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NEGOTIATIONS WITH IRAN: BLOCKING OR PAVING TEHRAN'S PATH TO NUCLEAR WEAPONS?

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NEGOTIATIONS WITH IRAN: BLOCKING OR PAVING TEHRAN'S PATH TO NUCLEAR WEAPONS?

THURSDAY, MARCH 19, 2015

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 8:30 a.m., in room 2172 Rayburn House Office Building, Hon. Edward Royce (chairman of the committee) presiding.

Chairman ROYCE. This hearing will come to order, and the committee here today will continue to evaluate the administration's nuclear diplomacy with Iran. That is the subject of the hearing today.

Negotiators face a high-stakes deadline next week. We will hear the administration's case today. But it is critical that the administration hears our bipartisan concerns here.

Deputy Secretary Blinken, this is your first appearance before the committee, and I congratulate you on your position. I wish you well.

And after the hearing, I trust you will be in touch with Secretary Kerry, Under Secretary Sherman and others that are involved in the negotiating process to report on the committee's views and I think this is very important.

This committee has been at the forefront of examining the threat of a nuclear Iran. Much of the pressure that has been brought on the Islamic Republic of Iran and that brought them to the table was put in place by Congress, and it was put in place over the objections of the executive branch.

Now, that is the executive branch whether it was Republican or Democratic administrations, but it is the House of Representatives that has driven this process, and we would have more pressure on Iran today if the administration hadn't pressured the Senate to sit on the Royce-Engel sanctions bill that this committee produced and passed in 2013 and passed, by the way, unanimously—and passed off the House floor 400 to 20.

So Congress is proud of this role and we want to see the administration get a lasting and meaningful agreement. But, unfortunately, the administration's negotiating strategy has been more about managing proliferation than preventing it, and a case in point that I bring up is Iran's uranium enrichment program—the key technology needed in developing a nuclear bomb.

Reportedly, the administration would be agreeable to leaving much of Iran's enrichment capability in place for a decade. If Con-

gress will be asked to roll back its sanctions on Iran, which will certainly fund Iran's terrorist activities when we roll back those sanctions, then there must be a substantial rollback of Iran's nuclear program.

And consider that international inspectors report that Iran has still not revealed its past bomb work despite its commitment to those inspectors to the IAEA to do that, and the IAEA is still concerned about signs of Iran's military-related activities including designing a nuclear payload for a missile.

Iran has not even begun to address these concerns and last fall over 350 members wrote to the Secretary of State expressing deep concerns about this lack of cooperation from Iran. How can we expect Iran to uphold an agreement when they are not meeting their current commitments?

Indeed, we were not surprised to see Iran continue to illicitly procure nuclear technology during these negotiations or that Tehran was caught testing a more advanced centrifuge that would help produce bomb material quicker—a new grade of supersonic centrifuge right in the middle of this process.

This was a violation of the spirit and, in my view, the letter of the interim agreement. Iran's deception is all the more reason that the administration should obtain zero notice anywhere anytime inspections on Iran's declared and undeclared facilities.

You have to have a verification regime in this process that is going to work for us. And there is also the fact that limits placed on Iran's nuclear program as part of the final agreement now being negotiated are going to expire.

They will expire, and that means the final agreement is just another interim step. What you call the "final" agreement is an interim step with the real final step being Iran treated as any other non-nuclear weapons state under the Nonproliferation Treaty, thus licensing it to pursue industrial-scale enrichment.

With a deep history of deception, covert procurement, and clandestine facilities, Iran is "not any other country." It is certainly not any other country to be conceded in an industrial-scale nuclear program.

Any meaningful agreement must keep restrictions in place for decades, as over 360 Members of Congress, including every member of this committee, are demanding in a letter to the President this week.

Meanwhile, Iran is intensifying its destructive role in the region. The Islamic Republic of Iran is propping up Assad in Syria while its proxy, Hezbollah, threatens Israel.

Iranian-backed Shi'a militia are killing hopes of a unified, stable Iraq and last month an Iranian-backed militia displaced the government in Yemen, formerly a key counterterrorism partner to the United States.

Many of our allies and partners see Iran pocketing an advantageous nuclear agreement and ramping up its aggression in the region as a result of the hard currency that they will have at their disposal as the sanctions are lifted.

So this committee is prepared to evaluate any agreement to determine if it is in the long-term national security interests of the United States and our allies.

Indeed, as Secretary Kerry testified not long ago, any agreement will have to pass muster with Congress. Those were his words. Yet, that commitment has been muddied by the administration's insistence in recent weeks that Congress will not play a role, and that is not right.

Congress built the sanction structure that brought Iran to the table, and if the President moves to dismantle it, we will have a say.

So I now turn to the ranking member, Mr. Eliot Engel of New York, for his opening remarks.

Mr. ENGEL. Thank you very much, Mr. Chairman. Thank you for calling this very important and timely hearing.

Mr. Deputy Secretary, Mr. Under Secretary, welcome to our committee. We are grateful for your service and we look forward to your testimony and I want to congratulate both of you on your new positions.

The chairman's remarks are very similar to mine. We have worked very hard on this committee to have bipartisanship because both the chairman and I agree that if there is one place where we need bipartisanship more than any other place, it involves foreign policy.

And so wherever possible we try to talk with one voice, and I want to associate myself with the chairman's remarks. We have seen a lot of speculative reporting in the press about might or might not be included in the comprehensive nuclear deal with Iran.

Today, we are going to send over a letter to the President signed by 360 Members of Congress in both parties, a majority of each party, talking about some of the things that we are concerned with and we would hope that we could get a prompt response from the White House.

It is truly a very bipartisan letter expressing Congress' strong feelings about things that need to be in the agreement. I want to emphasize—re-emphasize what the chairman said. There really cannot be any marginalization of Congress.

Congress really needs to play a very active and vital role in this whole process and any attempts to sidestep Congress will be resisted on both sides of the aisle. We have seen a lot of speculative reporting in the press about what might or might not be included in a comprehensive nuclear deal with Iran.

We don't technically even know right now if there is going to be a deal, but if there is I think we would all be wise to review the details before passing judgment on whether it is a good deal or bad deal or simply a deal we can live with.

I think it is safe to assume that we are not going to see what I would consider a perfect deal. I have said all along that Iran should have been required to freeze enrichment during the negotiations but they weren't and it is clear that a freeze is not on the table for a comprehensive agreement.

At this stage, we need to focus on making the deal as good as it can be. I am hoping that our witnesses can shed light on a few key areas that, for me, could tip the scales between a bad deal and a deal that we might be able to live with.

First, as part of any comprehensive agreement, we need total clarity about where Iran stands in terms of its ability to weaponize its nuclear material. How far along are they?

Secondly, will the deal give us sufficient time to respond if Iran reneges and presses full throttle toward a nuclear weapon. Is a 1-year break-out period the time until Iran has sufficient enriched uranium to then build a bomb? Is that enough time to catch their violation and react?

Next, how would a comprehensive agreement stop Iran from pursuing a nuclear weapon covertly if they make a decision to sneak out rather than break out? Iran's leaders don't deserve an ounce of trust. We need very strong safeguards.

Lastly, how will we be certain that sanctions relief won't just open the faucet for funding terrorism or fueling the regime's already abysmal human rights record?

In my view, these questions lay out clear markers for what we need to see. Here is the bottom line. If we say yes to a deal, will it be worth unraveling the decades of sanctions and pressure that the United States and our partners have built against Iran?

But if we say no, would we be able to hold the sanctions coalition together, and if we maintain or even increase our sanctions, wouldn't Iran just move full speed ahead toward a bomb?

I know these negotiations have gone on for months and months. I know the P5+1 is under intense pressure to produce something. But we cannot allow those factors to push us into a bad deal being sold as a good deal.

The administration has argued that reaching a deal is the best chance to solve a nuclear crisis diplomatically and avoid another war in the Middle East, that dialing up sanctions at this stage would undermine the talks.

And as I have repeatedly said, I am willing to see what is actually in the deal before passing judgment and I strongly urge my colleagues to do the same.

But make no mistake, Congress will play an important role in the evaluation of a final deal. Again, I want to say that I will not stand by and allow Congress to be marginalized.

Any permanent repeal of sanctions is by law Congress' discretion, and before we do that we must be completely convinced that this deal blocks all of Iran's pathways to a nuclear bomb.

So I look forward to your testimony and hope we can have a frank discussion of these issues and, again, Mr. Chairman, thank you for calling this hearing today.

Chairman ROYCE. Thank you, Mr. Engel.

This morning we are pleased to be joined by senior representatives from State and from Treasury. Mr. Tony Blinken is the Deputy Secretary of State. Previously, he served as the assistant to the President and was principal deputy national security adviser.

Mr. Blinken also worked as the Democratic staff director for the U.S. Senate Foreign Relations Committee, and just confirmed last December, we welcome him for his first appearance before this committee.

Mr. Adam Szubin is the Acting Under Secretary for the Office of Terrorism and Financial Intelligence at the Department of the

Treasury. He previously served as the director of Treasury's Office of Foreign Assets Control.

We welcome him back, and without objection, the witnesses' full prepared statements will be made part of the record.

Members here will have 5 calendar days to submit any statements to you or any questions and any extraneous material for the record. We'll ask you to please summarize your remarks, and Mr. Secretary, if you would begin.

STATEMENT OF THE HONORABLE ANTONY J. BLINKEN, DEPUTY SECRETARY OF STATE, U.S. DEPARTMENT OF STATE

Mr. BLINKEN. Mr. Chairman, thank you very much. It is pleasure to be here.

I want to thank you, Ranking Member Engel and the members of this committee for having us here today and to give us this opportunity to discuss our efforts to reach a comprehensive solution to the challenge posed by Iran's nuclear program.

As we speak and as you mentioned, Secretary of State Kerry, Secretary of Energy Moniz, Under Secretary of State Sherman are in Switzerland with our P5+1 partners negotiating with the Government of Iran over the future of its nuclear program.

