk about the Sunni farm fighter phenomenon, and that is very important, but there are at least as many Shia farm fighters in Iraq, and most of them are Iraqi farm fighters, but not only, Bahrainis, Yemeni, Afghans, and others, and this is a huge, huge problem.

The bottom line is that with Hezbollah and Iran in Syria and with Iranian terrorism continuing around the world, it is important to take a step back. I think that it is important to note that Iran sees terrorism, political violence, and other militant activities as policy tools that are no less, no more legitimate than any other means of affecting their foreign or for that matter domestic policy concerns. It should therefore not surprise that even under the regime of President Rouhani, and even as Tehran engages in the P5+1 talks over its nuclear program, Iran's support for terrorism continues. This should not surprise at all. Time and again, Iran has found such activities to be both effective and financially and politically inexpensive, without cost.

Moving forward, Washington and our allies, the P5+1 and beyond must find credible ways of communicating to Iran that continuing to engage in such activities will incur a heavy price. In the context of current events, that might be difficult to do, but failure to do so guarantees a far less stable region with dire consequences for regional and international security.

Thank you very much.

Ms. ROS-LEHTINEN. Thank you, Dr. Levitt.

[The prepared statement of Mr. Levitt follows:]

Iran's Support for Terrorism Worldwide

Dr. Matthew Levitt[1]
Fromer-Wexler Fellow and Director, Stein Program on Counterterrorism and Intelligence,
The Washington Institute for Near East Policy

Testimony submitted to the House Committee on Foreign Affairs
Subcommittee on Terrorism, Nonproliferation, and Trade
Subcommittee on the Middle East and North Africa

March 4, 2014

Chairman Poe, Ranking Member Sherman, Chairman Ros-Lehtinen, Ranking Member Deutch, distinguished members of the Subcommittee on Terrorism, Nonproliferation, and Trade and the Subcommittee on the Middle East and North Africa, it is an honor to appear before you this morning to discuss Iran's support for terrorism worldwide.

This hearing is timely. Over the past few years, Iran's state sponsorship of terrorism has increased dramatically to levels not seen since the late 1980s and early 1990s. Some of this is terrorism carried out by the regime's own operatives from the Islamic Revolutionary Guard Corps (IRGC) Qods Force, and some by the regime's closest militant ally, Hezbollah. Whereas Hezbollah might have once been described as just an Iranian proxy group, today U.S. intelligence characterizes the relationship of Hezbollah and Iran as "a partnership arrangement[,] with the Iranians as the senior partner."[2] This "strategic partnership," as National Counterterrorism Center (NCTC) director Matthew Olsen put it, "is the product of a long evolution from the 1980s, when Hezbollah was just a proxy of Iran."[3] Events in Syria today have further cemented this partnership, with dire consequences for regional and international security.

Background: Terrorism as a Tool of Foreign Policy

Iran's use of terrorism as a tool of foreign policy, one which is no more and no less legitimate than any other tool in its national toolkit, is well established. Writing in 1986, the CIA assessed in a now declassified report titled "Iranian Support for International Terrorism" that while Iran's support for terrorism was meant to further its

[1] Author of *Hezbollah: The Global Footprint of Lebanon's Party of God* (2013).
[2] Statements of James Clapper and Lt. Gen. Ronald Burgess, "Senate Armed Services Committee Holds Hearing on Worldwide Threat to U.S. National Security," Defense Intelligence Agency, February 16, 2012, http://www.dia.mil/public-affairs/testimonies/2012-02-16b.html.
[3] Matthew G. Olson, "The Homeland Threat Landscape and U.S. Response," testimony before the Senate Committee on Homeland Security and Government Affairs, September 19, 2012, http://www.dni.gov/files/documents/Newsroom/Testimonies/Olsen%209-19%202012%20SFR.pdf.

national interest, it also stemmed from the clerical regime's perception "that it has a religious duty to export its Islamic revolution and to wage, by whatever means, a constant struggle against the perceived oppressor states."[4]

A 1989 CIA report highlights several factors that made Iran more likely to take increased risks in support of terrorism—factors that faded somewhat after the mid-1990s but that are now coming back with a vengeance. The first was the dominance of radical elements within the clerical leadership, which translated into significant Iranian hostility toward the West. Then as now, there was little chance more pragmatic leaders would come to the fore. Furthermore, igniting tensions abroad could shift popular attention away from domestic problems, while asymmetrical warfare provided Tehran with a potent weapon at a time when its military and economy were weak.

Underlying Iranian grievances with the West exacerbated these tensions in the late 1980s in much the same way that they have today. In the late 1980s, Iranian anger was fed by the accidental 1988 downing of an Iranian airliner by the USS *Vincennes*, as well as anger over the publication of Salman Rushdie's *The Satanic Verses*, deemed by Iran to be offensive to Islam. Now, the Iranian authorities' anger is fed by increasing U.S. and European sanctions plus Tehran's conviction that the West is pursuing a "soft overthrow" of the Islamic Republic by use of modern communications to whip up protests. Tehran thinks that the West caused the 2009 protests in Iran and is behind the protests shaking Syria now.

According to CIA reporting in the late 1980s, "Iranian leaders view terrorism as an important instrument of foreign policy that they use both to advance national goals and to export the regime's Islamic revolutionary ideals." The CIA noted that Iran had already "supported and sometimes directed terrorist operations by Hezbollah," described as "a thriving Shia fundamentalist movement in Lebanon." Iran had also "smuggled explosives into Saudi Arabia and conducted terrorist operations against Kuwait targets." Iran, the CIA concluded, would "keep the United States as a primary terrorist target" for itself and its surrogates for a variety of reasons, including the U.S. military presence in the Gulf, the recent reflagging of Kuwaiti oil tankers, the seizure of an Iranian ship laying mines in the Gulf, and an attack on an Iranian oil platform used to support Iranian military operations.[5]

"Marked Resurgence of Iran's State Sponsorship of Terrorism"

In 2012, the State Department reported "a marked resurgence of Iran's state sponsorship of terrorism, through its Islamic Revolutionary Guard Corps–Qods Force (IRGC-QF), its Ministry of Intelligence and Security (MOIS), and Tehran's ally Hizballah. Iran and Hizballah's terrorist activity has reached a tempo unseen since the 1990s, with attacks plotted in Southeast Asia, Europe, and Africa."[6] A year earlier, Iran was implicated in a plot to murder the Saudi ambassador to the United States, Adel al-Jubeir, here in Washington, D.C., one of a number of violent missions Iranian operatives discussed carrying out at the time.[7]

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[4] Central Intelligence Agency, Directorate of Intelligence, "Iranian Support for International Terrorism," November 22, 1986, approved for release June 1999, http://www.foia.cia.gov/.

[5] Central Intelligence Agency, Directorate of Intelligence, "Iran: The Uses of Terror," October 22, 1987, approved for release June 1999, http://www.foia.cia.gov/sites/default/files/document_conversions/89801/DOC_0000259360.pdf.

[6] U.S. Department of State, "Country Reports on Terrorism," May 30, 2013, http://www.state.gov/j/ct/rls/crt/2012/209978.htm.

[7] See Matthew Levitt, "Iranian Terror Operations on American Soil," testimony before a joint hearing of the House Homeland Security Subcommittee on Counterterrorism and Intelligence and Subcommittee on Oversight, Investigations, and Management, October 26, 2011, http://www.washingtoninstitute.org/policy-analysis/view/iranian-terror-operations-on-american-soil.

But the uptick in Iranian state sponsorship of terrorism goes back a few years more, to February 2008, as I detail in the January 2013 Washington Institute report I authored, Hizballah and the Qods Force in Iran's Shadow War with the West. That month a Damascus car bomb killed Hezbollah terrorist mastermind Imad Mughniyah. At his funeral, Hezbollah secretary-general Hassan Nasrallah promised to retaliate with an "open war" against Israel. A series of Hezbollah plots were thwarted over the next few months in places like Azerbaijan and West Africa, but it was a foiled attack in Turkey in September 2009 that proved to be a watershed event for Hezbollah operational planners and their Iranian sponsors. Despite the massive logistical support Qods Force operatives provided for that plot, Hezbollah operatives still failed to execute the attack successfully. Much finger-pointing ensued between Hezbollah and the Qods Force regarding where the blame lay for the two years of failed operations, culminating in the botched attack in Turkey and then another failed plot in Jordan in January 2010. Meanwhile by late 2009, Iran's interest in Hezbollah's operational prowess focused less on local issues like avenging Mughniyah's death and more on the much larger issue of combating threats to its nascent nuclear program. Malfunctioning components ruined Iranian centrifuges; IRGC officers defected; and then in January 2010 a bomb killed Iranian physics professor Masoud Ali Mohammadi outside his Tehran home.[8]

Furious Iranian leaders appear to have reached two conclusions after Mohammadi's death: first, that Hezbollah's Islamic Jihad Organization (IJO) had to revitalize its operational capabilities, not only to avenge Mughniyah's death but also to play a role in Iran's shadow war with the West; and second, that the IRGC would no longer rely solely on Hezbollah to carry out terrorist attacks abroad. It would now deploy Qods Force operatives to do so on their own, not just as logisticians supporting Hezbollah hit men. For this express purpose, the IRGC founded a new unit—Unit 400. Even more than the loss of its scientists, Tehran sought to address its damaged prestige—the image of an Iran so weak it could not even protect its own scientists at home could not stand. For its part, the Qods Force instructed Hezbollah to prepare a campaign of terrorist attacks targeting Israeli tourists worldwide. What followed was a three-tiered shadow war by Iran and Hezbollah targeting primarily Israeli, Jewish, Saudi, and Western interests—civilian and official both—worldwide.[9]

Over the past year, however, the operational tempo of these international plots appears to have decreased significantly. Some point to the election of President Hassan Rouhani and the subsequent and ongoing negotiations over Iran's nuclear program as the likely reasons for this change. That may well have played a role, though past precedent indicates that Iranian support for terrorism tends to continue even under the administrations of relatively more moderate presidents.[10] What has been far more significant, however, is Iran and Hezbollah's all-in investment in the defense of the Bashar al-Assad regime in Syria. The reality is that both Iran and Hezbollah are completely absorbed by what they see as an existential battle in Syria. To be sure, their deep investment in Syria has yielded results: whereas U.S. intelligence predicted early on in the Syrian rebellion that President Assad's days were numbered, that assessment was revisited once Hezbollah and Iran began their military campaign to support

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[8] See Matthew Levitt, *Hizballah and the Qods Force in Iran's Shadow War with the West*, Policy Focus 123, (Washington, D.C.: Washington Institute, January 2013), http://www.washingtoninstitute.org/policy-analysis/view/hizballah-and-the-qods-force-in-irans-shadow-war-with-the-west.

[9] Ibid.

[10] Matthew Levitt, "Iranian Terrorism under 'Moderate' Presidents," PolicyWatch 2095 (Washington Institute for Near East Policy, June 25, 2013), http://www.washingtoninstitute.org/policy-analysis/view/iranian-terrorism-under-moderate-presidents.

Assad.[11] Focused on that campaign, neither Hezbollah nor Iran has the bandwidth to simultaneously prosecute a full-scale, asymmetric shadow war around the world.

Iran's Support for Terrorism Continues

Iranian surveillance and terror plots reportedly continue, but not at the same scope, scale, or tempo of 2012. At least one of these appears to have focused on American diplomatic interests: in September 2013, an Iranian with Belgian citizenship was arrested for conducting surveillance outside the U.S. embassy in Tel Aviv.[12] Another occurred in North America: in July 2013, seven Iranians were caught using fake Israeli passports at Vancouver International Airport.[13] Two months later, in early September of 2013, three men—one Iranian, two possibly Eastern European—were arrested at a Brussels airport with forged Israeli passports. The men were attempting to fly to Toronto and Montreal.[14]

Meanwhile, more standard Iranian state sponsorship of terrorism continues unabated. Consider a few telling examples:

Afghanistan: Last month, the U.S. Treasury Department issued a series of designations targeting Iranian terrorism. In Afghanistan, which is set to have presidential elections next month and where the United States is in ongoing negotiations over troop levels after this year, three IRGC Qods Force officers and an associate were designated for terrorist activities. One was planning to execute attacks in the country with logistical support from two others. The Treasury Department noted that the designation "underscores Tehran's use of terrorism and intelligence operations as tools of influence against the Government of the Islamic Republic of Afghanistan."[15]

United Arab Emirates: In the UAE, several additional entities and affiliates of the previously designated Mahan Air were targeted by the Treasury Department due to their participation in Iranian terrorism activities acting as front companies and the "procurement backbone" for Mahan Air. By doing so, they enabled the airline "to continue ferrying significant quantities of weapons and other illicit cargo into Syria on its own passenger aircraft to support the Assad regime's violent crackdown against its own citizens."[16]

Yemen: In 2012, the Qods Force helped facilitate the shipment of AK-47s, rocket-propelled grenades, and other arms to replace older weapons used by Shiite Houthi rebels in northern Yemen. Last year, the Yemeni coast guard intercepted a boat smuggling arms, explosives, and antiaircraft missiles suspected to have originated in Iran.[17]

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[11] Adam Entous and Siobhan Gorman, "Behind Assad's Comeback, a Mismatch in Commitments," *Wall Street Journal*, December 31, 2013.
[12] Gavriel Fiske, "Iranian Arrested in Israel on Suspicion of Espionage," *Times of Israel*, September 29, 2013, http://www.timesofisrael.com/iranian-arrested-on-suspicion-of-spying-on-israel/.
[13] "Iranians Caught Using Fake Israeli Passports at Vancouver Airport," *Jerusalem Post*, July 26, 2013, http://www.jpost.com/International/Iranians-caught-using-fake-Israeli-passports-at-Vancouver-airport-321150.
[14] Yori Yalon, "Yet Again, Iranian Caught with a Forged Israeli Passport," *Israel Hayom*, October 13, 2013, http://www.israelhayom.com/site/newsletter_article.php?id=12543.
[15] U.S. Department of Treasury, "Treasury Targets Networks Linked to Iran," press release, February 6, 2014, http://www.treasury.gov/press-center/press-releases/Pages/jl2287.aspx.
[16] Ibid.
[17] Jeremy M. Sharp, "Yemen: Background and U.S. Relations," Congressional Research Service, February 6, 2014, https://www.fas.org/sgp/crs/mideast/RL34170.pdf.