Our goal for these negotiations is to verifiably ensure that Iran's program is exclusively for peaceful purposes. To that end, we seek to cut off the four pathways that Iran could take to obtain enough fissile material for a nuclear weapon.

There are two uranium pathways through its activities at the Natanz and Fordow enrichment facilities, a plutonium pathway through Iran's heavy water reactor at Arak, and a potential covert pathway.

To cut off all of these pathways, any comprehensive arrangement must include exceptional constraints on Iran's nuclear program and extraordinary monitoring and intrusive and transparency measures that maximize the international community's ability to detect any attempt by Iran to break out overtly or covertly

As a practical matter, we are working to ensure that Iran, should it renege on its commitments, would take at least 1 year to produce enough fissile material for one nuclear weapon.

That would provide us with more than enough time to detect and act on any Iranian transgression. In exchange, the international community would provide Iran with phased, proportionate and reversible sanctions relief tied to verifiable actions on its part. If Iran were to violate its commitments, sanctions would be quickly reimposed.

It is Iran's responsibility to convince the world by building a track record of verified compliance that its nuclear program is exclusively peaceful. That is why we are seeking a time frame for a comprehensive deal of sufficient length to firmly establish such a track record.

Only then would Iran be treated like any other non-nuclear weapons state party to the nuclear Nonproliferation Treaty with all the rights but also all the obligations of an NPT state, including continued monitoring and inspections and a verifiably binding commitment to not build a nuclear weapon.

The Bush administration first proposed this concept for Iran. Dozens of countries around the world responsibly adhere to the NPT. Much has been said recently about the fact that a deal with Iran would have an eventual end date.

In fact, some constraints would be removed after a significant period of time, others would remain in effect even longer and some would last indefinitely, including a stringent and intrusive monitoring and inspections regime.

Iran would have to fully implement the IAEA safeguards agreement and the additional protocol. Together, these give inspectors access to all declared nuclear facilities and to any suspected undeclared facilities.

So even after some core constraints are completed, far more intrusive inspections will be required of Iran than before this agreement.

Some have argued that Iran would be free to develop a nuclear weapon at the conclusion of the comprehensive joint plan of action if we achieve it. That is simply not true.

To the contrary, Iran would be prohibited from developing a nuclear weapon in perpetuity and we would have a much greater ability to detect any effort by Iran to do so. Iran would be allowed to have a peaceful civilian nuclear program, continuously verified by the IAEA.

Our goal is to reach an agreement on the major elements of the deal by the end of this month and to complete the technical details by the end of June. There has been a lot of reporting in the press about where we are. This is what I can tell you as of today.

In Switzerland, the negotiations have been substantive and intense. We have made some progress on some of the core issues. Significant gaps remain on some of the other issues between what we and our partners in the P5+1 believe must be part of the comprehensive deal and what Iran is willing to do.

While the negotiations are taking place, it is vital, in our judgment, that we avoid any actions that would lead the world to believe that the United States was responsible for their failure.

Such actions include enacting new sanctions legislation now. New sanctions at this time, including through so-called trigger legislation, are unnecessary. Iran knows very well that if it refuses a reasonable agreement or reneges on its commitments, new sanctions can and will be passed in a matter of days.

New sanctions now would be inconsistent with our commitments under the interim agreement. They would undermine our sanctions coalition. They would give Iran an excuse to walk away from the talks or take a hard line that makes an agreement impossible to achieve while blaming the failure on us.

In our judgment, we also must avoid actions that call into question the President's authority to make commitments that the United States will keep. Negotiating with a foreign nation is the President's responsibility.

If there is confusion on this basic point, no foreign government will trust that when a President purports to speak for our country, he actually does.

In this case, such confusion could embolden hardliners in Iran, divide us from our allies, poison the prospects for a deal and make

it much more difficult to sustain international support for the existing sanctions, never mind new ones, if negotiations collapse.

That international support is critical to the success of the sanctions regime that Congress took such an important role in building. Up until now, we have kept other countries onboard despite the hardship it has caused some of them, in large part because they are convinced we are serious about reaching a diplomatic solution. If they lose that conviction, the United States, not Iran, could be isolated and the sanctions regime could collapse.

Congress has played and will continue to play a central leading role in these efforts. Congressional legislation gave us the tools to get Iran to the negotiating table and, as has been noted, only Congress has the authority to lift sanctions as part of any comprehensive solution.

Since signing the interim deal, we have been on the Hill dozens of times to update on the progress of the talks—in all, more than 200 briefings, meetings, hearings and phone calls.

If we reach an agreement we will welcome intense robust scrutiny. We also will expect that any critics explain not only why the deal is lacking but also what would be a better alternative and how it could be achieved.

Our nuclear discussions with Iran do not alter our commitment to the security of our allies in the region who are deeply affected by Iran's efforts to spread instability and support terrorism. That commitment will not change with or without a deal.

We will retain the necessary tools and the determination to continue countering Iran's troubling behavior. Indeed, the most important thing we can do to keep Iran from feeling further emboldened is to deny them a nuclear weapon and we will continue to support those in Iran demanding greater respect for the universal human rights and rule of law that they deserve and we will continue to insist that Iran release Saeed Abedini, Amir Hekmati and Jason Rezaian and help us find Robert Levinson.

Thank you very much.

[The prepared statement of Mr. Blinken follows:]

WRITTEN STATEMENT
ANTONY BLINKEN
DEPUTY SECRETARY OF STATE
U.S. DEPARTMENT OF STATE

HOUSE FOREIGN AFFAIRS COMMITTEE
"Update on Iran Negotiations"
March 19, 2015

Good morning, Chairman Royce, Ranking Member Engel, distinguished members of the Committee. Thank you for inviting me here today to discuss our efforts to reach a comprehensive solution to the challenge posed by Iran's nuclear program.

Today, as we speak, Secretary of State John Kerry, Secretary of Energy Ernest Moniz, and Under Secretary of State Wendy Sherman are in Switzerland with our P5+1 partners negotiating with the government of Iran over the future of its nuclear program. Our goal for these negotiations is one I know you share, which is to verifiably ensure Iran does not acquire a nuclear weapon. This is about making the United States safer, making our allies across the Middle East safer, and making the world safer.

Since these negotiations are on-going, it is inappropriate to share the details in this forum. But what I do hope to do today is share some of the core principles guiding our efforts to reach a long-term comprehensive joint plan of action that verifiably ensures that Iran's nuclear program is for peaceful purposes. I will also share our broader view of Iran, beyond the confines of its nuclear program, and why it is important that we reach a deal that prevents Iran from obtaining a nuclear weapon.

Cutting Off Pathways to a Bomb

We continue to believe that the best way to ensure that, as a practical matter, Iran cannot obtain a nuclear weapon is to effectively cut off the four pathways Iran could take to obtain enough fissile material for a nuclear weapon. These are the two uranium pathways, through its activities at the Natanz and Fordow enrichment facilities; a plutonium pathway, through Iran's heavy water reactor at Arak; and a potential covert pathway.

To cut off all of these pathways, any comprehensive arrangement must include tight constraints on Iran's nuclear program and extraordinary monitoring and intrusive transparency measures that maximize the international community's

ability to detect any attempt by Iran to break out, overtly or covertly. As a practical matter, our goal is to ensure that, should Iran renege on its commitments, it would take at least one year to produce enough fissile material for one nuclear weapon. That would provide us more than enough time to detect and act on any Iranian transgression.

In exchange, the international community would provide Iran with phased sanctions relief tied to verifiable actions on its part. Such relief would be structured so that it can be easily reversed, and sanctions can be quickly re-imposed, if Iran were to violate its commitments.

There is a deep deficit of trust between the international community and Iran. It is Iran's responsibility to establish – by building a track record of verified compliance – that its nuclear program is exclusively peaceful. That is why we are seeking a timeframe for a comprehensive deal of sufficient length to firmly establish such a track record. Only then would Iran be treated like any other non-nuclear-weapon State Party to the Nuclear Non-Proliferation Treaty (NPT), with all the rights and obligations of an NPT state, including continued monitoring and inspections, and a verifiably binding commitment to not build a nuclear weapon. This is not a novel concept, in fact it was first proposed during the Bush Administration for Iran, and dozens of countries around the world responsibly adhere to the NPT.

Much has been said recently about the fact that a deal with Iran would have an eventual end date. On the contrary, we see the deal as creating a series of phases to ensure that Iran's program is exclusively peaceful going forward. While some constraints would be removed after a significant period of time, others would remain in effect longer, and some would last indefinitely. For example, Iran's NPT obligation not to develop or acquire a nuclear weapon would continue indefinitely, as would its obligation to implement its Comprehensive Safeguards Agreement with the International Atomic Energy Agency (IAEA). Moreover, a centerpiece of the proposed deal is that Iran would accept the Additional Protocol, which is not currently in place, as legally binding, and which would allow the IAEA to continue to have more stringent and intrusive access to nuclear-related information and locations indefinitely. The same is true regarding Iran's implementation of Modified Code 3.1, which imposes an ongoing obligation to provide early notification of design information for any new nuclear facilities.

This means that long after the nuclear constraints in the deal have been fully implemented, the international community would be in a better position to detect any Iranian steps toward a nuclear weapon or other failure to meet its obligations.

In fact, with over a decade of additional knowledge from the inspections regime, we would be in an even better place to respond to such actions.

Some have argued that Iran would be free to develop a nuclear weapon at the conclusion of a comprehensive joint plan of action. That is simply not true. To the contrary, Iran would be prohibited from developing a nuclear weapon in perpetuity – and we would have a much greater ability to detect any effort by Iran to do so and to take appropriate measures in response, with the support of the international community. Iran would be allowed to have a peaceful, civilian nuclear program continuously verified by the IAEA.

We aim to have a political understanding of the major elements of the deal by the end of the month and to complete the technical details by the end of June. In Switzerland, I understand the negotiations have been substantive and intense, and that we have made progress on some issues. However, there continue to be gaps between what we and our partners in the P5+1 believe must be part of a comprehensive solution and what Iran is willing to do.

As we have said from the beginning, nothing is agreed to until everything is agreed to, and it may be we will not know if a deal is possible until the last minute. So I cannot tell you where we will be a week from now, or by the end of the month. But what I can promise you, and what President Obama has pledged, is that we will not agree to a bad deal. What does that mean? As I noted earlier, an acceptable deal must effectively close down all four pathways Iran could take to obtain enough fissile material for a nuclear weapon. It must include strict curbs on its nuclear program and robust transparency and monitoring measures that give the international community confidence in the peaceful nature of Iran's nuclear program and the ability to promptly detect overt and covert breakout. It must include all the elements already spelled out in the Joint Plan of Action (JPOA). And, fundamentally, it must make the United States, our allies and partners in the Middle East, and the world safer.

Progress so Far

It is important to understand what these negotiations have already accomplished in terms of our collective security. Before the JPOA was concluded in November 2013, Iran's nuclear program was rushing toward larger enriched uranium stockpiles, greater enrichment capacity, the production of plutonium that could be used in a nuclear weapon, and ever shorter breakout time. Today, as the result of the constraints in the JPOA, Iran has halted progress on its nuclear program and

rolled it back in key areas for the first time in a decade. The JPOA has also given us greater insight and visibility into Iran's existing nuclear program through more intrusive and frequent inspections. Both we and our allies are safer today than a year ago as a result of the JPOA.

Before the JPOA, Iran had about 200 kilograms of 20 percent enriched uranium in a form that could be quickly further enriched to weapons-grade level. It produced much of that material at the Fordow facility, buried deep underground. Today, Iran has no such 20 percent enriched uranium. It has diluted half and converted the other half to a form that cannot be so readily further enriched, suspended all uranium enrichment above 5 percent, and removed the connections at Fordow that allowed them to efficiently produce 20 percent enriched uranium.

Before the JPOA, Iran was making progress on the Arak reactor, which, had it become operational, together with a reprocessing facility, would have provided Iran with a potential plutonium path to a nuclear weapon. Today, the Arak reactor is frozen in place.

Before the JPOA, Iran had installed roughly 19,000 centrifuges, of which roughly 10,000 were enriching uranium, most at the Natanz facility. Today, Iran's enrichment capacity is frozen at those levels and Iran's stockpile of 3.5 percent low enriched uranium in hexafluoride form is capped at its pre-JPOA level.

Before the JPOA, inspectors had less frequent access to Iran's nuclear facilities. Today, the JPOA has enabled IAEA inspectors to have daily access to Iran's enrichment facilities and a deeper understanding of Iran's nuclear program. They have been able to learn things about Iran's centrifuge production, uranium mines, and other facilities that are important to monitoring Iran's program going forward and to detecting any attempts to break out. And the IAEA has consistently reported that Iran has lived up to its commitments under the JPOA.

Just as we have asked Iran to uphold its commitments under the JPOA, we have lived up to our commitment of providing Iran with limited financial relief – which should be worth about $14 to $15 billion from the start of the JPOA through June 2015. But that relief is dwarfed by the vast amounts denied to Iran under the existing sanctions regime. For example, in 2014 alone, oil sanctions deprived Iran of over $40 billion in oil revenue – more than four times the estimated value of the JPOA during the same period. And what oil revenues Iran is allowed to generate go into heavily restricted accounts that now encumber the great majority of Iran's more than $100 billion dollars worth of foreign reserves. Virtually the entire

sanctions architecture remains in place. Indeed, throughout the existence of the JPOA, we have maintained the robust economic pressure on Iran. And that doesn't even take into consideration the dramatic fall in oil prices, which has no doubt added to pressure generated by our vigorous enforcement of existing sanctions.

The JPOA was not intended to be a permanent solution. That is why we continue to strive toward a long-term comprehensive plan of action, and why it is so important that all of us give these negotiations every chance to succeed. If the negotiations fail, it is critical that our allies and partners understand – that the world understands – it was because the Iranian government was unable to take the steps necessary to assure the international community of the peaceful nature of its nuclear program. That will place us in a better position to sustain the existing sanctions, intensify the pressure on Iran and take whatever other actions are needed to prevent Iran from acquiring a nuclear weapon.

While the negotiations are taking place, it is vital that we prevent any actions that would lead the world to believe the United States was responsible for their failure. Such actions include enacting new sanctions or other measures that will be incredibly damaging to ongoing negotiations. We do not believe that the country's interests are served by Congressional attempts to weigh in prematurely on this sensitive and consequential ongoing international negotiation aimed at achieving a goal that we all share: using diplomacy to prevent Iran from developing a nuclear weapon. Moreover, new sanctions at this time – including through so-called "trigger" legislation – are unnecessary. Iran knows that if it refuses a reasonable deal or reneges on its commitments, new sanctions can and will be passed within days. And new sanctions now would be inconsistent with our commitments under the JPOA, they could undermine our sanctions coalition, create tensions within a currently unified P5+1, and provoke Iran into walking away from the negotiating table or taking an impossibly hard line that makes a deal impossible to achieve, while blaming the failure on us.

Unfortunately, the alternative to a deal is not the status quo. Should the talks fail, which remains a distinct possibility, we assess that Iran could well start advancing its nuclear program again to pre-JPOA levels or beyond. Instead of keeping its uranium enrichment at under 5 percent, as it has since the JPOA went into effect, Iran could start enriching again at 20 percent or even beyond, as some Iranian parliamentarians have suggested. Instead of capping its stockpile of 3.5 percent low enriched uranium hexafluoride at pre-JPOA levels, Iran could grow it rapidly. Instead of suspending substantive work on the Arak heavy water reactor, Iran could restart its efforts to bring this reactor on line. Instead of providing unprecedented

access to international inspectors at its nuclear facilities, it could refuse the IAEA access, inhibiting our ability to detect a breakout attempt. Instead of limiting work on advanced centrifuges, it could resume its efforts to increase and significantly improve its enrichment capability in a relatively short timeframe.

And finally, if our international partners believe that the United States has acted prematurely by adding new sanctions now in the absence of a provocation by Iran – as most countries surely would – their willingness to enforce the existing sanctions regime or to add to it in the event negotiations fail will wane. And a fractured international consensus notwithstanding, even if we were to layer additional sanctions on Iran, their nuclear advances would far outpace any potential marginal pressure created by those sanctions. This is why the support of the international community remains crucial, and why new sanctions now are a dangerously imprudent step. Without full international compliance, the sanctions regime will be dramatically diluted. Up until now, we have kept other countries on board – despite the hardship it has caused to some of their economic interests – in large part because they are convinced we are serious about reaching a diplomatic solution. If they lose that conviction, the United States, not Iran, could be isolated, and the sanctions regime could collapse. Ultimately, the United States and its allies in the Middle East would be less safe.

In short, a collapse in negotiations caused by us, or perceived to be caused by us rather than by the Iranians, would lead to a growing Iranian nuclear program and a collapsing international sanctions regime. Now is not the time to provoke such a collapse.

Congress has a significant role to play in these discussions and has been playing it for years. It is existing congressional legislation that helped us get Iran to the negotiating table. The whole point of sanctions was to create this dynamic, and it has worked, but it has only worked when coupled with the type of robust diplomacy that is currently underway. Since signing the JPOA, we have been on the Hill dozens of times over the past year to update you and your staff about the progress of the talks – in all, more than 200 briefings, hearings, meetings and phone calls. And if a deal is finalized, Congress will certainly have a robust role to play in potentially taking action on future statutory sanctions relief once Iran has demonstrated a track record of living up to its commitments.

Beyond the Nuclear Program

Over the last months, we have heard many voices express their concerns about negotiating with a government that still rallies around the slogan, "Death to America!" We share your concerns. Iran has taken advantage of the current upheaval and uncertainty in the Middle East to attempt to advance its interests. Iran continues to support the brutal regime of Bashar al-Asad in Syria and undermine Middle East peace by sponsoring terrorist groups like Hizballah. It continues to foment sectarian tensions in Iraq, and general instability in the region.

Our nuclear discussions with Iran do not alter our commitment to the security of our allies in the region, who are deeply affected by Iran's efforts to spread instability. Indeed the nuclear discussions are in furtherance of this goal because a nuclear-armed Iran could be more aggressive in projecting its power throughout the region. And if we are able to reach a comprehensive deal over the nuclear program, we will retain the necessary tools – and determination – to continue countering Iran's troubling behavior and defend U.S. interests. We are making this point regularly to our key allies, including Israel and the Gulf states. Already, we are working in close and continuing contact with our regional partners to expand and strengthen their own capacity as we simultaneously reinforce the robust regional security architecture we have already built – one that is comprised of a substantial force posture and broad range of advanced military capabilities. We will continue to restrict Iran's ability to move money and material for illicit purposes through sanctions and direct action when necessary. And we will continue to take steps, in coordination with partners, to address Iran's support for terrorist organizations and other destabilizing activities in the region.

We will also continue to raise our voice in support of the talented and brave Iranian people, and support their desire for greater respect for universal human rights and the rule of law. Whether at the United Nations, the State Department, or at the White House, we continue to speak up clearly and consistently against human rights violations in Iran and have called on the Iranian government to guarantee the rights and freedoms of its citizens.

I also want to emphasize that we continue to insist that Iran release Saeed Abedini, Amir Hekmati, and Jason Rezaian from detention so they can come home to their families. Likewise, we continue to call on Iran to work cooperatively with us so that we can find Robert Levinson and bring him home. Secretary Kerry and Under Secretary Sherman have raised our concerns about these U.S. citizens directly with Iran and will continue to do so until all of them are back home.

In sum, we will not relax our efforts to hold Iran accountable for its nefarious actions, regardless of the outcome of nuclear negotiations. But it is essential to understand that the most important thing we can do to keep Iran from feeling further emboldened to spread instability is to deny them the ability to obtain a nuclear weapon. That is why the nuclear negotiations are so important, and why this is a challenge that must be dealt with now.

Thank you.