Bahrain: In January, Bahraini authorities intercepted a speedboat coming from Iraq with more than 220 pounds of explosives and other weapons onboard. Authorities seized C-4 high explosives, mines, grenades, ammunition, "professionally packaged" explosively formed projectiles, and more. A second boat was seized heading away from Bahrain carrying thirteen wanted suspects, including a Saudi national. According to Bahraini authorities, they had recently foiled four separate terrorist incidents. And while recent events in Bahrain, like charging doctors who treated protestors with terrorism offenses, have undermined a measure of Bahrain's credibility on these matters, Western diplomats say the recent disrupted terrorist plots were the real deal.[18]

Undermining Middle East Peace: Iran continues to disrupt efforts to secure peace between Israel and the Palestinians, something it has pursued nonstop since the 1990s. In 2012, Hamas's external leadership left Damascus, where its external headquarters had been based for more than a decade, over disagreements with the Assad regime's violent suppression of the majority Sunni population's antigovernment protests.[19] Indeed, by August 2011 reports indicated that Iran had already reduced its funding to Hamas for failing to show public support for Bashar al-Assad.[20] "Iran used to be the most supportive state to Hamas in all aspects: money, arms, and training," lamented a senior Hamas leader. "We don't deny this. Our position on Syria affected relations with Iran. Its support for us never stopped, but the amounts [of money] were significantly reduced."[21] Recently, however, a rapprochement has occurred, with an aid to the Hamas prime minister in Gaza, Ismail Haniyeh, reporting that "Relations between us are now almost back to how they were [before the crisis over Syria]."[22]

While Hamas tries to rebuild its relationship with Iran, other Palestinian organizations are taking advantage of the political space and building their relationship with Hamas's previous close patron. Last month, a delegation of Palestinian Islamic Jihad (PIJ) members led by Secretary-General Ramadan Shallah visited Tehran for a series of high-level meetings. Included in the delegation was Ziyad al-Nakhalah, PIJ deputy secretary-general, who was listed as a Specially Designated Global Terrorist by the State Department less than two weeks earlier. Among the PIJ attacks noted by the State Department was a December 22, 2013, bus bombing in Tel Aviv.[23] The delegation met with the Iranian national security advisor, defense minister, foreign minister, and President Rouhani.[24] Some Fatah elements have also traveled to Iran for meetings with officials there.[25]

Syria and the Levant: A tremendous amount of attention has been paid to Sunni foreign fighters traveling to fight in Syria against the regime, but at least as many Shiite foreign fighters have gone to defend the Assad re-

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[18] Frank Gardner, "Arms Ship Seizure Heightens Bahrain Fears," BBC, January 9, 2014, http://www.bbc.com/news/world-middle-east-25664217.

[19] "Hamas Political Leaders Leave Syria for Egypt and Qatar," BBC, February 28, 2012, http://www.bbc.com/news/world-middle-east-17192278.

[20] Reuters, "Iran Cuts Hamas Funding for Failing to Show Support for Assad," *Haaretz*, August 21, 2011, http://www.haaretz.com/news/middle-east/iran-cuts-hamas-funding-for-failing-to-show-support-for-assad-1.379845.

[21] Elhanan Miller, "Iran Slashed Hamas Funding, Senior Official Admits," *Times of Israel*, October 16, 2013, http://www.timesofisrael.com/iran-slashed-hamas-funding-senior-official-admits/.

[22] Harriet Sherwood, "Hamas and Iran Rebuild Ties Three Years after Falling Out over Syria," *Guardian*, January 9, 2014, http://www.theguardian.com/world/2014/jan/09/hamas-iran-rebuild-ties-falling-out-syria.

[23] U.S. Department of State, "Terrorist Designation of Ziyad al-Nahkalah," January 23, 2014, http://www.state.gov/r/pa/prs/ps/2014/01/220540.htm.

[24] Asmaa al-Ghoul, "Hamas Isolated as Iran Boosts Ties with Islamic Jihad, Fatah," Al-Monitor, February 12, 2014, http://www.al-monitor.com/pulse/originals/2014/02/islamic-jihad-fatah-hamas-iran-palestinians.html.

[25] Adnan Abu Amer, "Hamas Unfazed by Fatah Outreach to Iran," Al-Monitor, February 6, 2014, http://www.al-monitor.com/pulse/originals/2014/02/fatah-hamas-iran-rajoub-zarif-palestine.html.

gime.[26] Lebanese Hezbollah and Iraqi Shiite militants from groups like Asaib Ahl al-Haqq and Kataib Hezbollah make up a majority of the Shiites fighting in support of the Assad regime.[27] Shiites from Saudi Arabia, Bahrain, Côte d'Ivoire, Yemen, and Afghanistan have also reportedly gone to Syria to fight on behalf of the regime.[28] Iranians are present in smaller support and advising roles, although recently reports have surfaced of additional deployments of various Iranian forces, including sixty to seventy Qods Force commanders.[29]

Despite large commitments to Syria, Iran is still keeping other irons in the fire. In 2011, the U.S. Treasury Department exposed the fact that al-Qaeda was using Iran as a transit point for funding and supporting its networks.[30] A year later, the details of the agreement were publicized. Al-Qaeda could use Iran as a transit point for money and fighters in exchange for refraining from conducting any operations within Iranian territory, recruiting operatives, and all the while keeping Iranian authorities informed of their activities.[31] In last month's release, the Treasury Department indicated that this is still the case, and indeed the network is operating to move funds and fighters through Turkey to Syria, including fighters for Jabhat al-Nusra.[32]

Iran's largest contribution to the destabilization of Syria—and Lebanon—was the leveraging of its relationship with Hezbollah to shift the momentum on the ground in favor of the Assad regime. As late as mid-2012, U.S. officials believed the Assad regime would crumble "within months." Reportedly, Qods Force chief Gen. Qasem Soleimani was also increasingly concerned about this possibility.[33] But just months later, that assessment changed as intelligence revealed that Iran and Hezbollah were doubling down in defense of the Assad regime. U.S. intelligence assessments noted that Hezbollah leader Hassan Nasrallah at first declined repeated requests from Iranian leaders, in particular Soleimani, for Hezbollah to send large numbers of experienced fighters to fight on behalf of the Assad regime. While some Hezbollah leaders were inclined to provide the fighters, others resisted what they (correctly) feared would prove to undermine their position in Lebanon and be, as one official put it, "bad for the brand." Nasrallah only acquiesced, officials explained, after receiving a personal appeal from the Iranian Supreme

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[26] "Who Are the Foreign Fighters in Syria? An Interview with Aaron Y. Zelin," Carnegie Middle East Center, December 5, 2013, http://carnegie-mec.org/syriaincrisis/?fa=53811.

[27] Jamie Dettmer, "Number of Shia Fighters in Syria Could Rise following Fatwa," Voice of America, December 16, 2013, http://www.voanews.com/content/number-of-shia-fighters-in-syria-could-rise-following-fatwa/1811638.html.

[28] *Terrorist Groups in Syria: Hearing before the House Committee on Foreign Affairs, Subcommittee on Terrorism, Nonproliferation, and Trade, United States House of Representatives*, 113th. Cong. (November 20, 2013) (statement of Mr. Phillip Smyth), http://docs.house.gov/meetings/FA/FA18/20131120/101513/HHRG-113-FA18-Wstate-SmythP-20131120.pdf; Ariel Ben Solomon, "Report: Yemen Houthis Fighting for Assad in Syria," *Jerusalem Post*, May 31, 2013, http://www.jpost.com/Middle-East/Report-Yemen-Houthis-fighting-for-Assad-in-Syria-315005.

[29] Jonathan Saul and Parisa Hafezi, "Iran Boosts Military Support in Syria to Bolster Assad," Reuters, February 21, 2014, http://www.reuters.com/article/2014/02/21/us-syria-crisis-iran-idUSBREA1K09U20140221.

[30] U.S. Department of Treasury, "Treasury Targets Key al-Qa'ida Funding and Support Network Using Iran as a Critical Transit Point," press release, July, 28, 2011, http://www.treasury.gov/press-center/press-releases/Pages/tg1261.aspx.

[31] U.S. Department of Treasury, "Treasury Further Exposes Iran-Based Al-Qa'ida Network," press release, October, 18, 2012, http://www.treasury.gov/press-center/press-releases/Pages/tg1741.aspx.

[32] U.S. Department of Treasury, "Treasury Targets Networks Linked to Iran," press release, February 6, 2014, http://www.treasury.gov/press-center/press-releases/Pages/jl2287.aspx.

[33] Adam Entous, Charles Levinson, and Julian Barnes, "Hezbollah Upgrades Missile Threat to Israel," *Wall Street Journal*, January 2, 2014, http://online.wsj.com/news/articles/SB10001424052702304361604579290613920542386?KEYWORDS=hezbollah+yakhont.

Leader, Ayatollah Ali Khamenei. Iran, the Supreme Leader made clear, not only expected Hezbollah to act, but to act decisively.[34]

Iran, for its part, would provide Hezbollah sophisticated guided-missile systems, in part to deter future Israeli strikes targeting either Lebanon or Iran's nuclear program. But the weapons were primarily stored in Hezbollah warehouses in Syria, and were delivered to Hezbollah via shared supply lines used by the regime and Hezbollah both. As such, the weapons transfers were also believed to be a means of giving Hezbollah another reason for having vested interests in the defense of the Assad regime.[35] Iran would work no less decisively to uphold its end of the bargain, deploying senior Qods Force commanders to personally oversee the transfer of advanced weapons systems to Hezbollah. The movement of such weaponry, however, crossed an Israeli redline, leading the Israeli Air Force to carry out at least six different airstrikes targeting weapons transfers for Hezbollah—some of which killed senior Iranian personnel like Gen. Hassan Shateri.[36] In response, Iran began to smuggle these guided missiles in smaller, component pieces that could later be reconstructed on arrival in Lebanon.[37]

As Hezbollah's combatant role in Syria has become more formal and overt, intercommunal violence has increased significantly in Lebanon, including gunfights between Sunni and Alawite militants in Tripoli, between Sunnis and Shiites in Sidon, and of course bombings by Sunni militants—including Jabhat al-Nusra in Lebanon—in Shiite neighborhoods in Beirut and Hermel. Hezbollah's stronghold in the Dahiya, in southern Beirut, has been struck on multiple occasions, and even the Iranian embassy in Beirut was the target of a double suicide bombing. Nonetheless, Hezbollah has doubled down in its support for the Assad regime, even after bombs started going off in the Dahiya. Hezbollah leader Hassan Nasrallah was crystal clear: "If you are punishing Hezbollah for its role in Syria, I will tell you, if we want to respond to the Dahiyeh explosion, we would double the number of fighters in Syria—if they were 1,000 to 2,000, and if they were 5,000, they would become 10,000." Indeed, Hezbollah—and Nasrallah himself—has cast its lot with Assad to the end. "If," Nasrallah added, "one day came, and required that Hezbollah and I go to Syria, we will do so."[38]

Conclusion

Iran sees terrorism, political violence, and other militant activities as policy tools that are no less or more legitimate than any other means of affecting foreign (or domestic) policy. It should therefore not surprise that even under the regime of President Rouhani, and even as Tehran engages in the P5+1 talks over its nuclear program, Iran continues to engage in these types of activities itself and sponsors the efforts of its partners like Hezbollah. Iran does this because, time and again, it has found such activities both effective and financially and politically

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[34] Adam Entous and Siobhan Gorman, "Behind Assad's Comeback, a Mismatch in Commitments," *Wall Street Journal*, December 31, 2013, http://online.wsj.com/news/articles/SB10001424052702303453004579292543464208138.

[35] Adam Entous, Charles Levinson, and Julian Barnes, "Hezbollah Upgrades Missile Threat to Israel," *Wall Street Journal*, January 2, 2014, http://online.wsj.com/news/articles/SB10001424052702304361604579290613920542386?KEYWORDS=hezbollah+yakhont.

[36] "Syria Conflict: Israel 'Carries Out Latakia Air Strike,'" BBC, November 1, 2013, http://www.bbc.co.uk/news/world-middle-east-24767571.

[37] Adam Entous, Charles Levinson, and Julian Barnes, "Hezbollah Upgrades Missile Threat to Israel," *Wall Street Journal*, January 2, 2014, http://online.wsj.com/news/articles/SB10001424052702304361604579290613920542386?KEYWORDS=hezbollah+yakhont.

[38] Ali Hashem, "Nasrallah Threatens to Double Hezbollah Forces in Syria," Al-Monitor, August 16, 2013, http://www.al-monitor.com/pulse/originals/2013/08/nasrallah-double-forces-syria.html.

inexpensive. Moving forward, Washington and its allies—within the P5+1 and beyond—must find credible ways of communicating to Iran that continuing to engage in such activities will incur a heavy price. In the context of current events, that will be very difficult to do. Failure to do so, however, guarantees a far less stable region with dire consequences for regional and international security.

Ms. ROS-LEHTINEN. Mr. McInnis.

STATEMENT OF MR. J. MATTHEW MCINNIS, RESIDENT FELLOW, AMERICAN ENTERPRISE INSTITUTE

Mr. MCINNIS. Thank you, Chairwoman Ros-Lehtinen and Ranking Members Deutch and Sherman, and other distinguished members of the House Committee on Foreign Affairs for inviting me to testify today and for highlighting the importance of this issue.

If the U.S. is to develop more effective policies against Iranian backed terrorism, we first need to understand why Iran pursues these activities. I believe there are two primary reasons. First, terrorism helps protect the regime. The Iranian threat network, which includes the IRGC, Quds Force, Hezbollah, and Iran's proxies in Iraq, Syria, and elsewhere, serve as both a deterrent and retaliatory weapon. Tehran recognizes its conventional military capabilities are inadequate to deter the U.S. and other powers, and it uses terrorism to compensate for this relative weakness.

Second, the Iranian threat network is the backbone and primary vehicle for the spread of Iran's revolutionary ideas, and its political, economic and security resistance to the West, Israel, and our Arab allies. The Islamic republic must successfully propagate its ideology and its soft power, otherwise, the legitimacy of the entire regime comes into question.