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Chairman ROYCE. Mr. Szubin.

STATEMENT OF MR. ADAM J. SZUBIN, ACTING UNDER SECRETARY, OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE, U.S. DEPARTMENT OF THE TREASURY

Mr. SZUBIN. Thank you and good morning, Chairman Royce, Ranking Member Engel, distinguished members of the committee. It is a pleasure to be here today and thank you for the invitation.

This is my first appearance, as you noted, before a congressional committee in my new role as Acting Under Secretary for TFI at the Treasury Department.

In my time at Treasury, including 9 years leading the Office of Foreign Assets Control, or OFAC, I have devoted the majority of my working hours to building, honing and implementing sanctions on Iran—both executive sanctions and the strong congressional bipartisan sanctions that you all have enacted. So I am particularly appreciative of being able to testify here today on this vital issue.

The global architecture of our sanctions on Iran is unprecedented both in terms of its strength and the international foundations that underpin it. Working together with our partners around the world and with Congress, we have assembled a coalition that has fundamentally altered Iran's economic posture.

As a result, we today have a chance of resolving one of the world's most vexing and persistent security threats. At this critical juncture in the talks, it is important to note that Iran remains under massive strain and has no viable route to an economic recovery without negotiated relief from international sanctions.

This strain is visible across every sector in Iran's economy. First, their financial lifeline—oil. In 2012, Iran was exporting about 2.5 billion—I am sorry, 2.5 million barrels per day of oil to some 20 jurisdictions.

Today, Iran is exporting 60 percent less oil than just 3 years ago to just six jurisdictions. The losses, of course, have been compounded by the steep drop in global oil prices such that Iran's chief revenue source is today bringing in less than one quarter of what it brought in for Iran just 3 years ago.

Just as troubling for Iran is the fact that it can't freely access those revenues. It has a reduced stream of revenues that, thanks to Congress, are going into restricted accounts, either frozen or tied up in banks around the world.

Foreign investment in Iran has dropped precipitously. From 2004 to 2013, as foreign capital was pouring into developing countries, Iran saw an 80-percent drop in foreign investment.

Iran's oil minister recently estimated that Iran's oil, gas and petro-chem sectors will need approximately $170 billion to recover. The Iranian rial has depreciated 52 percent since 2012 and has lost 12 percent of its value just under the JPOA period alone as we have been negotiating.

The IMF for this coming year projects that Iran's economy will enter stagnation, with GDP growth falling to .6 percent. This is the lowest projected rate of any country the IMF looks at in the Middle East and North Africa region, including countries like Afghanistan that sell no oil.

Finally, Iran's banking sector remains isolated and holds a high proportion of nonperforming loans. As you can hear, their economy is under strain, but this sanctions pressure cannot be sustained without work.

Accordingly, over the JPOA period we have worked very intensively to enforce our sanctions. In the past 15 months, we have targeted nearly 100 actors, individuals and companies who were either helping Iran evade sanctions or helping Iran conduct other misconduct.

We have imposed nearly $½ billion in penalties on companies that were conducting illicit transactions under our Iran sanctions and we will not soften our enforcement of existing sanctions.

Now, as we speak, negotiators are hard at work trying to secure a joint comprehensive plan of action. Regardless of whether or not these negotiations succeed, I want to assure this committee that the Treasury Department and the administration as a whole are prepared for whatever comes next.

If we are able to secure a comprehensive understanding, we will structure nuclear-related sanctions relief in a way that is phased, proportionate and reversible. We will need to see verified steps on Iran's part before sanctions are lifted and we believe that powerful U.S. legislative sanctions should not be terminated for years to come so that we continue to retain important leverage years into a deal.

Alternatively, if we determine that a comprehensive deal with Iran cannot be obtained, the administration, working with Congress, is prepared to ratchet up the pressure. Over the past decade, we have developed very subtle insights into Iran's financial flows, its economic stress points and how it attempts to work around sanctions.

We stand ready to raise the costs on Iran substantially should it make clear that it is unwilling to address the international community's concerns. Of course, while we must prepare for every contingency, we remain hopeful that we can achieve a peaceful resolution to this serious and long-standing threat.

Thank you again for inviting me to appear here today and I look forward to taking your questions.

[The prepared statement of Mr. Szubin follows:]

Written Testimony of Adam J. Szubin
Acting Under Secretary for Terrorism and Financial Intelligence
United States Department of the Treasury

United States House of Representatives
Committee on Foreign Affairs
Hearing: "Negotiations with Iran:
Blocking or Paving Tehran's Path to Nuclear Weapons?"

March 19, 2015

Good morning. Chairman Royce, Ranking Member Engel, and distinguished members of the committee: Thank you for inviting me to appear before you today to discuss the negotiations over Iran's nuclear program. I am pleased to be here with my colleague from the State Department, Deputy Secretary Tony Blinken. I will focus my testimony on our sanctions posture with respect to Iran – the massive and mounting costs of pressure on Iran's economy today, our actions under the Joint Plan of Action to provide Iran with limited pockets of relief while maintaining the overall sanctions architecture, and, finally, how we are positioned to move forward in the sanctions lane if the negotiations either succeed or break down.

This is my first appearance before a Congressional committee in my new role as Acting Under Secretary of the Treasury, and I greatly appreciate your giving me the opportunity to testify here. The challenges posed by Iran constitute a core threat to our national security, and they have occupied the majority of my time for the last decade.

I can say honestly that I did not expect that to be the case when I joined the Treasury Department in 2004. At the time, Congress had just created TFI – a re-organization and refocusing of Treasury components – as part of the government-wide response to the terrible attacks of September 11th. That history is still embedded in our office's name, the "Office of Terrorism and Financial Intelligence." Stuart Levey was recruited from the Justice Department to be the first Under Secretary for TFI, and he asked me to join him when he moved over. Our mandate at the time was to track and disrupt the flows of funds to terrorist organizations, and we set our sights on the most dangerous groups, including al-Qa'ida, Lashkar-e Tayyiba, Hizballah, and Hamas.

Working alongside the tremendously talented counterterrorism professionals at Treasury and beyond, we pursued strategies at the micro and macro levels, both targeting individual financiers, donors, and conduits, as well as undertaking broader efforts to strengthen the resilience of financial systems worldwide and bring transparency to hawalas, charities, and exchange houses that had long functioned without meaningful oversight. That work continues to this day, of course, even as the threats evolve, and we are turning our hard-won experience to the significant challenge of ISIL, a terror group that is as barbaric as it is well-funded.

This work was what brought me to the Treasury Department, and it is what I expected would occupy most of my time at TFI. In 2006, though, TFI was asked to develop a strategy to dramatically intensify the pressure on Iran's government, in an attempt to counter a range of destabilizing Iranian behavior, most notably its failure to address the international community's concerns regarding its nuclear program. The challenge was daunting. The United States already had a broad trade and economic embargo against Iran, and the conventional wisdom at the time was that the United States was "sanctioned out," with little leverage left to exert on Iran. Under the strong leadership of Stuart Levey and then David Cohen, TFI proved otherwise. Indeed, the women and men of TFI devised and carried out a strategy that fundamentally altered Iran's economic standing in the world. A critical part of this strategy was working closely with foreign partners, particularly our European allies. In my time at Treasury, including my nine years leading the Office of Foreign Assets Control (OFAC), I have devoted most of my working hours to this effort.

By no means was Treasury alone in this campaign. From the beginning, our sanctions strategy relied upon the intrepid efforts of the U.S. intelligence community and its partners, since targeted sanctions cannot work without intelligence to guide them. The U.S. Mission to the United Nations successfully negotiated four U.N. Security Council resolutions that sharpened the global understanding of the threat posed by the Iranian nuclear program and set forth what nations across the world were expected to do in countering that threat. The State Department, here in Washington and at its embassies throughout the world, worked hand-in-glove with Treasury in helping our foreign partners enforce those resolutions and guard against evasion. A slew of enforcement and regulatory agencies, including the Justice Department, the Commerce Department, the Office of the Comptroller of the Currency, and the Fed, joined OFAC in pursuing a tough sanctions enforcement policy, deterring would-be evaders and leaving no doubt about our seriousness. And, perhaps most important, beginning in 2010, Congress brought the considerable power of the U.S. Legislature to this effort, broadening and deepening the impact of our sanctions, and pioneering new ways to incentivize foreign actors to distance themselves from problematic Iranian banks and firms.

The results were startling. Iran was subjected to mounting pressure that was notable as much for its intensity as for its international cohesion, and it imposed strains on Iran's economy that were visible from without and within. I will provide a closer look at the impacts of these sanctions and Iran's current economic prospects below. But there can be no doubt that this global, sustained campaign helped bring Iran to the negotiating table. As a result, today we at least have a chance of achieving a diplomatic resolution to one of the world's most vexing and persistent security threats.

Sanctions Impact to Date: Iran's Economy in 2015

As we enter a critical period in the P5+1 negotiations, I would like to provide a quick assessment of the current state of Iran's economy.

Iran's oil revenues are the starting point for any assessment, and the key factor in determining the health of the country's balance sheets and its overall economy. At the beginning of 2012, Iran was exporting roughly 2.5 million barrels of crude oil a day to some twenty jurisdictions. Today, Iran is exporting about 1.1 million barrels a day to only six customers. Because of this nearly 60 percent decline in Iran's oil exports, Iran lost more than $40 billion last year alone. (This sum is more than four times the total estimated value to Iran of the JPOA sanctions relief that year.) All in all, since 2012, our oil sanctions have denied Iran more than $200 billion in lost exports.

These massive losses have been compounded by the steep drop in global oil prices. Over the past year, the average price of a barrel of oil has fallen to about $60 per barrel today. As a result, Iran's chief export and revenue source is earning less than a quarter of what it was earning at its peak just three years ago.

As one might expect for an economy so dependent on oil revenues, Iran is struggling to sustain its fiscal standing. For Iran's upcoming fiscal year (March 2015 to March 2016), President Rouhani proposed a budget that assumed oil would sell for $72 per barrel and – at that aspirational level – his plan called for raising taxes, canceling subsidies, reducing contributions to Iran's sovereign wealth fund, and scrapping investment projects. If oil continues to sell below $72 per barrel, those cuts will need to be deepened.

Just as troubling for Iran is the fact that the reduced revenues that it does earn are not freely accessible. Spurred by a powerful act of Congress and our cooperation with foreign governments, banks across the world are holding Iran's foreign reserves under constraints, allowing releases only for limited purposes, with an eye toward promoting the success of the current negotiations.

Without ready access to its hard currency reserves, Iran has been limited in its ability to stabilize the rial. Under pressure from a number of directions, the rial has depreciated by about 52 percent since January 2012, including a fall of about 12 percent since the announcement of the JPOA in November 2013. This has made imported goods more expensive, caused upward pressure on inflation, and hurt the Iranian economy by causing significant uncertainty about future prices.

Beyond its energy sector, Iran remains subject to sanctions targeting its petrochemical, insurance, shipping, and shipbuilding sectors, as well as its ports and its trade in certain crucial metals and industrial materials. Nearly every source of foreign revenue for Iran is being squeezed.

And Iran's banking system is in peril, isolated from the international financial system, over-extended, and holding a high proportion of non-performing loans.

The bottom line is that, despite a recent uptick in Iran's GDP, Iran's economy remains under massive strain, and has no viable route to a broader recovery without relief from international sanctions.

Sanctions in the JPOA Period

The JPOA, reached by the P5+1 and Iran in November 2013, halted progress on Iran's nuclear program, rolled it back in key respects, and provided for enhanced access to and inspections of its nuclear facilities. As a result, it allowed the United States and our partners to pursue negotiations with the confidence that Iran was not simply buying time to advance its program under diplomatic cover.

In exchange for taking these verifiable steps, Iran received limited, targeted, and reversible relief from some defined sanctions. But the JPOA left in place the broader architecture of our nuclear sanctions – measures that have so effectively pressured Iran's banking, oil, trade, and transportation sectors. And, of course, the nuclear steps that Iran took under the JPOA did not alter the U.S. sanctions targeting Iran's support for terrorism or commission of human rights violations.

Going into the JPOA period, we knew that these negotiations would be intensely challenging and would require Iran to make difficult choices that it might not ultimately be prepared to make. For this reason we knew we needed to retain the general architecture of the sanctions throughout the JPOA period, and needed to actively combat Iranian attempts to evade the sanctions. Had the pressure eroded due to sanctions relaxation or unchecked attempts at evasion, Iran's incentive to make those difficult choices would likewise have diminished. And so, since the start of the JPOA period, the United States has taken action against nearly 100 Iran-related individuals and entities, combating sanctions evasion and other Iranian misconduct.

Our sanctions are not just words on the books – we vigorously enforce them. And that enforcement has been as tough as ever over the course of the JPOA, demonstrating plainly to the world that Iran is not open for business. During the JPOA period, we have imposed more than $450 million in penalties on violators of the Iran sanctions. We are also thankful to our foreign partners who continue to enforce the sanctions in place, as international unity remains key to a successful outcome in the negotiations.

We will not relent in these efforts, and we will continue to take action against anyone, anywhere, who violates or attempts to violate our sanctions. Iran's leaders know this, and accordingly

know that their only hope for meaningful sanctions relief is to reach a comprehensive plan of action that addresses the international community's concerns about its nuclear program.

Next Steps

Creating intense economic pressure, on its own, was never the sanctions' ultimate purpose. The goal of the sanctions was to help bring Iran to the negotiating table, where, in exchange for demonstrating to the world the exclusively peaceful nature of its nuclear program and for accepting far-reaching constraints on that program, it would be able to receive relief from nuclear-related sanctions.

Now we are engaged in those negotiations, testing whether Iran is willing to take verifiable and concrete steps that will ensure that it cannot obtain a nuclear weapon. For this Administration, preventing Iran from obtaining a nuclear weapon is a national security priority of the highest order. As President Obama has made clear, time and again, we will do everything in our power to make sure that cannot happen.

The question is whether we can achieve that objective peacefully, a priority that I know this Committee shares.

As we speak, negotiators from the P5+1 are hard at work trying to secure a political framework for a comprehensive deal with Iran. We may get a deal; we may not. Regardless of whether or not the negotiations succeed, I want to assure this Committee that the Treasury Department, and the Administration more broadly, are prepared for what comes next.

If we are able to secure a comprehensive deal, we will structure the nuclear-related sanctions relief in a way that is staged and commensurate with verifiable steps on Iran's part. We believe that legislative sanctions should be suspended first before they are terminated by Congress, so that we continue to retain important leverage years into a deal. Put simply, Iran will not receive comprehensive relief from nuclear-related sanctions absent proof that it has concretely and verifiably carried out what is expected of it as part of a comprehensive deal.

Moreover, even if we are able to secure a nuclear deal with Iran, the United States will continue to counter Iran's support for terrorism, its commission of human rights abuses, and its destabilizing activities throughout the Middle East, including through the active use of our financial tools.

Alternatively, if we determine that a comprehensive deal with Iran cannot be obtained, the Administration, working with Congress, can move to ratchet up the pressure on Iran from sanctions. Over the past decade, we have developed tremendous insight into Iran's financial flows, its economy's stress points, and how it attempts to evade sanctions. Our team stands ready to raise the costs on Iran substantially should it make clear that it is unwilling to address

the international community's concerns. Close cooperation with our international partners will be critical should we have to go that route.

In either eventuality, we are committed to working with Congress to ensure that our sanctions continue to serve our national security goals, whether to ensure that Iran abides by the conditions of a deal if it can accept those conditions, or to raise the costs substantially if Iran demonstrates that further negotiations are futile.

Thank you again for inviting me to appear here today, and I look forward to addressing your questions.

Chairman ROYCE. Thank you, Mr. Szubin.

If I could go to my first question here—it goes to the sunset. Deputy Secretary Blinken, a major concern here is the expiration date.

In as little as 10 years, all of the restrictions and other measures that you are touting here today are going to come off and Iran's nuclear program is going to be then treated as though it was the equivalent of the Netherlands.

So why 10 years? Does the administration believe or hope that the Iranian regime will have moderated within that time frame?

Mr. BLINKEN. Thank you, Mr. Chairman.

First of all, there is no agreement on the duration of various obligations. All of that is the subject of current negotiations. So whether some aspects are 10 years, more or less, that is all to be negotiated.

I think looking at this as a sunset is not the accurate way to look at what we are trying to achieve. What we are proposing and seeking to achieve is a series of constraints and obligations.

Some will end after a long period of time, others will continue longer than that and still others will be indefinite, in perpetuity. The bottom line is that even after certain obligations are completed by Iran, it cannot become a nuclear weapon state.

It will be legally bound under the nonproliferation treaty not to make or acquire a nuclear weapon. There will be legally binding safeguards on material to verify and deter its diversion. It will have to sign and implement a comprehensive safeguards agreement and the additional protocol.

Chairman ROYCE. But that is why we are here today. You are putting this stock in Iran's signature to the NPT and its safeguards agreement, right? They have had those same commitments. They have been violating those commitments for years.

That is why this process. I would just—I would just point that out. And the other point I would make is that 10 years or whatever that time frame is, they are then going to be treated as any other non-nuclear weapon NPT state, and that means no sanctions, no restrictions on procurement, no restrictions on the stockpile or the number of centrifuges it can spend at that point, 10 years out, or on the purity level to which it may enrich uranium.

And I will just give you an example of where this would put Iran. They would enrich uranium at that point to levels near weapon grade, I am presuming, claiming the desire to power a nuclear navy because that is what Brazil is doing. So I am going to assume that they are going to do the same thing there.

And that would all be permissible. It would all be blessed under this agreement, as I read it, no matter who is in charge of Iran in 10 years.

And that's why Ranking Member Engel and I have a letter going to the President, signed by over 350 Members of Congress, demanding that the verifiable constraints on Iran's program last decades, not, as being discussed, a shorter period of time. So I just want to make that point.

Let me go to my next question, and that goes to the 1-year breakout. The administration has set a benchmark—a 1-year breakout period. But is a year sufficient to detect and then reverse

potential Iranian violations and why not insist on a period of 2 or 3 years?

Mr. BLINKEN. Mr. Chairman, we think that a 1-year breakout time not only is sufficient but, indeed, is quite conservative.

We believe that with the verification and inspections and monitoring that we will insist on in any agreement that would give us more than enough time not only to detect any abuse of the agreement but also to act on it.

If you look at what various experts have said, many have said that a far lesser period of time would be sufficient to detect and act on any violations.

Chairman ROYCE. Well, let——

Mr. BLINKEN. This is—let me also, just if I can just add to this very quickly, Mr. Chairman.

One year is very conservative. First of all, that is the most—if everything went perfectly for Iran. Second, the idea that any country, including Iran, would break out for one bomb's worth of material is highly unlikely. Like I said, we are——

Chairman ROYCE. Okay. But let me go to this question then. Will you insist that the IAEA inspectors have anywhere anytime access to all facilities in Iran including Revolutionary Guard bases, from what we know about what has gone on there, and will Iran have to satisfy all questions that the IAEA has regarding Iran's covert research on a nuclear warhead including access to key scientific personnel and paperwork?

Mr. BLINKEN. So without going into the details because all of this is this still subject to negotiation, we will insist that the IAEA have the access is must have in order to do its job and to verify.

Chairman ROYCE. Yes, I understand your perspective of what is necessary to do their job. But mine is a specific list of criteria based upon my discussions with the IAEA, and I want to make certain that those are found and then are followed.

And then lastly, it seems the administration plans to push the Security Council to adopt a new resolution to basically bless this agreement and relax sanctions, but at the same time you are pushing off Congress.

Why push for U.N. action but not Congress?