This is why maintaining and expanding its proxy forces and subversive activities in the region and globally is an existential issue for Tehran, even perhaps more so than having a nuclear weapons capability. Its foreign policies will, by definition, continue to obstruct American National interests, regardless of the results of the current negotiations toward a comprehensive nuclear agreement.

The recent escalation in the activity of the IRGC and Quds Force, as Dr. Levitt has noted, is a response to the Arab spring, the Syrian civil war, and the growing confrontation over Iran's nuclear program. Prior to 2011, Iran could use Syria as its primary forward operating base in the Middle East without paying substantial cost.

However, Tehran can no longer maintain this on the cheap. Iran will have great difficulty in deterring Israel, projecting power in Levant, maintaining its crown jewel of Lebanese Hezbollah, keeping its enemies occupied away from its border, and justifying the ideological tenets of the regime's foreign policy if Syria is lost.

The IRGC and the Quds Force are also likely girding themselves for an escalating sectarian conflict in the region stemming from the proxy war in Syria. This could include a possible end to the relative detente Iran has had with al-Qaeda and other Sunni extremist groups since 9/11, as we may be seeing in the recent terrorist attacks against Iranian and Hezbollah diplomatic and other targets in Lebanon and Pakistan.

I believe the need to prioritize resources on the sectarian fight is also a contributing factor for the regime's desire to find a deal on the nuclear program that will relieve sanctions and western pressure.

Finally, heightened fears of a strike against Iran's nuclear facilities over the past 3 years have likely driven the Quds Force to expand its presence and retaliatory capabilities. As we proceeded

with the current nuclear negotiations, it will be interesting to see if the Quds Force begins to maintain a lower profile outside of Syria. The supreme leader has made clear though that any agreement on the nuclear program will not change its resistance efforts against the U.S. and our allies.

So what should we do? I believe the U.S. should develop a much more comprehensive policy employing both direct counterterrorism and competitive strategies using both soft and hard power to blunt the IRGC and the Quds Force. The direct approaches are fairly straightforward. The U.S. needs a more focused and coordinated structure inside the government to target and undermine the Iranian threat network. In particular, this means going after their financial networks, working with partners to expose operatives and illicit activities around the world and challenging Lebanese Hezbollah and the IRGC more aggressively in Syria.

As I examine in more depth in my written testimony, effective competitive strategies also offer us an opportunity to undermine Iran's confidence in its own policies, on more efficiently using our resources, and avoiding direct conflict. Taking advantage of our economic and military strengths, we should look to induce self-defeating behavior in Iran such as overreach in Syria or overinvestment in protecting itself from American power. We should exploit blind spots like Iran's tendency to overestimate its ideological attraction in the Islamic world and make the region less fertile for Iran's proxies and political activities.

Successfully unraveling components of Iran's hard and soft power strategies in the Levant and elsewhere in the world would radically increase western leverage to address the full spectrum of our concerns with the Iranian regime. It would also offer the best chance of eventually pushing the regime toward becoming a state that no longer seeks to undermine its neighbors, subvert the international system, and use terrorism and violence to achieve its foreign policy goals.

Such a fundamental change in the nature of the Iranian state would be of far greater benefit to our interests and even checking Tehran's nuclear program or expanding conventional military capabilities. We need such policies.

And thank you again for inviting me here today.

Ms. ROS-LEHTINEN. Thank you so much, gentlemen, for your excellent testimony.

[The prepared statement of Mr. McInnis follows:]

Congressional testimony
J. Matthew McInnis
Joint Subcommittee Hearing: Iran's Support for Terrorism Worldwide
House Foreign Affairs Committee
Subcommittee on Terrorism, Nonproliferation, and Trade
Subcommittee on the Middle East and North Africa
2172 House Rayburn Office Building Washington, DC 20515
Mar 4, 2014 at 10:00am

Why Iran supports terrorism

If the U.S. is to develop a more effective response to Iranian-sponsored terrorism, the most critical question that must first be asked is: why does Iran pursue these activities in the first place? Terrorism must be understood as an essential tool for Iran to both protect the regime and ensure the continuation of the 1979 Islamic Revolution.

Iran's global force projection network, which includes the Islamic Revolutionary Guards Corps (IRGC) and Quds Force, Lebanese Hezbollah, and Iran's proxies in Iraq, Syria and elsewhere in the Middle East, serves as both a deterrent and retaliatory weapon. By demonstrating a capability to strike U.S. , Israeli or Saudi interests anywhere in the world, or at least creating a perception of this capability, Iran's leaders hope to stave off a military strike, or at least make it extremely costly for their foes. Tehran recognizes its conventional capabilities provide an inadequate deterrent for a global power such as the U.S. and as a consequence, pursues a security strategy to compensate for its relative weakness. Terrorism fits very well into this approach, allowing Iran to target their enemies at home and 'even' the battlefield, often with plausible deniability. This helps explain why high-risk schemes, such as the 2011 attempted bomb plot here in D.C. against the Saudi ambassador to the U.S., can make strategic sense for the Islamic Republic.

Iran is still a revolutionary state, built on the ideological premise of *velayat-a faqih*—guardianship or rule of the jurisprudent—which should be spread and adopted by other Muslim societies. Consequently, Tehran's foreign policy incorporates both hard and soft power strategies to sustain opposition to the United States, the West in general, Israel, and the rival Sunni Muslim powers, all of whom the Islamic Republic perceive as the primary political obstacles to their great national and international projects since 1979. From the early revolutionary period, the need to strike terror into the hearts of the new regime's opponents, both internal and external, was an explicit premise in the founding of the IRGC.

The IRGC also remains the principle executor of Iranian foreign policy on the most contested front lines of the regime's strategic interests, such as the Levant and Iraq. The IRGC leads efforts to build political and armed proxy groups, to expand Iran's reach and build a regional superstructure of "resistance" to the West, Israel and align Arab states, with global connections in Latin America, Southeast Asia, Africa and Europe.

These investments in hard power by the IRGC are not only aimed at preserving the regime, but also to enable the critical expansion of the Islamic Republic's ideas and influence, in other words, its soft power. Iran's conflict with the United States and the West is fundamentally a contest of ideas about how

societies should be governed in the Muslim World as well as how global political, economic and security systems should be constructed. The Islamic Republic must successfully promulgate its ideology's core ideas and political goals; otherwise, the entire enterprise comes into question. Like the Soviet Union, the People's Republic of China (PRC), and others before it, if the central narrative, its *raison d'être*, is no longer seen as legitimate, the regime must redefine itself or eventually lose power.

US policymakers must bear in mind that Iran's soft-power "industrial complex," the interconnected external political, diplomatic, economic, religious, cultural, security, and proxy activity, is related to its revolutionary nature. These efforts are what the regime will pursue and defend incessantly, and almost all are inherently counter to US goals. Hard-power threats such as proxy warfare and terrorism as well as possible nuclear weapons and missiles, ultimately can be seen as tools or enablers of Tehran's more critical soft-power objectives and programs. As a consequence, even if the United States is able to somehow resolve concerns about Iran's nuclear program, the current Iranian regime's foreign policy will continue to obstruct American national interests.

This also points to key opportunities. Successfully checking or unraveling components of Iran's hard and soft power strategy will likely lead to the best chance of eventually pushing the regime to become a 'normal', rather than a revolutionary, power, i.e. a state that no longer seeks to undermine neighboring regimes, subvert the international system, and use terrorism and violence to achieve its foreign policy goals. Such a fundamental change in the nature of the state would be of far greater benefit to our interests than even checking Iran's nuclear program or expanding conventional military capabilities. Today, the United States lacks such a policy.

The Evolving Threat

The escalation we have seen in activity by the IRGC and the Quds Force in the past three years is probably best understood as a response to the new opportunities and significant challenges triggered by the 2011 Arab Spring and, until recently, the growing confrontation with the West over Iran's nuclear program.

The fall of secular Arab regimes in North Africa, especially the loss of a key U.S. ally in Egypt's Hosni Mubarak encouraged Iran to expand both its hard and soft power activities in the region. However, its progress in these countries has been relatively limited and Tehran's focus was quickly overtaken by the eruption of the civil war in Syria.

Prior to 2011, Iran could use Syria as its primary forward operating base in the Middle East without paying substantial costs. However, Tehran can no longer maintain this on the cheap. In a sign of operational strength but strategic weakness, Iran has taken significant risks and even casualties to shore up President Bashir al-Assad, putting in some of its best people on the ground, particularly from the IRGC, to arm, train, and advise elements of Assad's security forces, as evidenced by the assassination of senior Quds Force commander Brigadier General Hassan Shateri in Syria last February. Lebanese Hezbollah fighters have also increased their direct combat role in Syria in 2013 and have been credited in turning the tide for the Assad regime over the past year. This 'expeditionary' effort on the part the IRGC and its allies and proxies is unprecedented and it attests to how essential maintaining the Axis of

Resistance - constituted by Iran, Syria, and Lebanese Hezbollah - is to all the aforementioned parties. Iran will have great difficulty in deterring Israel, projecting power in the Levant, maintaining its "Crown Jewel" of Lebanese Hezbollah, keeping its enemies occupied away from its border, and justifying the ideological tenets of the regime's foreign policy if Syria is lost.

As both the conflict and our policy debate proceed, the US should recognize if Assad survives, Iran and Lebanese Hezbollah will likely emerge with even stronger operational capability in the region, despite the loss of political and moral capital among the Arab states. In contrast, a more effective US strategy to help remove Assad and assist moderate forces could radically increase Western leverage to address the full spectrum of our concerns with the Iranian regime–proliferation, terrorism and human rights.

The IRGC and Quds Force are also likely girding themselves for an escalating sectarian conflict in Iraq, Lebanon and elsewhere in the region stemming from the proxy war in Syria, including a potential direct confrontation with the al-Qaeda network. Recent terrorist attacks claimed by Sunni extremists groups against Iranian and Hezbollah targets in Lebanon and Pakistan will only reinforce this perspective. Though Iran will always identify itself as the primary protector of Shi'a, a growing and costly sectarian contest would undermine their more important goals of leading the Muslim World and confronting Israel and the West.

Heightened fears over the past five years that Israel or even the U.S. may strike Iran's nuclear facilities have probably driven the Quds Force to expand its presence and capabilities. By demonstrating a capability to hit U.S. and Israeli interests anywhere in the world, or creating a perception of this capability, Iran's leaders likely hope to stave off a military strike, or at least make it extremely costly for their foes. With the advent of the Joint Plan of Action, agreed to by the Permanent Members of the United Nations Security Council plus Germany (P5+1) and signed in November 2013, it will be interesting to see if the Quds Force maintains a lower profile while negotiations are ongoing.

Policy Recommendations

So what can be done? I believe the U.S. should develop a much more comprehensive policy employing both direct counter-terrorism and competitive strategies using soft and hard power to blunt the IRGC and Quds Force.

The direct approaches are fairly straight forward. The U.S. needs a more focused structure inside the government to better coordinate the activities of the State, Defense, and Justice Department with the Intelligence Community and also to target and undermine the network that facilitates and executes the Quds Force's and Lebanese Hezbollah's actions. In particular this means going after their financial networks, exposing operatives and illicit activities around the world, and challenging Lebanese Hezbollah and the IRGC more aggressively in Syria.

Given America's current fiscal constraints and geopolitical challenges, effective competitive strategies offer an opportunity to achieve objectives while more efficiently using resources and avoiding direct conflict. I have argued for this approach in AEI's recent report on the topic, *America vs. Iran: The Competition for the Future of the Middle East*. In this model, one tries to undermine a competitor's

confidence in his strategy, or in the tools of his strategy, to ultimately induce self-defeating behavior. The fundamental logic is that competitors always have blind spots or exaggerated threat perceptions that can be exploited. The key to success is identifying where the competitor's vulnerabilities intersect with one's relative strengths. It is extremely difficult to significantly change an adversary's typical strategic behavior. Therefore, it is better to attempt to exacerbate an existing asymmetry or imbalance.

This approach has key pitfalls. Attempting to manipulate a state's fears can risk unwanted escalation and unpredictable behavior. It requires a long-term commitment to the strategy, a difficult proposition given America's political system and often shortened attention span. Competitive strategies also require deep self-awareness and an ability to read the adversary. All of these areas have challenged U.S. policymakers.

The U.S. also needs to understand and defend against competitive-type strategies that Tehran may be pursuing. Sophisticated adversaries such as Iran are likely aware of and attempting to exploit American weaknesses as we engage in the Middle East diplomatically, economically, and culturally. Washington must consciously push back against Tehran's strategies and policies, not just mitigate their manifestations. In other words, the U.S. needs to fight strategy with strategy.

What does this mean for developing competitive strategies? As I previously noted, Iran is the only nation engaged in a true contest of ideas with the United States. If the Islamic Republic remains a revolutionary state, the U.S. should build strategic policies more akin to Cold War paradigms than what it attempts now with the PRC. This is not to say America needs to have another massive defense buildup, especially given that Iran does not have the resources to compete with the U.S. military on a global scale.

Rather, the U.S. should take a page from Paul Nitze in the National Security Council directive 68 (NSC-68) and prioritize the soft-power competition. America should shore up its political, economic, and cultural strength both domestically and abroad, while ensuring that its military is able to both deter aggression and project power when needed. The United States should focus its primary strategies on deflecting and unraveling Iranian policies, which expand their influence detrimentally to U.S. and allied interests. America should also look to frustrate the Iranian political system by highlighting the regime's internal contradictions and Tehran's inability to meet the population's civil and economic aspirations. This approach, unsurprisingly, bears some notable similarities to counterinsurgency doctrine, albeit at an international scale, which this study will explore further.

A successful soft-power, competitive strategy will hopefully push Iran from a state devoted to undermining the regional and global political-economic system to become a more "normal" actor. This would not mean the end of competition, but it would significantly diminish the Iranian threat and allow Washington much greater predictability in the region. A strategy that mitigates or even helps alter the regime's central narrative could transform the dynamics of the U.S.-Iranian relationship, not unlike what occurred with the USSR and the PRC in previous decades.