Mr. BLINKEN. We are not pushing off either. I think, as you said and as Ranking Member Engel said, Congress will have to exercise its authority to lift sanctions at the end of an agreement if Iran complies and, indeed, keeping that until the end, until we see that Iran is complying, is the best way to sustain leverage.

Chairman ROYCE. Well, our concern here is if you push us off for 10 years, let us say, in theory, and if this is consequential enough to go to the U.N. Security Council at the outset under a resolution under Chapter 7, which by definition deals with a threat to peace, breaches of the peace and acts of aggression, then it would certainly be consequential enough to be submitted to the Senate for advise and consent. That is the point I wanted to make.

Mr. BLINKEN. So the Security Council—this is an international agreement. It is an agreement that would be made with the other members of the Security Council, with Iran.

Under these circumstances, it would be normal for the Security Council to take note of any agreement and then to create a basis for lifting the U.N.-related sanctions.

Chairman ROYCE. But let me——

Mr. BLINKEN. Yes, Congress will eventually have to decide whether to lift U.S. sanctions.

Chairman ROYCE. My time has expired, but suggesting that Congress has a role to play by voting on sanctions relief years from now once a deal has run its course, that to me is disingenuous. But that is my view of it.

We will go to Mr. Engel for his questions. Thank you.

Mr. ENGEL. Thank you, Mr. Chairman.

Let me, first, also emphasize that the trepidation that all of us have about these negotiations involves, at least for me, what the chairman said, that any deal that would sunset in 10 years or however much we were very, obviously, concerned about and I know you are well and we, obviously, want to push that back as much as we possibly can because we really just don't trust Iran.

And I think the chairman is right on the mark in terms of our concern with the sunset in 10 years or so. Another thing that has bothered us, you know, and again, as the chairman mentioned, he and I had legislation which passed the House 2 years ago by 400 to 20 and unanimously out of this committee, which involved strong sanctions, and had the Senate followed suit and been signed into law I think we would have been in a much stronger position now.

But one of the things that is really annoying to all of us is that we are sitting and negotiating with Iran over its nuclear program at a time when Iran continues to be a bad actor all around the world.

You take a look at capitals that Iran essentially controls, now Yemen being added to that—Baghdad, Damascus, Beirut. This is not a regime that looks like it wants peace. Iran continues to fuel terrorism around the globe.

It is the number one, in my opinion, state supporter of terrorism around the globe. So I believe that a nuclear agreement should not whitewash the fact that Iran remains a destabilizing actor in the region and funds terrorism.

Now, the Iranian Revolutionary Guard Corps theoretically could take advantage of any sanctions relief that results from an agreement between the P5+1 and Iran because money is fungible. So how could such relief be structured to minimize any benefits to the Iranian Revolutionary Guard Corps?

Mr. BLINKEN. Thank you very much, Ranking Member Engel.

First, let me just say we share your deep concerns about Iran's activities in the region—destabilizing activities, support for terrorism and, of course, its own abuse of human rights at home, which is why we will and we will continue to vigorously oppose those efforts.

And, indeed, throughout the interim agreement we have pushed back very hard on proliferation activities, WMD-related activities, terrorism support activities, sanctioning designating individuals, intercepting cargoes, et cetera, and working with our partners as we have been for more than 6 years to build up their capacity.

With regard to any money that Iran receives as a result of relief from sanctions, I would turn to my colleague to discuss this. But let me just say I think what we see is that Iran is in a very deep economic hole and a large part of the reason that Rouhani was elected as President was to respond to the desire of the people to try and get out of the hole.

So in one instance at least we believe that a significant portion of any revenues they receive would go to trying to plug their economic holes at home.

That said, you are exactly right. Money is fungible and presumably that would free up some resources for the IRGC. That said, we also believe that denying Iran a nuclear weapon is the single most significant thing we could do to prevent further emboldening Iran it its actions in the region.

Mr. ENGEL. And let us me just say, before Mr. Szubin talks, that is precisely what we are concerned about because Iran is in a deep economic hole.

By having an agreement and releasing that, helping them, so to speak, get out of that hole, we want to, obviously, make sure, and you do as well, obviously, to make sure that the safeguards are in there as well.

That is what makes me nervous because once you lose that leverage it is very, very hard to get back. Mr. Szubin?

Mr. SZUBIN. Yes. Ranking Member Engel, thank you and I will say as well that is a concern we have been keenly focused on.

The truth is the size of the hole that Iran is in, across almost any indicator you look at, is far deeper than the relief that is on the table, even the substantial relief, should Iran make good on all of the commitments that are being set out by the negotiators.

We are talking about a hole that could be described, in one sense, as a $200-billion hole, which are the losses that we assess they have suffered since 2012 due to sanctions.

In just the energy infrastructure, as I mentioned during my opening statement, their minister came out recently and said they need $170 billion just to regain their footing in that sector alone.

The average Iranian has seen steady decreases in their standard of living, decreases in their purchasing power, even since Rouhani came into office, even since the JPOA went into effect.

And so it is going to be a tremendous effort, a years-long effort, for Iran to right itself, and that is not going to happen overnight.

Finally, I just want to reiterate what Deputy Secretary Blinken said. None of our sanctions targeting the nefarious activities that you mentioned are going away. None of those are on the table for discussion.

So with respect to the Quds Force interventions in Yemen and Syria, we—and Hezbollah, very notably, we will continue to pressure any forms of support that we see.

Mr. ENGEL. Let me ask you one final quick question because you mentioned Hezbollah, and I want to say that we all agree that Iran continues to support terrorism and sow instability in the Middle East.

However, the director of national intelligence did not include Iranian terrorism or Hezbollah or any terrorist threat for that matter

in the 2015 worldwide threat assessment of the U.S. intelligence communities.

Can you tell me why? That didn't make any sense to me. Or you can—we can talk and you can send me a letter about it.

Mr. SZUBIN. Yes, I am happy to get back to you on that. But my understanding is, first of all, Hezbollah remains front and center in our concerns. I think the director was talking about the immediate front-burner concern that we have with ISIL and that was the focus of his remarks.

But it remains a foreign terrorist organization. It remains very much in the spotlight of our efforts to counter it, to push back on it, to isolate it around the world.

Mr. ENGEL. And could not exist if it wasn't for Iran?

Mr. SZUBIN. That is correct.

Mr. ENGEL. Thank you. Thank you, Mr. Chairman.

Chairman ROYCE. Thank you, Mr. Engel.

We go now to Ileana Ros-Lehtinen.

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

Mr. Blinken, during your confirmation hearing in the Senate you had promised Senator Rubio and the Foreign Relations Committee that you and the administration would consult Congress on any policy changes the administration was seeking toward Cuba.

That turned out to be a complete falsehood. I worry that the Cuba example was a deliberate attempt by the administration to keep Congress in the dark regarding the Castro negotiations.

And why is this important? Not only because of the Cuba deal but of how that implicates the Iranian deal. Keeping us in the dark it foreshadows the administration's approach to Congress and keeping us out of the loop on the Iranian deal. The administration has made it clear that it does not want Congress to vote on the Iranian deal anytime soon.

But you just said to Mr. Royce that the U.N. Security Council will be having a vote, a binding vote, on the Iranian deal. Just to make it clear, you will be going to the U.N. Security Council to ask for a vote on the Iranian deal—yes or no?

Mr. BLINKEN. We will be going to the Security Council presumably, because this is an international agreement, implicating——

Ms. ROS-LEHTINEN. Yes?

Mr. BLINKEN [continuing]. All the members of the Security Council to take note of the deal and if there are any requirements——

Ms. ROS-LEHTINEN. Vote on the deal?

Mr. BLINKEN. If there are any requirements of the Security Council pursuant to the deal——

Ms. ROS-LEHTINEN. To vote?

Mr. BLINKEN [continuing]. To make clear that it will make good——

Ms. ROS-LEHTINEN. Congress can wait for the U.N. Security Council.

Mr. BLINKEN [continuing]. On its commitments just as Congress will have to vote and decide——

Ms. ROS-LEHTINEN. We have 10 years from now.

Mr. BLINKEN [continuing]. On any lifting sanctions.

Ms. ROS-LEHTINEN. Sure. No problem. And Palestinian statehood—there have been reports last night that in order for Presi-

dent Obama to continue his temper tantrum toward Prime Minister Netanyahu, what we will be doing in the United Nations is push in the shadows for a vote on Palestinian statehood in order to pressure Israel to be at the negotiation table with the Palestinians.

Is that true? Is that press report true?

Mr. BLINKEN. No. The administration's support for Israel is absolutely unshakable. We have done more for Israel's security over the last 6 years——

Ms. ROS-LEHTINEN. Oh, that support is very clear. Thank you. Thank you. No, that support is very clear.

Mr. BLINKEN [continuing]. Than any administration has.

Ms. ROS-LEHTINEN. Thank you. And I am going to ask you another question on Iran for a minute.

But I wanted to ask Mr. Szubin, your Cuba sanctions regulatory revisions earlier this year took a very broad view of the administration's licensing authority under the Trading with the Enemy Act, and I fear that the administration is using Cuba as a test case, as I said, for normalizing relations with Tehran and will utilize its licensing authority to provide broad relief for Iran.

Under the JPOA, the U.S. is committed to removing nuclear-related sanctions on Iran. However, as the author of the Iran sanctions law, the concept of an exclusively defined nuclear-related sanction on Iran does not exist in U.S. law because the sanctions are intertwined with Iran's human rights record, its ballistic missile program and its support for terrorism.

So I ask you, Mr. Szubin, which sanctions will you seek to suspend and ultimately lift under a final agreement and will you come to Congress to ask for authorities before such action is taken?

Mr. SZUBIN. Thank you, Congresswoman.

With respect to the actions we took in the Cuba amendments amending our regulations, I will note that the licensing authority is one that has been drawn on by administrations, Democratic and Republican, over the last decade and I have been involved under both presidencies, and it is an authority that——

Ms. ROS-LEHTINEN. Thank you. We will leave—it is going to take a long time.

Mr. Blinken, Iran has been cheating, skirting the rules, violating international agreements, you have heard, from both Mr. Engel and Mr. Royce on that.