What would be the key prerequisites to building a tailored soft-power competitive strategy against Iran? First, the United States needs to recognize Iran's political, economic, diplomatic, and cultural objectives in the region. Iran perceives itself as the rightful predominant power in the region, demanding the

removal or neutralization of American, Israeli, and Western presence and influence. Tehran wants to be the model for Islamic governance, the true leader of the Islamic world, and the protector of Shi'a Muslims. The regime seeks economic independence and to become the vanguard of the nonaligned movement, which challenges Western dominance of the global system. More practically, Iran wants to minimize its political isolation and increase its international support.

Second, U.S. policymakers need to understand the target. Effective competitive strategies usually require an imperfectly rational actor whose irrationalities, specifically those induced by threats to the regime, can be understood and eventually predicted. Fortunately, in the area of Iranian soft power, the United States has one such actor in the IRGC, an institution American intelligence and security analysts have been watching for decades. The U.S. needs to dissect further the IRGC's core leadership networks and to more fully understand Iranian decision making and threat perceptions. In U.S. strategic competitions with the Soviets and with the PRC, U.S. analysts had a relatively large community of experts in academia, think tanks, and government focused on those nations' strategic cultures. This type of knowledge community barely exists on Iran and needs to be expanded.

Better understanding the Iranian regime's decision making will be critical to identify strategic or organizational blind spots within the IRGC and the larger Iranian senior leadership. Which threat perceptions can be encouraged or exploited? Which typical or routine activities are often ineffective and therefore can be encouraged? Which political, economic, and cultural missteps does the IRGC frequently make with other countries that can be exacerbated and exposed? How could US policy induce self-defeating behavior?

Third, U.S. policymakers need to better understand themselves, U.S. strengths, and political and resource constraints. Iran can also perceive U.S. weaknesses and blind spots, especially in America's attempt to engage the Islamic world. U.S. policymakers must recognize better when Tehran is pursuing efforts that directly harm American interests or those of U.S. allies in the region.

The U.S. should also be conscious of the difficulty in sustaining complex strategies through multiple administrations and a large, diffused national security bureaucracy. It is a key temporal advantage for Iran, as it was for the Soviet Union and PRC, that its authoritarian system has the relative luxury of a long-term institutional focus on competing with the United States.

Fourth, U.S. policymakers need to define the arenas and parameters of the competition. Should the U.S. place more emphasis on challenging Iranian soft power in the Middle East or work to prevent growth globally? Should policymakers look to primarily defend areas where U.S. soft power is strong and Iranian power is relatively weak or instead attempt to roll back Iran in critical areas? Among the primary areas of soft-power competition—political, diplomatic, economic, infrastructure, energy, ideological, and cultural—where should the U.S. aim to undermine Iranian activities, and where should its focus be primarily defensive? For example, the growing U.S. advantage in the energy sector should be exploited, whereas investing in competition on the cultural and religious playing fields is unlikely to be as productive for U.S. policymakers.

Armed with these insights, the U.S. can begin building portfolios of soft-power competitive activities that will undermine Iran's confidence in both its strategies and the tools it employs to accomplish them. The most common are denial or containment strategies. How should the U.S. strengthen its allies to resist negative Iranian political, economic, and cultural influence? How can the U.S. expose and challenge the activities of the IRGC and prevent the movement of its resources and personnel? How can policymakers shape the economic sanctions regime to support U.S. soft-power goals in addition to pressuring Iran on the nuclear program?

Cost-imposing strategies provide another potentially fruitful approach. How would the U.S. be able to manipulate threat perceptions to induce Iran into overstretching its resources, overinvesting in activities that are not especially worrisome and underinvesting in areas of the most concern to the U.S.? Can the U.S. convince Iran that pursuing soft-power policies against U.S. interests will bear an ever-increasing cost in time and treasure?

Potentially the most powerful, difficult, and risky competitive efforts would directly subvert Iran's strategy and the regime's political system. If IRGC policies are perceived as a failure—through direct challenge, induced self-defeating behavior, deception, or some combination thereof—this could provoke a crisis in confidence in their own strategy. The perception that the Islamic Republic's fundamental objectives may not be achievable or that the system is unsustainable will undermine the regime's legitimacy and likely effect an eventual change in the nature of the state.

These are the questions U.S. policy toward Iran must address.

The U.S. should be placing soft power at the center of its strategy with Iran, given the political and ideological nature of the conflict as well as the relative decline of its hard-power presence because of fiscal constraints. As policymakers look for ways to better protect interests in the region, hopefully this report will shed light and spark debate on which arenas and approaches are ripest for U.S. engagement and strategy.

Ms. ROS-LEHTINEN. I will begin the question aspect of this hearing.

Mr. McInnis, you testified that everything Iran does, its soft power, hard power projections, they are all interconnected and related to its revolutionary nature. Iran's foreign policy is related to external and internal politics, and is related to its diplomatic, economic, and security activity. And you say that its threat of terror, proxy warfare, and its nuclear weapons program all serve as enablers of its objectives, which are all counter to U.S. goals.

So, my first question for all out of our witnesses is this. How can we continue to negotiate with an Iranian regime over its nuclear program, while setting aside the fact that it is the world's foremost state sponsor of terror, even though Iran continues to engage in these terrorist activities by ignoring all other aspects of the Iranian regime's nefarious and illicit activities while continuing to negotiate over the nuclear program; how difficult has it made it for the United States and other responsible nations or allies to counter any of Iran's terrorist activities?

And we have heard from all of you that the tempo of Iran's support for terrorism has seen a resurgence over the last few years. Whether it be through its proxies like Hezbollah or directly through IRGC or Quds Force, Iran is seeking to expand its terrorist network globally.

What has the United States been doing to counter Iran's expansion and growing influence, especially in the U.S. and western hemisphere, and what more can we do or should we be doing?

And Chairman Hoekstra, you testified that the Iranian regime is seeking to expand its terrorist activities to incorporate cyber attacks. We become more and more concerned about the threat of cyber attacks not only because of how harmful they can be and their ability to impact millions of people, but because of how vulnerable our national infrastructure is to these cyber attacks. And just last week General Keith Alexander, commander of the U.S. Cyber Command testified to the Senate Armed Service Committee that the U.S. does not yet have a line drawn in the sand that would prompt a U.S. response for a cyber attack and that our ability to stop terrorist attacks is actually going down.

So, just how far advanced and sophisticated do you believe Iran's cyber warfare program to be, what would a cyber attack from Iran look like, and what are the consequences of failing to address this threat?

We will begin with Mr. McInnis on the first question. Thank you.

Mr. MCINNIS. Thank you, Chairwoman.

Regarding the issues of negotiating with Iran on the nuclear program and the context of what it is still supporting for terrorism. I mean, one of the things that I have been trying to understand is what is driving Iran to the table over the last few months. And even though I think I am highly suspicious of Iran's intentions and its fidelity in its negotiations as is certainly shared by the rest of the committee here, in the end, Iran is looking for a way out on certain issues right now, and I think Iran is in a position, especially when it comes to its economy as well as what it may be facing in the region, and the war in Syria is the best example of this,

that it has a lot of problems right now and it needs to find a way to get out of the pressure from the sanctions and from the U.S.

So, I am certainly not opposed to, you know, pushing Iran to get to a point where we can verify that it is not pursuing a nuclear weapon. I don't have a lot of confidence in how we are going to be able to get there, but I don't think necessarily that it would be two separate things.

I think what we would need to be doing is a full spectrum approach pushing against the nuclear program, pushing against terrorism, pushing against Iran's soft power efforts to spread its cultural religious and economic influence around the region. That is something that all needs to be done part and parcel. I can't see how you would separate them, though I obviously recognize that from a diplomatic standpoint, it is challenging to do both tracks at the same time, but I think we would need to find a way to do that.

Ms. ROS-LEHTINEN. Thank you so much.

Dr. Levitt.

Mr. LEVITT. You hit the nail on the head. This is the you know, $60 million question, and I think the bottom line is this. The nuclear threat is the most severe threat. It is by no means the only one. I think if you try and put everything on the table at once, we are guaranteeing failure, as we have all said. The likelihood of failure is still very, very high. But I am not so concerned about whether or not we are insisting that this is being negotiated publicly at the table.

First of all, we know that some things beyond the nuclear program missiles in particular have been brought up. Iranian officials and others have said this publicly. But the fact that we now talk in government about the Iran threat network, the ITN, when something gets an acronym in government, you know you have gotten somewhere. When I was in the Treasury Department and they started talking about FININT, Financial Intelligence, we knew that as a discipline within the intelligence community, we have gotten somewhere.

There is a lot actually that is happening, but it tends to happen quietly. The one thing that happens publicly is exposures. So, for example, I am very proud that my former department, Treasury Department continues to expose Iran's illicit conduct around the world, including the things that you might consider to be quite sensitive.

So, for example, the fact that al-Qaeda is playing both sides. Or Iran that is, is playing both sides. Obviously, they are defending the Assad regime in a huge way in Syria, and yet Treasury just exposed that they are allowing al-Qaeda to use Iran as a transit point for funding and supporting of its network from within Iran so long as al-Qaeda didn't carry out attacks in Iran to fund who? Jabhan Al-Nusra.

This is huge, and we have done a lot diplomatically as well. So, for example, when weapons shipments from Iran through Iraq were caught going through Bahrain, it wasn't U.S. officials who were out there saying, hey, this is a problem. It was Europeans, and that is great. The European Union has banned the military interest wings of Hezbollah, not as much as we would have liked, but it is a good step. The GCC has done things, and in fact, we have had

a shadow war with Iran over primarily its nuclear program, which suggests that actually into this administration some of the covert things have been going on quite nicely.

So, I don't think it is fair to say nothing is going on, but we do need, and that is why I started my testimony by saying this is so timely, we do need to have public discussions about how important this is and how—it is not a very western way of thinking, but Iran continues to push this envelope even as it is sitting at the table.

Ms. ROS-LEHTINEN. Thank you, Dr. Levitt.

Chairman Hoekstra.

Mr. HOEKSTRA. Thank you, Chairwoman.

A couple of things here. I think as I listen to the opening statements of the members, I share their concern that breaking the nuclear program off from all of the other activities that Iran has been engaged in is very, very concerning. Not knowing the parameters, or the public not knowing what the parameters of what those negotiations may or may not include is also of concern.

You may remember back in 2007 you and I coauthored an op-ed piece and we wanted the Bush administration at that time to release the details of the attack against the Syrian nuclear plant, and this was some months after that, because we wanted the American people to know about the potential relationship between Iran and Syria and that this facility had actually been taken out.

The third thing that you asked about was, you know, what are the cyber capabilities of Iran, and coming from the intelligence world, we have always been concerned about how little we actually know about Iran, whether it is its nuclear program or its cyber capabilities, but what we do know at this time, it has launched cyber attacks against the U.S., it has launched them against Saudi Arabia, it has launched them against a number of other entities around the world.

Also, as experts have taken a look at their programs, they have said in a very short period of time in a surprising—that is always a concern in the intelligence community when you hear a surprise, but what they said 2 or 3 years ago, Iran was a Tier 2 or a Tier 3 capability, and today they have closed that gap dramatically, so there are two things that we are concerned about. How quickly they did it, and more importantly who helped them do it, because we believe that they probably didn't do this on their own. And the most likely candidate for that is the cooperation that they have with Russia.

What would a cyber attack look like against the United States? Well, we have seen, you know, other people hacking into the systems, whether it is Target or something like that. I don't think that is what we would see. You would see something perhaps that would cause an economic disruption, which would be an attack against some of our financial institutions or our financial markets or those types of things or potentially against our infrastructure.

The scary thing there is they have the capability to do that. We don't necessarily have the means to defend it, as General Alexander recently said, and the third thing is, if something like that occurred, it would be very, very difficult to pinpoint exactly who the perpetrators would be. It could be Iran, but it might be very, very difficult, if not impossible, to track it back to Iran.

Ms. ROS-LEHTINEN. Thank you very much, gentlemen.

And now we will turn to my Florida colleague, Mr. Deutch, the ranking member of our subcommittee.

Mr. DEUTCH. Thank you, Madam Chairman.

Mr. McInnis and Dr. Levitt, you both talked about the current state of negotiations with Iran on the nuclear issue and the fact that the Iranians want to get out of the pressure of sanctions; everything can't be on the table at once. I would actually like to talk about how to keep up the pressure on the terror piece of this, even as these talks continue.

And I suppose, Dr. Levitt, the first question is for you: Are the current sanctions effective enough—the sanctions that are aimed at terror financing, are they strong enough? Are there holes in the sanctions regime, particularly when it comes to Hezbollah?

And though Iran ultimately would like to come out of, there is no question, would like to come out of the pressure of sanctions altogether, there is every reason, as for all the reasons that we have discussed here, there is every reason for us to continue to ratchet up the pressure on Iran with respect to its support of terror.

How else can we do that? Where are the holes? And what else can we do to strengthen those sanctions?

Mr. LEVITT. Thanks so much for your question, Mr. Deutch.

As a former Treasury official, are sanctions enough? Sanctions have gotten us very far, but there is always room for improvement.

The whole nature of sanctions is that you take an action and you see how they react or try and evade; you take another action. There is a little bit of cat and mouse to this. And, of course, it also can't be done in isolation. Sanctions will never solve your problem. They will be effective if they are used in a wise way with other tools.

Specifically, with Hezbollah and Iran, I would make these two comments: On Iran, as Chairman Hoekstra said, we need to be particularly focused on how they are trying to make relationships abroad to evade banking and other sanctions to move money around the world. We have seen some things in South America that have been disconcerting; Treasury has been on top of that. But this will continue.

The other thing in Iran that is always a problem is kind of the boneyard system of these massive foundations, that lack any transparency whatsoever, the fact that Iran is consistently able to use these types of entities and front companies around the world to finance Hezbollah and others. And this is something we need to look at.

In terms of Hezbollah, I think actually we are having a very good effect on Hezbollah's financing, in part because of some of the measures we are taking on Iran. At least twice, we know, over the past few years Iran has had to suddenly for a temporary period of time cut back their financing of Hezbollah, and that really upset Hezbollah. Hezbollah has branched out even more than it ever has into the criminal world, and that gives us great opportunities.