What mechanism do we have to enforce any violation? Will there be penalties imbedded in the nuclear deal? If you could be specific.

Mr. BLINKEN. Thank you. First, I should note that the IAEA has said repeatedly that Iran has complied with its obligations under the interim agreement.

Ms. ROS-LEHTINEN. Is that all that the IAEA has said? Has the IAEA also not said that Iran is not complying and is not letting them in, as the IAEA has asked?

Mr. BLINKEN. No. It has said that under the agreement Iran has complied. It has also said—you are correct—that outside of the agreement Iran, of course, is seeking to do whatever——

Ms. ROS-LEHTINEN. So you look at their reports and say—you cherry pick and you say, okay, the IAEA is happy with this?

Mr. BLINKEN. No.

Ms. ROS-LEHTINEN. You should give the totality of what they have been saying——

Mr. BLINKEN. No, no.

Ms. ROS-LEHTINEN [continuing]. And how frustrated that agency has been with Iran throughout all of these negotiations.

Mr. BLINKEN. No, no. I want to be clear, to answer your question, that the IAEA said that with regard to its obligations under the interim agreement, Iran has complied.

You are also absolutely correct that outside of the agreement, including the critical question of the possible military dimensions of Iran's program in the past or for that matter now, it has not complied with what the IAEA is seeking and, indeed, that will have to be part of any agreement.

And as to enforcement, it is very straightforward. As the Under Secretary said, as I said, in the event Iran were to renege on any commitment it made the sanctions would snap back in full force.

Ms. ROS-LEHTINEN. And I am sure that Iran is just shaking at that because that is very——

Mr. BLINKEN. That is why they are at the table.

Ms. ROS-LEHTINEN. Oh, yes. Absolutely.

Chairman ROYCE. Thank you.

We go to Mr. Brad Sherman of California, ranking member of the Asia Subcommittee.

Mr. SHERMAN. We should remember why we are in this situation. The executive branch under the Bush administration refused to enforce sanctions and violated American statutes for the benefit of Iran for 8 continuous years.

The Bush administration prevented Congress from passing and used all of its power in Congress to prevent us passing new statutory sanctions. Now, that doesn't fit with the image we have of President Bush until you realize that at the time the sanctions all focused on international oil companies, which was not President Bush's target of choice.

Had we continued President Bush's policies—well, we should know that during the Bush administration Iran went from zero to 5,000 installed centrifuges—had we continued those policies, Iran would have $300 billion more available to it in cash right now because we have frozen $100 billion, and $200 billion has been lost to Iran in lost oil sales.

But it is not the executive branch but Congress that has had it right for the last 15 years, which is why I take such offense when I hear the administration say, Congress, if we have a view, we are interfering and undermining. When you read the United States Constitution you will see that when it comes to economic sanctions and international economics, all the power is vested in Congress except to the extent that the President negotiates a treaty that is ratified by the Senate.

Yet, I fear that what the administration is doing is using foreign ropes to tie the hands of the United States Congress because the foreign minister of Iran was able to cite Article 27 of the Vienna Convention on Treaties saying, well, the United States will be in violation of international law if Congress doesn't do whatever the President promises Congress will do.

I would—and the administration feeds into that when a high administration official declares foreign policy runs through the executive branch and the President and does not go through other channels.

I fear that we will have a situation where the executive branch comes to us and says, you have to take this action. You are prohibited from taking that action because you are going to hold the United States up to ridicule for being in violation of international law.

I would hope that you would look at the memo issued by the Carter Department of Justice that stated Congress may enact legislation modifying or abrogating executive agreements, and that if that was formally turned over to the Iran delegation, that would get us support under Article 46 of the Vienna Convention on Treaties.

I should point out for the record that in 2007, Senator Clinton introduced, with the co-sponsorships of Senator Obama and Senator Kerry, the Oversight of Iraq Agreements Act, which stated that any status of forces agreement between the United States and Iraq that was not a treaty approved by two-thirds of the Senate or authorized by legislation would not have the force of law and prohibited funding to implement that.

For the record, because I just don't have time to give you at this moment, I would like you to explain whether under the standards of the Obama administration the introduction of that act by those three senators constituted an interference with policy undermining President Bush's policy, et cetera.

But I want to focus on a particular question. There is a question here. I fear that you have misled this committee in telling us that once Iran has the rights of a non-nuclear state, subject to the additional protocol, that you will be able to stop sneak out because you have said first that, well, they can't develop a nuclear weapon because that would be illegal. That is a preposterous argument. Obviously, they are willing to break the law.

And the next point is that you have conjured up this idea there will be inspections. The question is, inspections of suspected sites. There is nothing in the additional protocol that adds to the NPT. The NPT was in force and it took 2 years after it was widely suspected that Fordow was a secret site for the IAEA to get there.

So why do you tell us that oh, this IAEA, it has worked fine for Japan and the Netherlands—it will work great for Iran—when it won't allow us to get in quickly to suspected sites? Mr. Deputy Secretary.

Mr. BLINKEN. Thank you very much.

First, if Iran makes an agreement it will make it with the full knowledge that if it violates the agreement there will be severe consequences.

Mr. SHERMAN. I was talking about sneaking, not being detected. Secret sites.

Mr. BLINKEN. The inspections regime that we will insist on, first of all, for any initial duration—let me finish, if I may, please—will be beyond that, that any country has had anytime, anywhere in the world.

That will—from cradle to grave of the production progress—mines, mills, factories, centrifuge facilities. That will create a basis of knowledge of the people, the places, the documents, that will last far beyond the duration of any of those provisions.

Then beyond that, its obligations under a safeguards agreement, under the additional protocol, under Modified Code 3.1. All of those taken together will, with any other measures that we might achieve on top of that and those remain to be negotiated, give us the confidence that the inspectors will have the ability to detect in a timely fashion any efforts by Iran to break out of the agreement.

Mr. SHERMAN. So you need an intrusive inspection regime, you will have it for a few years and then, for reasons you can't explain, the blindfolds will go on and we will hope that we can prevent sneak-out thereafter.

I yield back.

Mr. BLINKEN. The blindfolds won't be on. They will be off.

Chairman ROYCE. Okay.

So Mr. Dana Rohrabacher of California, chairman of the Subcommittee on Europe, Eurasia, and Emerging Threats.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman. It does get a little tiring to keep being reminded that President Bush is responsible for all of our problems. After all of these years they are still blaming President Bush.

Mr. SHERMAN. If the gentleman will yield. I blame the executive branch and I spent four of it blaming the current executive branch.

Mr. ROHRABACHER. Thank you very much.

I am—are we actually more concerned about the mullah regime in Iran having possession of a nuclear weapon versus what we seem to be just talking about—is their ability to manufacture a nuclear weapon?

Don't we see this—do you see that in this debate, Mr. Secretary, and shouldn't we be—I think, frankly, with Mr. Netanyahu's speech as well as what we have been hearing here, I think the American people are being lulled into a false sense of security—that if we just prevent them from being able to manufacture the weapon that these crazy mullahs aren't going to have their hands on the ability to have possession a nuclear weapon.

Mr. BLINKEN. The issue is——

Mr. ROHRABACHER. You have to push a button on it.

Mr. BLINKEN. I apologize. Thank you.

Like it or not, Iran has mastered the fuel cycle and we can't bomb that away, we can't sanction that away and, unfortunately, we probably can't negotiate that away.

So they have the——

Mr. ROHRABACHER. Negotiate what away?

Mr. BLINKEN. The fuel—their mastery of the fuel cycle. They have the knowledge of how to put together a weapon.

So the issue is whether the program that they have is so limited, so constrained, so inspected, so transparent, that as a practical matter they cannot develop material for a bomb, or if they did we would detect it and have time to do something about it.

Mr. ROHRABACHER. That is not my question. Whether they can manufacture it or not, couldn't they get one from Pakistan or from

China or from Korea or perhaps somebody stole a couple nuclear weapons as the Soviet Union was collapsing?

Mr. BLINKEN. Yes. No, your point is very well taken, which is exactly why, as a my colleague said, even if there is an agreement, the various sanctions and stringent efforts we are making around the world to prevent Iran from proliferating or from receiving the benefits of proliferation will continue.

Mr. ROHRABACHER. Well, the only—the only way we are going to prevent these bad guys from having the nuclear weapon—we keep saying Iran. We don't really mean Iran. The people of Iran are really nice people.

In fact, I understand they like Americans more than just about any other country in the world. It is the mullah regime. It is these the bloody mullahs that are supporting terrorism around the world, that are repressing their own people.

Isn't the real answer trying to make ourselves partners with those people in Iran who want a more democratic country, a more democratic country, and has not this administration passed up time and time again the opportunity to work with the people of Iran to free themselves from these mullahs?

Mr. BLINKEN. Congressman, I think you are exactly right that the actions of the regime are the problem, whether it is destabilizing activities in the region, whether it is support for terrorist groups including Hezbollah and whether it is, indeed, their abusive human rights at home, which is exactly why across the board, whether it is standing up and supporting those who are trying get greater rights in Iran, whether it is working with our partners in the region to increase their defensive capacities, whether it is pushing back on proliferation and on support for terrorism through the actions we have taken, that is exactly why we are doing that and that is exactly why those actions will continue.

Mr. ROHRABACHER. Well, I would suggest—I would suggest that I give you an A+ in terms of being able to focus people's attention on these negotiations dealing with the ability for them to manufacture a weapon.

I would give you an F– when it comes to whether or not we can try to get rid of the threat by helping the people of Iran institute a democratic government there.

This administration from day one in order to—frankly, the irony of this is, I believe this administration is bending over backwards not to try to threaten the mullah regime in Iran in order to get a nuclear deal which will make no difference at all because it still leaves the mullahs with the right to own and possess a nuclear weapon that they didn't manufacture themselves, which leaves us vulnerable to these very same——

Mr. BLINKEN. I want to assure you they won't have the that right, period.