I would love to see more U.S. Government actions targeting their black-and-white, open-and-shut criminal activity. Some see this as a sensitive thing to target, in part because we are in negotiations over the P5+1. I think we need to be more like Iran. They are willing to push the envelope, even as they sit at the table, on illicit

conduct. We should be willing to push the envelope on holding them accountable for that illicit conduct, even as we sit at the table, as well.

Mr. DEUTCH. Right. So when you talk about focusing on the criminal area, where? I mean, specifically, what else needs to be done? Where should that focus be?

Mr. LEVITT. Drugs, narcotics in particular. This is the single area where they are able to make the most money in the shortest period of time, not production but moving product from South America to Africa, then elsewhere, and also laundering the proceeds of that product. And there are investigations that are ongoing.

Mr. DEUTCH. In the area of banking sanctions, sanctions against financial institutions, can any of you contrast the sanctions that exist with respect to the nuclear area and sanctions that exist for terror funding?

Do the sanctions that are in place with respect to Hezbollah and terror funding go as far as in the energy area, the nuclear area? And if not, why not?

Mr. LEVITT. That is a hearing unto itself, but in a nutshell, the vast majority——

Mr. DEUTCH. I have about 45 seconds.

Mr. LEVITT [continuing]. The vast majority of the banking sanctions are technically proliferation sanctions. Saderat is the example, the only one I can think of right now that is a terrorism basis. But it is not like Hezbollah uses this bank for terrorism and this bank for proliferation, and, whatever the reason, it has the impact across the board.

The nature of the financial sanctions is that they will look for other ways to move their money. The nature of the oil and gas sanctions is that it is much more difficult for them to do that, the nature of that economy.

And so we have to look for these small mom-and-pop banks or other means that they might move their money. I am less concerned with which Executive order is used, terrorism or proliferation or others, to effect a change.

Mr. DEUTCH. Mr. McInnis, just before you respond—may I have an additional——

Ms. ROS-LEHTINEN. Please. Yes.

Mr. DEUTCH [continuing]. Minute here, Madam Chairman?

Ms. ROS-LEHTINEN. Without objection, we can all go over.

Mr. DEUTCH. You didn't intentionally gloss over that, but I just want to back up for 1 second. You said most of the banking sanctions that exist now are focused on proliferation. And we have those discussions here about how successful they have been, what other sanctions could be put in place? Legislation that we passed last summer was meant to do that. But those do have to do with proliferation.

Couldn't the same sort of sanctions regime with respect to terror financing work? Why would we draw that distinction between proliferation and terror financing?

Mr. McInnis or Dr. Levitt?

Mr. LEVITT. More often than not, it just has to do with what information is most readily available without declassifying really sensitive stuff that can underscore the designation. So if there is a bad

bank, one of the things that will be looked at is, what is the world of information that is available, and what could be most easily made public and available?

But it is also true that terror finance is much, much more fluid. It is much smaller amounts of money. And so it is much easier to find these bigger sums of money, these really important banks. If you find money going for terrorism through this bank today, they could just as easily do it through something else tomorrow, whereas for oil and gas is a lot more difficult. And so that tends to be the reason.

Mr. DEUTCH. Okay. And, Dr. Levitt, I think you are referring back to your old position in that response.

Mr. McInnis, let me ask you. Here is what I am getting at. I understand it would be tricky, and, certainly, there would be ways to evade them. But, ultimately, this is a major concern that the banks have, correct? The notion that we would impose sanctions based strictly on terror financing on those banks, for all the reasons that you discussed, Dr. Levitt, about how it is so hard to track, that is not something that they would be comfortable with, correct?

Mr. MCINNIS. Certainly, given that the connections that we suspect are there between very senior levels of the regime, especially senior levels in the IRGC, and the front companies and the other, as Dr. Levitt mentioned, the gray- and black-market activities that Hezbollah is engaging in in Europe and globally, that is something that, if they were targeted, you could go straight, in my opinion, straight for some of those key decisionmakers inside the regime in a way that is a little bit more difficult than on the nuclear program. And I think that is actually potentially one of the most lucrative things that we could do.

One thing I would want to point out, as well, in relationship to the nuclear negotiations is, as I was mentioning before about Iran's relative weakness and why it may be coming to the table right now, I think we underestimate our leverage that we have against Iran right now, and I think we can actually push things further. And I agree with the other panelist here that we have more room to push during the negotiations.

And I think, tied in with this issue, exposing more of what Iran is doing, especially the illicit activities that Hezbollah as well as senior leadership within the IRGC and the regime are doing, that undermines the moral foundation and the ground that Iran is trying to promote, which it has, frankly, lost quite a bit in the last few years within the Islamic world. Ever since the 2006 Lebanon war, it has been pretty downhill for Iran and its image within the Middle East. And this is something that we can take advantage of by more exposure of what Iran is up to.

Mr. DEUTCH. All right. Thank you.

Thank you, Madam Chairman.

Ms. ROS-LEHTINEN. Thank you. Excellent questions, Mr. Deutch.

Mr. Meadows is recognized.

Mr. MEADOWS. I want to go ahead and follow up on the line of questioning that the ranking member just provided, Dr. Levitt, if we could. Because as we start to look at this, you said that it could be very problematic right now because of the P5+1 negotiations that are going on.

But has not Iran distanced themselves, saying that obviously they are looking for nuclear capability for peaceful purposes, that it has nothing to do with terrorism or the potential hostile act of a nuclear bomb?

So with them distancing themselves from Hezbollah, would it not be very problematic for the Iranian regime if we put additional sanctions on some of those "charitable" or criminal activities? They would have to come to the defense; is that not correct?

Mr. LEVITT. Thank you for the question, Mr. Meadows.

First of all, I wouldn't say that Iran is distancing itself from Hezbollah. It is distancing itself from some activities that are going on, but they are closer to Hezbollah than ever before.

And they would say that everything is in context. If you blow up a bus of people here, it is terrorism; if you blow up a bus of people there, it is resistance. We don't accept that, needless to say, but this is——

Mr. MEADOWS. Right.

Mr. LEVITT. But I do think, and Mr. McInnis made this point as well, that there is great utility in exposing conduct that even they would be embarrassed of—for example, as I mentioned, allowing al-Qaeda to finance for Jabhat al-Nusra within their country.

Mr. MEADOWS. Right.

Mr. LEVITT. And there is lots more like that that could be done. And it is my understanding that people are looking into that. This is not an idea that people haven't thought of or are ignoring.

Mr. MEADOWS. So both you and Mr. McInnis would encourage some kind of legislative sanctions or encouragement of this administration to look at identifying Hezbollah, in particular, from a standpoint of those activities. Because, as you both have mentioned I believe, much of that is criminal—drug trafficking, human trafficking, car smuggling, et cetera—that doesn't just happen in a faraway region but it is ever-present, not only in Latin America but Canada and other places that we would consider much closer allies.

And so you would both encourage that?

And I will start with you, Mr. McInnis.

Mr. MCINNIS. Yes, absolutely. And, certainly, from our experience—and this is kind of going back to some of my previous rules and the knowledge from there—it is very difficult at times to put together the right kind of dossier on this type of effort and then be able to publicly present it in a way that actually has the effect that you are looking for from a soft-power perspective.

You can certainly go after the hard-power aspects of sanctions and so forth. But it is one of the things that we are going to have to—it will be challenging for us, though I think we should absolutely do it, to find a way to get this material out in a way that still is seen, especially in the Islamic world, as credible.

And that is one of the things that is a challenge for us, if we kind of have an—and certainly Dr. Levitt has many experiences with this. You know, if you put it out there in a U.S. Press conference, it has a certain amount of weight. If we can find ways to work with partners, in particular, to have them expose what is going on, you know, our allies in the region or other elements, ways to get this information out that isn't necessarily a very, you know, blunt instrument from us, that is something that I would, you know, cer-

tainly encourage. And I think it is going to take a little bit of talent to do. But I am absolutely all for finding ways to sanction publicly.

I think it is not going to push Iran away from the table. They want a deal right now to get them out of the sanctions. And that is something that I think that they are going to go pretty far to get.

Mr. MEADOWS. So how do we deal with the perception among some that do not view Hezbollah in that same vein? I mean, there are some that would view them as a charitable organization. You know, as we start to look at that—and we smile about it, but, you know, you have that happening across parts of Europe. And so, as we start to look at that, how do we address that?

And then the other part of that is you have one group that says they are a terrorist organization, another group that says they are a criminal organization, and yet a third that says they are charitable. And yet, across jurisdictions, that becomes very difficult to address.

So either one of you.

Mr. LEVITT. Thank you for the question.

First, you know, in terms of sanctions, I would just say one of the things we need to be cognizant of in the current context of what is going on is the type of sanction.

The simplest thing to do that would be the most nonpartisan would be to do follow-up sanctions on authorities that already exist, as opposed to brand-new sanctions. And that can be done in a way that could potentially be very bipartisan, as opposed to——

Mr. MEADOWS. Right.

Mr. LEVITT [continuing]. Coming up with brand-new sanctions which, by some definitions, would be problematic for the Joint Plan of Action.

The second is you asked, sir, about, you know, it doesn't always have to be us. Well, we have a delegation here from Indonesia. And in my book on Hezbollah, I get into great detail about Hezbollah's activities in places like Indonesia. And the Indonesians have been great partners on this. And it would be wonderful if allies around the world, including in places where you wouldn't think Hezbollah would be—in Africa, in Southeast Asia, in Indonesia, in Thailand, et cetera—if some of these governments were to do things to out those activities.

And that is increasingly likely, because while it used to be the case that, well, some saw Hezbollah as legitimate and some as illegitimate, given its activities in Syria today and the nasty sectarian nature of this conflict, that is pretty much done. And so, especially predominantly Sunni countries today, I think, would be much more likely to expose Hezbollah for what it is, if only because of what it is doing in Syria.

And that certainly was the case in Europe, sir, when they decided to ban the military and terrorist wings of Hezbollah. I was invited to testify before the European Parliament on this issue. For some governments, this had more to do with the Bulgaria bombing and the attempted bombing in Cyprus. For others, it had only and everything to do with what they were doing in Syria.

And so, yes, while some see Hezbollah more political at home, terrorist and criminal abroad, increasingly people are coming to the

realization that it is not an either/or. Whether you like them or not, they are a political party, they are a charitable organization, they are also a militia, they are also a transnational organized criminal organization and a terrorist group. How do you deal with a group that does all those things at once? You deal with all those things at once.

Mr. MEADOWS. All right.

I thank the patience of the chair.

Ms. ROS-LEHTINEN. Thank you. Excellent questions, Mr. Meadows.

And, Mr. Sherman, ranking member of TNT Subcommittee, is recognized.

Mr. SHERMAN. Thank you.

Mr. Levitt, I agree with you that we have to at least use all the sanctions laws we have now. That is not only bipartisan but, I think, a near-universal view in Congress. And just a day after Secretary Kerry's testimony before this committee, the administration identified another 8 to 12 organizations that were subject to sanctions.

The theory of sanctions is you are going to make the regime feel that it has to choose between its nuclear program, its terrorism, its wrongful acts, and regime survival. Sanctions are a blunt instrument. They cause problems to an economy. The elites rarely suffer. Middle class suffers; maybe everyone in a country suffers.

And so, it being a blunt instrument, the question is, when you hurt a nation's economy, does that create anger in its government or solidarity with its government?

We saw in South Africa that sanctions were very effective in causing an apartheid regime to decide to hand over the keys of power to the majority. We have seen many other circumstances where blockades, even bombings, et cetera, have united a populace behind their government.

What can we do not to increase the economic effect of these sanctions—that would be another question, a good one—but rather to make sure that the populace of Iran loses faith in its government, try to recreate the situations of 2009?

I don't know which of our panelists wish to respond.

Chairman Hoekstra?

Mr. HOEKSTRA. Yes, thank you.

You know, as you were going through the question, my mind went back immediately to 2009. Because in 2009, at least as I recall it, we did not stand up and support the folks that were involved in the Green Revolution. And, you know, we sided and we leaned more over to the government and supporting the Iranian Government.

You are giving me a funny look here.

Mr. SHERMAN. Chairman, I have asked a question about the future, rather than——

Mr. HOEKSTRA. Yeah.

Mr. SHERMAN [continuing]. Critiquing the past.

Mr. HOEKSTRA. But you have to look at the past to take a look at the future.

And like I said when I started, I applaud the bipartisan effort and the work of this committee and the direction that they have

been going. I think it is supporting the types of folks that were involved in the Green Revolution and sending that type of signal to Iran in the future that will get people to decide to join——

Mr. SHERMAN. I would like to go——

Mr. HOEKSTRA [continuing]. That direction and to do those kinds of activities.

Mr. SHERMAN [continuing]. Go on to another question, because I am not sure that we are as universally loved in the villages of Iran as we would like to believe. I know that the sophisticates in Tehran that we tend to interact with are much more favorable to our position. But I want to go on to another issue.

The ultimate terror attack is a nuclear attack against an American city. One possibility is we find that an MIT professor has been kidnapped, driven around Boston for a while, arrives at an apartment, is shown a nuclear weapon in an apartment he doesn't know where in New England it is, and he meets the gentleman in custody, who has been promised not 72 but 720 virgins, and then appears at a press conference saying he has a note requiring that the United States Navy not be in the Gulf of Oman or the Persian Gulf or the guy gets his 720 virgins. Another possibility is this regime is faced with a 2009 circumstance and, even worse, feels it is going to be overthrown, decides to go out with a bang against an American city.

We would like to have a strong border defense, but I suspect that people in my State will be getting marijuana, and not all of it from Colorado. We are never going to have a border defense so significant that sophisticated drug dealers can't bring in a bale of marijuana.

Chairman Hoekstra, if you can import a bale of marijuana, can you import or smuggle into our country a lead-encased nuclear weapon?

Mr. HOEKSTRA. Yes.

Mr. SHERMAN. So even if we had missile defense, unless our borders are as secure as I think they will never be, we are just months or years away from facing that as a threat.

I don't know if we have any other comment from our other witnesses?

Mr. LEVITT. If I may, I will just, on your first question——

Mr. SHERMAN. Uh-huh.

Mr. LEVITT [continuing]. I would say two things, if I may.

First, in terms of theory of sanctions, there are actually two theories: One you highlighted, making the regime have to choose between its illicit activity and survival. And there are ways to improve that, as you have asked. I would highlight the need to focus on human rights abuses at home. And we have done some of that, and we could be doing more. As some on the committees have mentioned in their opening statements, this continues, and this is something that does have resonance with Iranians at home.

The other is—and this is where we have had much more success—the other is disruption, where we are trying to disrupt the means through which they get their financing to their illicit—that is different from trying to necessarily make them choose. And, ironically, or unfortunately, that is where we have been more successful. Not that that is bad; that is good. But it means that it is much

harder to have things that hurt in the right way, as you have said, that really have to make them have a choice. We have had some success——

Mr. SHERMAN. I agree with you. We need to focus on our public communication to the Iranian people just as much as we focus on sanctions. And disruptions—who knows who did that, but it could have been us—that disrupted their nuclear program, but we have to get them to surrender their nuclear program. Otherwise we just set them back for a year, and then a year later they are back.

I yield back.

Ms. ROS-LEHTINEN. Thank you, Mr. Sherman.

Mr. Collins is recognized.

Mr. COLLINS. Thank you, Madam Chair.

I want to continue, and I think this—as one of the witnesses just said just a moment ago, I think there are several of these questions, and probably mine as well, that could be a whole other hearing as we deal with this issue.

I think I have been on the record that the sanctions and this whole P5+1 deal, to me, was not very well thought out. It, to me, is going down a path that is problematic, some of that being in the issue of cyber, which I want to come back to in just a few moments.

But also one of the areas that we have talked just briefly about in this hearing but I want to hear a little bit more is Iran's—and through Hezbollah and maybe through others—is the activities in the United States. We already know of the plot to assassinate the Saudi Ambassador, other things that we have seen.

What are your feelings on that?

And I know—and I can't remember, and I apologize—one of you had talked about Syria, which I do believe they are invested in Syria right now. They are trying to get other things off the plate so they can deal with that.

Is there still that back thought, or has some of that been put on the back burner in dealing with America, with the Israelis? Because right now we have a large Israeli, you know, population in the United States living here, working here, and then also other Middle Eastern countries.

And I just want a quick thought there, and then I want to jump to something else.

Mr. MCINNIS. On the issue of potential threats inside the U.S., one of the things that—you know, we were at first kind of surprised by what happened with the plot against the Saudi Ambassador several years ago. But when you look at how Iran sees its threat picture, as well as what it is trying to do, having the ability to hit the U.S. On the homeland is something that I consider to be a fundamental objective that they are going to continue to try to have the capability to do.

This goes back to also Iran's weakness, asymmetrically, the balance of power that it has with the U.S. We have the capacity to hit Iran with our military anywhere in their homeland. They do not have that capacity in their conventional—and that asymmetry in the battlefield that they face is one of the reasons why they drive to have the terrorist capabilities that they do.

And having that ability to potentially hit our homeland provides a deterrent effect and a retaliatory effect that they don't have

through conventional weapons. And it is something that I think—same reason why I see so much activity in Latin America as also part of this equation for Iran, that it needs to be able to operate here and to be able to threaten the U.S. On our home territory.

Mr. COLLINS. Well, and I think that is—you know, we tend to think of this threat, I think, sometimes not existentially, in the sense of its being the Middle East, it is Israel, which we have got to do, I think, frankly, a better job of, whether it be with the nuclear capability program, which, you know, they have a vested interest as long as we have as well, but also seeing this move forward infiltrating here. And we have already seen evidences of that.

Switching gears just a little bit, though, in dealing with the interim agreement on the P5+1 and the finances going cyber, Madam Chairman, is something that disturbs me, because it is the reach that they can have. They can sit inside their country, they can reach out.

By taking the pressure off on sanctions, giving them money into this, are there any indications that we are going to see not just the diversion of attention in Syria right now but maybe expanding that cyber presence and having a little bit of freedom there? Because we are already concerned about others breaking, sort of, ranks with the sanction agreement. And I just want to hear some of your thoughts about that.

Mr. HOEKSTRA. Well, the interesting thing with cyber is they increased their capabilities. And, you know, with all their hard power, they may be limited to what they can do in Syria.

Mr. COLLINS. Right.

Mr. HOEKSTRA. They have so much bandwidth, hard power, they are limited to Syria.

The interesting thing with cyber is they are using a whole different set of resources and capability, and it is not a resource-rich investment that they require. Once they have the capabilities, they then can again reach into Africa, they can reach into Central America, South America, but they can then also reach into the United States. They can cross those borders effortlessly, and they can create a tremendous amount of mischief using their cyber capability.

So it gives them a whole new battlefield in which to, you know, confront their enemies.

Mr. COLLINS. Well, I think it is really interesting, because some of that asymmetrical, that cyber threat is something that we have worked on here on this committee, and my friend across the aisle, Mr. Schneider, and I have worked on the QME bill with Israel, and we have added in cyber, because we do believe it is something that needs to be addressed.

One final, and I have 17, 16 seconds left. You brought up something, though, that I think, Madam Chair and others, we need to probably look into further, is the possibility of working with others in what I will call new dynamic relationships, not basically going into areas that we have not been before, but that Sunni connection, that Indonesia connection, you know, how we do that.

Because if you look at some of the reports coming out, the concern of Iran is shared by the Sunni neighbors. It is shared by oth-

ers. And they are sitting here saying you have this Shia and other capability going on here.

So I would like to—at some point, maybe we can explore that more.

But——

Ms. ROS-LEHTINEN. Look forward to it.

Mr. COLLINS [continuing]. I appreciate your testimony today, and look forward to that.

Madam Chair, I yield back.

Ms. ROS-LEHTINEN. Thank you so much. Look forward to working with you on that.

Mr. Lowenthal is recognized.

Mr. LOWENTHAL. Thank you, Madam Chair, for holding this hearing, and to the members of the committee.

I would like to focus a little bit on something that has been mentioned a little bit, I think tangentially, and written up quite a bit by Chairman Hoekstra, and that is the Iranian presence in the Western Hemisphere, in South America and in Central America.

And I want to ask you to respond to a couple of things from your report that you issued that we really didn't get a chance to hear very much about.

One is, you talk about the Iranian active presence and extensive network in Latin America, that in addition to enjoying strong bilateral ties and state support from governments in Cuba, Ecuador, Nicaragua, and Venezuela, we fear that El Salvador may be the next to roll out the welcome mat. I would like to understand what the extensiveness of that state support is and how much attention we have not been paying or should be paying to this.

Another one is, you also go back to a 500-page indictment or release by Alberto Nisman, who was the chief prosecutor of what took place in Argentina. In addition, you say the report has named Brazil, Paraguay, Chile, Colombia, Guyana, Trinidad, Tobago, and Suriname as countries that have been deeply infiltrated by Iranian intelligence. I would like to understand how deeply and how much we really have to be concerned.

And then the final one is: You mentioned also, and others, about Hezbollah providing technology for the increasingly sophisticated narco tunnels that are now being found along the U.S.-Mexican border which strongly resemble the types used by Hezbollah in Lebanon. Is there independent evidence to indicate that we really have along our border Hezbollah doing that, or is that just speculation?

And so I am kind of—anything that you have to do to focus on really the dangers of this increased terrorism in our hemisphere. I think a number of members have talked about it, but really not as focused as I would really like to hear from you.

Mr. HOEKSTRA. Thank you very much——

Mr. LOWENTHAL. And I thank you for what you have done so far.

Mr. HOEKSTRA. Sure. Thank you very much for the question.

I would encourage this committee and for these members to perhaps have a session with the Intelligence Committee and perhaps have access to certain classified information.

When I was on the Intelligence Committee from 2001 through 2011, the Iranian Hezbollah infiltration into Central and South

America was an issue of major concern and major focus, you know, going from what Ambassador Bolton told this committee a year ago about Iranian Hezbollah presence in Venezuela in cooperation with Venezuela and moving all the way up to the border. It has been something that we in the intelligence community have—it has been documented. It is well-understood and is of major, major concern to us. And so it has been an ongoing activity.

And what it becomes, especially for Hezbollah, it develops two things. It develops, as was brought up earlier in the hearing today, the narcotrafficking. It becomes a huge source of revenue for Hezbollah. And it is happening. It becomes a potential for smuggling resources from Central and South America into the United States. There is no doubt that Hezbollah is involved on the border.

And, you know, El Salvador had an election at the beginning of February. They are going to have a follow-up, a runoff election very, very soon. And, you know, the favorite right now is expected to lead El Salvador into a direction that will have closer ties with Iran.

Iran has seen Central and South America as a wonderful and fertile ground, and they love the location. So we have been—it is well-documented. We have been concerned. And, you know, it has been 3 years since I have gotten a classified briefing from the intelligence community. I think it would be worthwhile for this committee to ask for that briefing.

Mr. LOWENTHAL. Thank you.

Dr. Levitt, can you follow up on that?

Mr. LEVITT. Thank you very much.

As Chairwoman Ros-Lehtinen noted, one of the last times I had the pleasure of testifying before this committee was on the Western Hemisphere report. I will refer back to that testimony, that discussion, where we noted that, despite this intelligence, there was apparently some miscommunication with those drafting the report. This is a very, very important issue.

The thing with the tunnels is this: The tunnels we have found are very, very sophisticated. There are some ways they parallel tunnels that have been done by Hezbollah, but I have yet to see any evidence that it is actually Hezbollah doing it. Doesn't say yes, doesn't say no.

We have seen movement across the border. The most significant, in the case of Hezbollah, was Mahmoud Kourani, arguably one of the most dangerous Hezbollah operatives ever to be in the United States. And he is one of only two I know of open-source cases, despite the vulnerabilities we talk about, but of only two known cases where actual terrorists did cross the border. One was a Somali Shabaab, the other was Mahmoud Kourani. And that is very, very disconcerting.

In terms of the Nisman report, which is very, very important, there are lots of parallels that are happening today to the type of intelligence infrastructure that they created back in the day, in the early nineties, at the time of the bombing of the Israeli Embassy in Buenos Aires in 1992 and the AMIA Jewish community center bombing in 1994.

Back then, people talked about the key Iranian involved recruiting people to serve as, as they describe them—their words, not

mine—his antennas. Taxi drivers, all kinds of people reporting back on all kinds of things going on. And Nisman describes in some very disturbing detail how this is happening even today and one case where there has connectivity back to the United States.

Mr. LOWENTHAL. Thank you.

And I yield back my time.

Ms. ROS-LEHTINEN. Thank you. Excellent question. Thank you, Mr. Lowenthal.

And pleased to welcome Dr. Yoho.

Mr. YOHO. Thank you, Madam Chair. Appreciate it.

Gentlemen, I appreciate you being here.

And I listen with, I don't know if it is fear or just great consternation. You were talking about—man, I have so many questions. You were talking about the severe sanctions in Iran. How much more severe can you make them?

And before you answer that, I want to add that it seems like they got to a point where they kind of levelled out, as far as the effectiveness of that. Am I right in that, or is that a wrong interpretation?

Chairman, do you want to go with that?

Mr. HOEKSTRA. You know, one of the things that has happened with the sanctions is that I think you do reach a point where you level off, in terms of exactly the amount of capabilities that you can have, unless you just ratchet it down and you actually close it off.

Mr. YOHO. Well, that is what I was seeing, because, as I read through these reports, as severe as the sanctions are that we thought, what I saw was Iran had met a steady state, and they were supplying militants and guns and that, and then they were expanding in South America. And so it didn't seem like it had the effect that we were hoping it would. And I know other nations are complicit in that.

What else could be done? And I know we can't do it by ourself; you have to have cooperation amongst the international community. You know, in your experience in 9 years on the Intelligence Committee, or 10, what else would you say would have to be done to make those more effective? And is that the way we need to go?

Mr. HOEKSTRA. Well, the sanctions become much more effective the larger the group of people who are actually working to implement the sanctions. The thing that I am looking for, or the thing that now raises concern with me as we move forward is what has happened in Ukraine over the past weekend. I think it is going to be much more difficult to get a coalition to expand and strengthen the sanctions if the P5+1 talks fail.

That is where we are right now, okay, in that we have eased sanctions. If the P5+1 talks fail, the question will be, how do we strengthen the sanctions, reimpose them to ratchet down? I think it is going to be much more difficult to do so in the future.

Mr. YOHO. All right.

Dr. Levitt, let me ask you something. You were talking about human abuses at home, to promote that more in Iran. How effective is that and has it been in the past? And is there a lot of media sanctions, where that word doesn't get out over there?

Mr. LEVITT. We have done very, very few sanctions that are specific to human rights abuses. The human rights abuses have con-

tinued and expanded over time, including recently under the Presidency of Rouhani. And I think that there is a lot of benefit to be made by showing solidarity with the Iranian people over something that is a universal issue.

On the issue of sanctions, I would echo what Chairman Hoekstra said, a need to balance our tools, not only in the unilateral and the multilateral, which is very true, but also in the full toolkit. As I mentioned earlier, sanctions are only one tool, and if we only focus on those, they can only be so effective. When I was in government, I used to sometimes push back on saying, you know, let's sanction this, let's sanction that. Sometimes you have difficult problems, no one would have a good solution, surely Treasury can sanction something.

Here is an example where other tools will be very effective, too, and as I have testified before this committee in the past: We should be reaching out to our allies in the region, we should be sharing information with people who even aren't our allies to show the nature of the activities that the Iranians are engaging in in the southern half of the Western Hemisphere. And we should be pushing them to do things like we have done: Limiting the miles, concentric circles that Iranian diplomats can travel, limiting the number of diplomats who come in the country, the number of visas that are given. There are ways to constrict their activities beyond just financial sanctions, and I think we have to think more creatively about that.

Mr. YOHO. Okay.

And I want to ask all of three of you this. This will be a short answer. As Mr. Sherman brought out, you know, Hezbollah and others could be bringing WMDs across our southern borders—any of the borders, I guess, realistically. Would you recommend securing the border as an issue of national security?

Mr. MCINNIS. Yes.

Mr. HOEKSTRA. Absolutely. But——

Mr. YOHO. Thank you.

Mr. HOEKSTRA [continuing]. I think as Representative and Ranking Member Mr. Sherman said, will we ever get to a point where you have a totally secure border? I mean, the decision that the Members in Congress will have is it is going to be a risk/reward effort. How much money are you willing to spend to secure the border to what extent?

But will you ever get to a fully secure border where they couldn't sneak in a nuclear weapon or WMD or some other materials? You know——

Mr. YOHO. I think, more importantly, can you afford not to secure the border?

And, Mr. Levitt, your answer on that, to secure the border, national security?

Mr. LEVITT. There is no such thing as 100 percent. So I think to say, you know, can we afford not to be secure, it is a false question.

I would recommend the committee hearing from people in government who are doing this. We have put a lot of time, effort, and money toward this. I think we do a very, very good job.

I am not fully convinced that smuggling a device across the border would be as easy as everybody thinks, but I am not an expert

in it. But I think the committee should hear from people who have, you know, career expertise on the issue.

Mr. YOHO. I yield back. Thank you, Madam Chair.

Ms. ROS-LEHTINEN. Thank you, Dr. Yoho.

Mr. Cicilline, Mayor.

Mr. CICILLINE. Thank you, Madam Chair.

Thank you very much for your testimony today.

And I would like to ask all of the panelists to address the question of how you believe the relationship between Iran and Hezbollah will change if the Assad regime falls. And are they contemplating that? And is there a long-term strategy for Iran in Syria? Or, sort of, what is driving their decision making with respect to their participation?

Mr. MCINNIS. When it comes to what Iran has been looking at as the plan B, that is something that, in many ways, was what drove their calculus to really ramp up what they have been doing the last couple years, because they realized that plan Bs do not look very good for Iran and Syria.

Without that, kind of, beachhead that they have in the Levant with Syria, it is extremely difficult for them to be able to execute not only the major elements of their foreign policy, but it really undermines that whole narrative that they are leading this charge against Israel, against the West, and it brings into question the whole survivability of Iran itself if it loses Syria.

What we certainly would imagine is they will look to build up second-tier elements in Syria that would look, what I would kind of think look like Hezbollah, many Hezbollahs, that would be able to provide some form of influence and activity inside Syria.

From Hezbollah's perspective, you know, they are also in an extremely difficult position if they lose Syria. And, frankly, what they have done, even though it has been very interesting from an operational standpoint of what they have been able to do inside Syria, this expeditionary effort that they have had, it has also left them, in many ways, more vulnerable back at home. And they are increasingly in a position where they are having to defend their backyard. There are growing concerns about Sunni extremism in the north and other places inside Lebanon.

And so what you are seeing is, if you lost Syria, you know, Lebanese Hezbollah would actually be in a very, very dire situation, in my opinion. It would force them, in many ways, to find a new path forward inside the state to be able to continue. Because I think they can theoretically survive without Iran as some type of political entity, but it would be very difficult for them.

Mr. LEVITT. Iran and Hezbollah are not about to have a breakup, not any time soon. There is a core, fundamental theological underpinning between them ever since Iran sent 1,500 Quds Force operatives to the Bekaa Valley to help find them in the early 1980s. If anything, the conflict in Syria is driving them closer together. And should they lose in Syria, I think that that wouldn't break them up; it would only harden still, because Hezbollah, Iran's strategic partner, would need Iran even more.

It is important to note that our understanding now is that when Iran first asked Hezbollah to get involved, they sent someone from the Quds Force, and that Hezbollah actually first said, maybe we

shouldn't do that, because they understood that this would be bad for the brand. Right? There is no way to say that we are resisting Israel when we are targeting fellow Muslims in Syria.

A Lebanese Shia satirist wrote in a Lebanese newspaper, "It looks like the boys from Hezbollah have lost their maps." Right? They are no longer engaging in resistance. They are no longer doing, as they always say, something that is in Lebanon's interest; it may not be clear at first. Well, this is not. If you are a Lebanese of any confessional faith, your number-one concern is renewed civil war, and Hezbollah is not doing anything good there.

But then Iran sent a representative, we understand, from the Office of the Supreme Leader. Now we get into the principle of velayat-e faqih, the rule of the jurisprudent. And, at that point, when they say, "Jump," you say, "How high?" And that is exactly what happened. And Hezbollah was told not only to act but to act decisively. And they have done that. And this solidifies that strategic partnership.

Mr. HOEKSTRA. I agree with what my colleagues have said here.

I think the other question that you get that goes beyond—you know, Syria has clearly created a fault line and has highlighted the divisions between the Shias and the Sunnis. But the real question, you know, moving beyond Syria is, what is the level of participation and cooperation—and I go into this in my full testimony—that might evolve in the future between organizations like Hamas, Hezbollah, Iran, and al-Qaeda? Once we get past Syria, and that has played out, is it possible for these organizations to create greater cooperation and move forward? They have done it on isolated events in the past, but can they develop a more unified global strategy?

Mr. CICILLINE. And may I just ask, Dr. Levitt, this final question to you. You made reference to two things: One, that there is a lot more that we could be doing to show the deceptive conduct of Iran and, sort of, diminish their standing to the rest of the global community. Can we start that process this morning? And maybe share with us some more examples.

And, second, you made reference to highlighting the human rights abuses as a powerful tool. Why is that an effective strategy? What do you think is the best way for us to use the human rights abuses in Iran to advance that objective?

Mr. LEVITT. Thank you for the question.

Look, this is a universal right, this is something that resonates with Iranians, when they see people, you know, being murdered for their faith or what have you. And finding ways to highlight this shows that we are not the other, we are not, you know, the big Satan, we are people like they are, and we stand up for human rights wherever they are.

And it, by the way, shouldn't always and only be us. The same way we were talking earlier about how, you know, Indonesians or others could be highlighting the activities of Hezbollah in their area, a universal right should be universally supported.

But there are sanctions that could be done specifically about human rights violators. We have done that with people who are violating human rights—Iranians violating human rights in Syria, for example. Qasem Soleimani, the head of the Quds Force, has

been designated three times—that is great—on a proliferation platform, a counterterrorism platform related to the plot here in DC, and human rights platforms. Great. Let's have some about what is happening in Iran, not only about what Iranians are doing to violate human rights in Syria.

On the deceptive conduct, maybe we can follow up after the hearing. I am not in government anymore and, like Chairman Hoekstra, haven't received classified briefings in quite some time. But Iran's deceptive conduct continues in all kinds of different ways, and there are things that we need to be doing to try and—and I am sure are being done—to highlight these.

And I think the fact that Treasury has continued to do exactly these types of designations indicates that the administration is willing to pursue these things, even things that might otherwise be seen as really sensitive, especially at a time during the negotiations, in particular the case of al-Qaeda in Iran.

Mr. CICILLINE. I thank the chairman for the courtesy and yield back.

Ms. ROS-LEHTINEN. Thank you, Mr. Cicilline.

Mr. Vargas is recognized.

Mr. VARGAS. Thank you very much, Madam Chair, once again.

I see that and I believe that a nuclear Iran is still the most serious threat to our national security, and especially because I think if they had the nuclear weapon, they would be one of the very, very few nations that would be willing to use it.

And I thought that the sanctions were working, and I thought that the sanctions were working because they had real consequences in Iran. We could argue, as was argued a little bit earlier, whether they harm the regime more than the population as a whole or whether the elites get a pass. I personally think that they will work and that is why they wanted to negotiate.

I did hear today that maybe there are other things that we can do. We can expose them, we can disrupt them. But, you know, I don't think that those things work so well. I mean, you take a look at Russia. You know, it seems like, you know, that saying that you are not going to have the next meeting in Sochi. Well, so what? Are they still going to buy our gas in Europe? That is what they care about. And they rolled the tanks.

You know, Iran executes two-thirds of all the children executions in the world inside Iran; that is what it is thought to be. And, for me, that would seem that that would embarrass the hell out of them. It doesn't seem to.

So I don't know, I guess I ask you, I sort of throw up my hands and say I think we are being incredibly naive when we think that anything but real pressure will cause them to act differently.

Mr. Chairman, what do you think about that?

Mr. HOEKSTRA. I am skeptical of the soft-power efforts. I really would agree that the most effective tool would be strong economic sanctions. That is actually what has an impact and gets people's attention.

Mr. VARGAS. Doctor?

Mr. LEVITT. Look, as a former Treasury official who was involved in this, I love that everybody thinks that that is working and that

is great. And I would certainly agree that it was working, that it is working, and that it can continue to work.

But I will say again: Sanctions, financial tools alone will never solve your problem. We have to fold in other tools. I think not to do that is naive. To think that if you only expose human rights, that that will solve your problem, is also absolutely naive.

But I think one of the reasons that the Iranians don't really—you don't really see an impact by the fact that apparently two-thirds of all children killed are—is because that doesn't get out there. That is not in the Iranian media. And we are not, others are not making that public. Let's make that public.

Not that that alone will solve the problem. But how do we leverage all elements of national power——

Mr. VARGAS. Uh-huh.

Mr. LEVITT [continuing]. Together to have an impact? And I think that there is no question, the sanctions have been the single most effective thing, but there are other things we can be doing, and sanctions alone are not a panacea.

Mr. VARGAS. Mr. McInnis?

Mr. MCINNIS. Yeah, I would just add that one of the things we should keep in mind is that, given how essential both its support for terrorism as well as the nuclear program itself is so essential for Iran's ideology as well as its national security, it is almost impossible to break the bank on them.

This is something, from a sanctions perspective—you know, what we have seen in Syria, for example, where Iran has offered up, you know, maybe $13 billion, $14 billion in loans to the Assad regime in a time when it is having significant economic problems, it shows you, you know, for things that really, really matter to Tehran, they are going to go—it doesn't matter how much money we take away from them.

However, disruption and pressure, making things more frustrating for them—and they do respond to disruption and pressure. And I think they have made changes in their calculus of how they are going to operate based on what we are willing to do, what they think we are willing to do, to push back.

The challenge for us is that, you know, as long as this regime is as it is, it will continue to support terrorism and will continue to pursue a nuclear weapons capability, even if it puts it in kind of a mothball stasis for a while during the negotiations.

So that is something that, you know, if we are hoping to really achieve America's interest here, we have to recognize that the best we can do right now is push back, make it frustrating for them, and have them recalculate. And then as over time that erodes the credibility of the regime, it hopefully will change the regime internally.

Mr. VARGAS. Well, I guess my faith in the notion—the soft pressure that we are applying is really Western soft pressure, it is not really affecting them much. I think the pressure of the sanctions was really hurting them. You know, when the economy starts to falter and potentially collapse, that is the type of pressure I think that works. I think it is the type of pressure that has always worked.

And so, anyway, I appreciate you being here. I hope I am wrong, but I really do appreciate the time.

Yeah, Doctor, you had a comment?

Mr. LEVITT. If I could just add one more thing. Key here is the administration has said that if and when the Joint Plan of Action doesn't produce results, that the sanctions will be revisited. This has been stated many, many times.

This has to be a credible threat. And the question is, what is the timetable? Right? So we need a little more clarity on what the timetable is. Is it 6 months? Is it a year? Under what circumstances will it be renewed?

Because that obviously gets to the point that you are making of the sanctions and whether the threat of renewing really serious sanctions is near-term or not.

Mr. VARGAS. Thank you. Thank you, sir.

Thank you, Madam Chair.

Ms. ROS-LEHTINEN. Thank you, Mr. Vargas.

Mr. Schneider is recognized.

Mr. SCHNEIDER. Thank you, Madam Chair.

And, Dr. Levitt, I couldn't agree with you more. I think that is why, you know, my position is it is essential that this Congress presently state very clearly that the sanctions that would follow an unsuccessful completion of the Joint Plan of Action would be a level of sanctions not back to what we had October 2013 but orders of magnitude greater. And the more clear we can be now, today, I think the better the incentive for Iran to stay at the table and complete those negotiations.

But I want to turn to the cyber threat, Chairman Hoekstra. And my friend and colleague, Mr. Collins from Georgia, I think was perhaps overly modest. We talked about the Israel Qualitative Military Edge Enhancement Act and its turn to cybersecurity as a part of that. Because it is important, as you have all mentioned, Iran closing that gap, that is where a country like Israel can't match the threat of numbers of troops, that qualitative edge is crucial. And the qualitative edge today is so much more so at the cyber front.

What do you see as the critical things, both vis-à-vis the United States protecting its assets from a direct attack or an attack to our financial, our grid, whatever that may be, and also working with our allies like Israel to make sure that they are protected against a cyber attack?

Mr. HOEKSTRA. I mean, the threat that we have is that we have no unified U.S. Strategy to protect cyberspace—you know, so a unified Federal strategy or a national strategy to protect our banking structure, to protect the markets, to protect our infrastructure; you go right through the list.

And, you know, I know Congress has been struggling with this for an extended period of time, in terms of what is the balance between the role of government, government incentives, and those types of things to help the private sector.

So, you know, when you get the head of U.S. Cyber Command getting up and saying, you know, "We are not ready to defend," that has to be scary to all of us. And Congress needs to work with the administration in developing that strategy to protect us.

You know, I think we all know our capabilities offensively are tremendous. All right? Our capabilities through NSA, which have been revealed through Snowden. We have some great capabilities. So offensively we are doing just fine. It is on the defensive side that we are just so vulnerable.

Mr. SCHNEIDER. Well, I am pleased to say that the House voted 399 to zero for that. I think we do need to come to a unified approach, as you touched on.

Let me shift gears a little bit, and I only have a little bit of time, but what I have heard from the panel today—and, again, thank you for your comments. This has been very informative.

But if I summarize, Iran is driven by goals and strategies. Iran's goals are survival, regional hegemony, and a spread of its revolutionary ideology. And Iran is willing to use all and every tool at its disposal and is consistently expanding those tools. That is the threat of Iran's nuclear program, that is their terror network, that is their cyber threat. And, as was said—I think, Dr. Levitt, you said it—for them, it is an all-at-once strategy, and we need to have an all-at-once response.

My question, if you will, is the pressure points. What opportunities do we have to pressure Iran within the context of all-at-once on their side and all-at-once on our side that can be most effective now? In the context of the JPOA, in the context of what is happening in Ukraine, where should we be focusing our first attentions?

Mr. McInnis?

Mr. MCINNIS. I think first and foremost is coming up with a better approach to Syria would be something that could have an immediate effect on Iran's calculus. I think that is something that—you know, Iran is right now, as we have discussed, is all in in Syria. It is an existential problem for them. They will do whatever it takes to keep Syria going. But, at the same time, that also induces a potential for significant overstretch on Iran's part. And it is something that, you know, we could certainly take advantage of in many, many ways, both exposing their behavior and their activities against fellow Muslims there inside Syria, as well as, frankly, it is eventually going to become a personnel resource drain for them.

You know, it has been talked about, you know, can Syria become the next Vietnam, you know, Iran's Vietnam? Maybe. But it is something that—Iran is more committed to Syria than any type of expeditionary force that the U.S. has encountered or has engaged in in the last several decades.

So this is something that I think is a first step.

Mr. SCHNEIDER. Dr. Levitt, briefly?

Mr. LEVITT. Yeah, I completely agree. I think that we make the mistake of trying to put Syria in one box and Iran in the other. The most important, critical area where we need to push back on Iran is Syria.

And there was a Wall Street Journal article not a long time ago that pointed out in the title that the reason for the Assad regime's comeback is because of our mismatched commitments. They are fully committed and all in. And we, and I don't mean only the

United States, we, the West, are not. And that will continue to be a problem unless we change it.

Mr. SCHNEIDER. Chairman Hoekstra?

Mr. HOEKSTRA. Yeah, thank you. A very, very difficult question.

I would probably tend to disagree with my colleagues on the panel in talking about that the focal point at this time is Syria. The time may have passed in Syria to develop an effective strategy. And it is one thing to say, "Develop an effective strategy," without identifying one. I am at a loss at this point in time to identify an effective strategy with where Syria has evolved to over the last 12 months. You know, we don't have a strong role there. And the opposition now to Assad is primarily dominated by the jihadists and al-Qaeda and those types of groups.

So where you go and what our role or what the West's role in Syria might be—my concern is, as Congressman Vargas said, we gave away perhaps our most effective tool with sanctions and the ability to reimpose them as part—and I agree—as part of a unified effort, a full-forced effort, you know, we have given that tool away.

Mr. SCHNEIDER. Well, again, thank you very much.

I wish we had more time for further conversation. The transition from proxy to partnership of this terror network, I would like to have the opportunity to explore that further.

So thank you very much. I yield back.

Ms. ROS-LEHTINEN. Thank you, Mr. Schneider, excellent questions.

And now we turn to Mr. Connolly for his questions.

Mr. CONNOLLY. Thank you, Madam Chairman.

And welcome back, Pete, to the Congress. You just said we gave away one of our most effective tools, sanctions. What did you mean?

Mr. HOEKSTRA. Well, I believe with the P5+1 talks we relaxed sanctions. All right.

Mr. CONNOLLY. Would you rather have not had the interim agreement? I mean, is it your view that we should have just kept sanctions on and ignored those talks and the Phase I negotiations that were completed; is that better?

Mr. HOEKSTRA. As I said earlier in my opening statement, developing foreign policy, I recognize how hard it is. Yes, my preference would have been to maintain the sanctions in place.

My experience in dealing with Iran and watching very closely their nuclear program from my perch at the Intelligence Committee has been that, you know, one of the things and one of the tools and the most effective tools that Iran has used in the past, is negotiating for more time to forward its goals and objectives, and I believe that that is what we are involved in with the P5+1 that they are negotiating. Through negotiating, they are not only getting more time for development of their nuclear program but also for their wide range of other activities.

Mr. CONNOLLY. Gotcha. So you would not have—in fact, you wouldn't have even entered into these negotiations then, given that point of view.

Mr. HOEKSTRA. I would have entered—I would have been more than willing to negotiate with Iran, but I would have expected more up front action before there was an easing of sanctions.

Mr. CONNOLLY. Dr. Levitt, do you agree with that point of view?

Mr. LEVITT. Thank you for your question.

I think the real issue with the sanctions is perception and misperception. I think part of that is, as the chairwoman opened today's hearing with, is that not all the information has been released publicly, and that creates a lack of transparency.

A lot of people talk about sanctions being dropped, sanctions being lifted. They have been suspended, and that is an important difference, and the things that have been suspended can be put back in place. It is not even put back in place, resumed very, very quickly. We haven't removed anything.

The real issue is that this perception has trickled down now to the private sector. You do have now businesses knocking at the door, and that is important because it creates political pressure. You are going to have, if you haven't already, big business come knocking at your door.

Mr. CONNOLLY. Well, let me—thank you. But, Mr. Hoekstra just said we gave away the most important tool we have, sanctions. Do you agree with that, that we gave it away by agreeing to a Phase I interim agreement to basically roll back the nuclear development program in Iran?

Mr. LEVITT. I agree that there is a perception out there that we gave it away. I don't think we did, but I think the fact that we are not countering that perception is a problem.

Mr. CONNOLLY. Does Iran have that perception?

Mr. LEVITT. That is an excellent question, because when you are trying to deter someone from doing something, the only thing that matters is whether they believe that your threat is credible, and I'm not so sure they do anymore.

Mr. CONNOLLY. Well, what do you think motivated Iran to get to the table in the first place?

Mr. LEVITT. I think that it was primarily the sanctions——

Mr. CONNOLLY. Right.

Mr. LEVITT [continuing]. Without question.

Mr. CONNOLLY. So you think in this brief period of time, Iran has gone from these are hurting, we have got to do something to reverse this, especially with the new President who has got a mandate, perceived mandate, to the point where, you know what, we don't—we can use this, Mr. Hoekstra suggested that it may be true, that Iran's just buying time here, they are not serious, that none of the things they have agreed to really are material, and they are no longer afraid of the United States or the West in terms of economic sanctions. I find that really hard to believe.

I mean, all that matters at the end of the day, I mean, these other things matter, but what does Iran think? And you have to deal with the fact that Iran came to the table. We haven't even talked to Iran since 1979 virtually, and they agreed to certain metrics.

Now, we can all debate whether those metrics are substantial enough or whether at the end of the day they really work or whether they are subterfuge for something else, but the fact of the matter is they agreed to those metrics, and they are under enormous scrutiny internationally on whether they comply with those metrics and what happens to the next stage, and you know, I mean, the

proof of the pudding will be in whether we meet those metrics, it seems to me, not whether some businesses think sanctions have been relaxed to the point where they can now apply to do trade with Iran.

What matters is the people at the table, face to face, what do they think. And, that is really, to me, the critical question. If they think we are not serious, if they think we are not ready to resort back to the tool Mr. Hoekstra thinks we gave away, well, then, then we are really in a world of hurt, it seems to me. And I am not worried, Mr. Hoekstra is, I'm not at all sure that that is the case.

Final question. Mr. McInnis, you talked about Syria being an existential issue for Iran. Could you just explain that just a little bit; how is it existential?

Mr. MCINNIS. Thank you for the question.

What I would say is for Syria and Iran's relationship, may have started off back in the early 1980s as kind of a marriage of convenience, where they were basically the only ones supporting each other after the 1979 revolution in that area, but over time it has become so entwined, the relationship between the states, that Iran sees Syria as its strategic depth in the sense that if it needs to keep the fight, and aside from being able to, of course, promote its ideology and push against Israel and the West there in the Levant, it needs to have a place that its enemies are fighting not at its borders, in a place that, you know, that is a viable retaliatory and deterrent capability.

And that is what you typically see is one of the things that we fear that is in the calculus for the U.S. Government or the Israeli Government if we look at a potential strike on the nuclear weapons program, the fear of the Levant blowing up, the fear of terrorism exploding in the region comes from that ability to have that base there in Syria.

If it doesn't have that base in Syria, it is very difficult for it to do that, and Iran is going to feel itself to be extremely vulnerable, and also, on the soft power side of it, it is the ideology, that Syria is the focal point, it is the crux of that resistance, and if that resistance falls apart, the whole project that Iran has been engaging in since the 1979 revolution comes into question, and that is something that I think Iran fears what will happen if it loses Syria to the point where if, frankly, we have even had some comments, if I am not mistaken, from IRGC leaders that Iran is more willing to lose the Arab province of Khuzestan there in the southwestern part of Iran, the Arab speaking part of Iran, will be more willing to lose that than to lose Syria because they can, just like they did during the Iran/Iraq war, they can regain that province there, but if they lose Syria, they can't regain what they have in the rest of the Middle East.

Mr. CONNOLLY. Thank you. My time is up.

Thank you, Madam Chairman. Fascinating conversation.

Ms. ROS-LEHTINEN. Thank you, Mr. Connolly.

And I would like to, as we wrap up this hearing, remind members if they look at the memo that we have prepared about Iran's support for terrorism worldwide, I would like to emphasize that Iran, through its proxies, continues to launch attacks against the

MEK at Camps Ashraf and Liberty in Iraq with one attack, the one in Camp Ashraf in September 2013, leaving 52 dead and 7 missing, and there have been several attacks on Camp Liberty also with deaths and many hurt, so this is an ongoing problem that is not in the past tense, and we will continue to monitor that situation.

Thank you gentleman for your excellent testimony.

Thank you to all of our members for participating, and with that, the subcommittees have adjourned.

[Whereupon, at 12:20 p.m., the subcommittee was adjourned.]

APPENDIX

Material Submitted for the Record

JOINT SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Subcommittee on the Middle East and North Africa
Ileana Ros-Lehtinen (R-FL), Chairman

Subcommittee on Terrorism, Nonproliferation, and Trade
Ted Poe (R-TX), Chairman

February 25, 2014

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs to be held jointly by the Subcommittee on the Middle East and North Africa and the Subcommittee on Terrorism, Nonproliferation, and Trade, in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at www.foreignaffairs.house.gov):

DATE: Tuesday, March 4, 2014

TIME: 10:00 a.m.

SUBJECT: Iran's Support for Terrorism Worldwide

WITNESSES: The Honorable Pete Hoekstra
Shillman Senior Fellow
The Investigative Project on Terrorism
(*Former Chairman of the U.S. House Permanent Select Committee on Intelligence*)

Matthew Levitt, Ph.D.
Director and Fromer-Wexler Fellow
Stein Program on Counterterrorism and Intelligence
The Washington Institute for Near East Policy

Mr. J. Matthew McInnis
Resident Fellow
American Enterprise Institute

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON *MENA/TNT* HEARING

Day *Tuesday* **Date** *3/4/14* **Room** *2172*

Starting Time *10:10 a.m.* **Ending Time** *12:20 p.m.*

Recesses ____ (____to____) (____to____) (____to____) (____to____) (____to____) (____to____)

Presiding Member(s)

Chairman Ros-Lehtinen

Check all of the following that apply:

Open Session [✓]
Executive (closed) Session [ ]
Televised [✓]
Electronically Recorded (taped) [✓]
Stenographic Record [✓]

TITLE OF HEARING:

Iran's Support for Terrorism Worldwide

SUBCOMMITTEE MEMBERS PRESENT:

(See attendance sheet)

NON-SUBCOMMITTEE MEMBERS PRESENT: *(Mark with an * if they are not members of full committee.)*

None

HEARING WITNESSES: Same as meeting notice attached? Yes [✓] **No** [ ]
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

SFR - Rep. Engel

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *12:20 p.m.*

Subcommittee Staff Director

Hearing Attendance

Hearing Title: Iran's Support for Terrorism Worldwide

Date: 03/04/14

Noncommittee Members

Member	Present
Ros-Lehtinen, Ileana (FL)	X
Chabot, Steve (OH)	
Wilson, Joe (SC)	
Kinzinger, Adam (IL)	
Cotton, Tom (AR)	X
Weber, Randy (TX)	
Desantis, Ron (FL)	
Collins, Doug (GA)	X
Meadows, Mark (NC)	X
Yoho, Ted (FL)	X
Messer, Luke (IN)	
Brooks, Mo (AL)	X
Cook, Paul (CA)	X

Member	Present
Deutch, Ted (FL)	X
Connolly, Gerald (VA)	X
Higgins, Brian (NY)	
Cicilline, David (RI)	X
Grayson, Alan (FL)	
Vargas, Juan (CA)	X
Schneider, Bradley (IL)	X
Kennedy, Joseph (MA)	
Meng, Grace (NY)	
Frankel, Lois (FL)	
Sherman, Brad (CA)	X
Frankel, Lois (FL)	X

Statement for the Record
Submitted by the Honorable Eliot L. Engel

Chairman Ros-Lehtinen, Chairman Poe, Ranking Member Deutch and Ranking Member Sherman, thank you for holding this important hearing.

As the P5+1 negotiations continue, Iran's prolific sponsorship of terrorism, its human rights abuses and its illicit activities across the globe cannot be ignored. These ongoing activities remind us that we simply cannot trust Iran's leadership. Iran is at the negotiating table today because sanctions have worked, not because Rouhani is seeking a fundamental reorientation of Iran's foreign policy. He was elected on a platform of economic improvement—not moderation, and certainly not on a promise to end Iran's destabilizing activities around the world.

Make no mistake: Iran and its proxy, Hezbollah, seek to expand their ability to commit acts of terror, raise funds, exert influence, and recruit globally, from Bulgaria to Washington DC. I am particularly troubled by Iranian and Hezbollah activities in Latin America and Europe -- including money laundering, counterfeiting and trafficking -- to raise large sums of money used to finance their illicit activities.

Hezbollah and Iran have long used Europe as a staging area for operations and recently resumed acts of violence there, as evidenced by the 2012 Bulgaria bombing and Cyprus arrest. I applaud the European Union for finally designating the military wing of Hezbollah as a terrorist organization, but they must understand that the political and military wings of Hezbollah are intertwined, and funds raised for the political wing are often used to finance acts of terrorism. We must work together to restrain Hezbollah in Europe.

As Iran continues to sow instability around the globe, we must continue to expose Iran's activities. We must be unequivocal that even as we negotiate with Iran to end its illicit nuclear program, we will not tolerate its sponsorship of terrorism, and we will hold Iran and its proxies accountable.

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