Chairman ROYCE. We go now to Mr. Albio Sires of New Jersey. He is the ranking member of the Subcommittee on the Western Hemisphere.

Mr. SIRES. Thank you, Mr. Chairman. Thank you for being here.

I think you can take back to the department how concerned this body is that we don't seem to be part of any of this negotiation and we don't seem—that we seem to be bypassed.

I remember when the Secretary was here. We talked about Cuba, and I asked him point blank about negotiations. They said that nothing was going on in exchange for Alan Gross.

Now we have a situation similar to what we had in those hearings. One of the questions that I have is, can you speak to how the U.N. Security Council resolutions are being handled in the negotiations?

Because once these sanctions are lifted, I think it is going to be virtually impossible to reimpose them because I don't think Russia and China are going to go along with it. They have veto powers. So how are we handling this?

Mr. BLINKEN. Thank you. First, on your first point, Congressman, I have to say having been part of this, you know, there have been by our count, since the interim agreement was signed, more than 200 briefings, hearings meetings, phone calls with Members of Congress on the ramifications.

Mr. SIRES. With all due respect, we don't get—you know, we don't get much on those briefings. That is like, you know, these classified briefings that we get—I can get more information on anything in my district than what I get here.

Mr. BLINKEN. You will understand that in—while negotiations are going on it is difficult sometimes to provide all of the details. It is something that is going back and forth on a virtually continuous basis. That said, I would be happy to talk to you further about this.

Mr. SIRES. But the problem is some of this stuff leaks out and then we look like—the press comes to us and we look like well, we don't know what is going on with the administration. You know, I mean——

Mr. BLINKEN. Don't always believe what you read.

Mr. SIRES. Yes, I know. I don't believe what I listen to when people come in front of me either, you know. Can you talk a little bit about the sanctions, about the——

Mr. BLINKEN. Yes, absolutely. So, again, and I will also invite my colleague to do the same thing, just as with our own sanctions, with regard to U.N. sanctions, first of all, we would preserve sanctions related to the non-nuclear aspects of Iran's behavior.

Second, any U.N.-related sanctions also would be—have to be lifted in a way that shows, first, Iranian compliance with various obligations under the agreement.

So they too in some fashion would have to be sequenced depending on Iran's fulfilling its obligations. We want to see a demonstration that Iran is serious. But all of that, including the sequencing, is under negotiation.

But Adam, do you want to add to that?

Mr. SZUBIN. Only to add that you are absolutely right to focus on the ability to restore sanctions in the event of a breach. That is something that, obviously, is very much at the forefront of our mind when we look at any possible sanctions relief is, is it reversible.

And it is a trickier question when you talk about U.N. Security Council resolutions where we are obviously not the only member of that council. But we are very focused on that in the negotiations

to make sure that if there is a violation there isn't the ability for one country to stand in the way of snapping back those sanctions.

Mr. SIRES. Have you had these conversations with China and Russia, you know, on this issue?

Mr. SZUBIN. Yes, absolutely. That is very much part of the conversations that we have among the negotiating partners as well as, obviously, the conversations we have with the Iranians, yes.

Mr. SIRES. Thank you, Mr. Chairman.

Chairman ROYCE. Thank you.

We go now to Mr. Steve Chabot of Ohio.

Mr. CHABOT. Thank you, Mr. Chairman.

Iran has repeatedly violated its obligations under the Nuclear Nonproliferation Treaty. It has built secret nuclear facilities. It has illicitly procured nuclear materials. It has denied IAEA inspectors access to the suspected facilities.

So isn't it foolish to trust them now? Wouldn't a bad deal be throwing Israel under the proverbial bus? And, because of Iran's intercontinental ballistic missile goals, placing the U.S. at great risk as well? Now, I know you are going to say something to the effect that we are not trusting or this is trusting and verifying, but there are a whole lot of us on both sides of the aisle who, clearly, aren't buying it.

Mr. BLINKEN. Thank you, Congressman.

You are exactly right. Iran has repeatedly violated various obligations, which is exactly why it is in the position that it is in now—that is, facing the isolation and the sanction of the entire world and exactly why it is at the table now trying to negotiate an agreement.

Those violations are what led to our ability to impose the most severe sanctions on Iran of any country in history and convinced other countries to come along.

Mr. CHABOT. We are, clearly, concerned that we are going to end up in a bad deal. Let me go to the second question I have for you.

President Obama, clearly, has disdain for the winner of the Israeli elections held this week. Maybe the only group I can think of that he might have more disdain for is the elected representatives of the American people—this Congress.

Since Israel will be the most directly affected by a bad deal with Iran, how is the administration going to repair relations with our key ally in the region?

Mr. BLINKEN. Congressman, in my judgment, no administration has done more for Israel's security than this administration. If you look at the measures we have taken, the steps we have taken to provide for Israel's security over the past 6 years, they are exceptionally extraordinary and, indeed, Prime Minister Netanyahu has called them such, and that will—that will endure.

Mr. CHABOT. That is the least credible answer I have heard all morning, that this—no President has done more for the American-Israeli relationship than this President.

Mr. BLINKEN. No, that is not what I said.

Mr. CHABOT. That is——

Mr. BLINKEN. I said for Israel's security.

Mr. CHABOT. Security, relations, whatever. This President—there has been no President that has damaged relations between the United States and Israel more than this President.

Let me go to my third question. One of the concerns about a bad deal with Iran has always been proliferation in the region—that there is a nuclear arms race with the Saudis, the Gulf States, Turkey and perhaps others developing enrichment programs and eventually nuclear weapons.

There are indications that the Saudis in particular are so alarmed that a bad deal is in the cards that they are already moving in that direction. What is your response?

Mr. BLINKEN. Thank you, Congressman.

Well, of course, if there is no deal Iran could rush to a nuclear capacity and a nuclear weapon tomorrow, which I imagine is exactly what would spark an arms race.

So, indeed, the best way to prevent countries from feeling the necessity to do that is to prevent Iran from getting a weapon. The model that is being set by this agreement, if there is an agreement, is hardly one that other countries would want to follow if they decided that they needed to acquire the capacity to build a nuclear weapon because the Iranian model is a decade or more of isolation and sanctions and, indeed, anything that emerges from this agreement will require such intrusive inspections, access and monitoring I doubt any country would want to follow that model.

The answer is exactly what we have been doing, which is to do everything we can to prevent Iran from getting a weapon so other countries don't feel the need to do it and to build up their capacity to defend themselves.

Mr. CHABOT. Well, our concern, obviously, is that we are going to end up with a bad deal—they are going to get nuclear weapons and the other countries in the region are going to feel threatened. Then all the other countries are going to end up with them and Israel is right in the middle of that, and God help us if that is where we end up.

My final question: What is the difference between the road that we traveled down with North Korea and we are now traveling down with Iran, other than Iran is a far more dangerous country than North Korea?

There are a lot of us who believe that we have seen this movie before and we know how it is going to end.

Mr. BLINKEN. Thank you. They are very different cases.

The North Korean program was far more advanced. First of all, when the Clinton administration was in office, Iran, we believe, had the material for nuclear weapons and there is some analysis that suggests that it already had nuclear weapons before the agreed framework was signed. By the time President Obama came in, of course, North Korea had nuclear weapons.

Iran has neither. It is not—doesn't have the weapons, doesn't have the material for the weapons. It hasn't tested and, of course, North Korea, as you know, has also tested. So they are in far different situations.

The inspections regime that existed at various points for North Korea was far, far less than what Iran faces right now under the

interim agreement and certainly far less than it would face under any comprehensive agreement.

Mr. CHABOT. Well, my time has expired. But, again——

Mr. BLINKEN. And we have also taken lessons. I want to assure you we have taken lessons from that——

Mr. CHABOT [continuing]. There is great skepticism on both sides of the aisle here and, I believe, for good reason. I yield back the balance of my time.

Chairman ROYCE. Mr. Ted Deutch of Florida, ranking member on the Subcommittee on the Middle East and North Africa.

Mr. DEUTCH. Thank you, Mr. Chairman, and thanks to you and Ranking Member Engel. Thanks to our witnesses, Deputy Secretary Blinken and Acting Under Secretary Szubin. It is great to have you both here in your new roles.

Let me start with this. I understand that we are now approaching a deadline and I want to express my thanks, as I have every single time I have had the opportunity, for the focus on working to bring my constituent, Bob Levinson, home.

But as we approach these last days, let me just say that raising the issue at this point can no longer suffice, and that with respect to Pastor Abedini and Amir Hekmati and Jason Rezaian and Bob Levinson, if anyone is to take Iran seriously, that there is any commitment that they can make that can be adhered to, then the best show of good faith that they can make would be to return those Americans. I urge you to make that a priority. That is number one.

Next, I have been clear. I know we are not supposed to prejudge any deal but there are certainly things that would concern us in any deal that I think it is okay for us to address and I want to just go through a few of those.

First, a couple of straightforward questions. Deputy Secretary Blinken, will a final agreement and the technical annexes and side agreements be made public? Will they be readily available to Congress and to the public?

Mr. BLINKEN. Thank you.

Can I just start by saying, first of all, we strongly, strongly agree with your statement about the American citizens who are unjustly imprisoned in Iran.

I want to assure you this is something that we are working on virtually every day. The only issue that comes up regularly within the context of the nuclear discussions, apart from those discussions, is the—is our American citizens. We are working on it very, very vigorously. We want to bring them home and we very much share your commitment to do that.

Mr. DEUTCH. Thank you.

Mr. BLINKEN. With regard to whether the agreement will be made public, certainly, the core elements will. I don't know at this stage because we don't know exactly what form any agreement would take, whether certain pieces would be—would remain made classified and be subject to classified review, what parts would be public. I can't tell you at this stage because we don't know the exact——

Mr. DEUTCH. The greater the transparency the easier it will be for people to——

Mr. BLINKEN. I think we saw with the interim agreement that we reached that it was made public and Congress had full access to it.

Mr. DEUTCH. Congress had full access to it. The American people didn't. Let me just go on.

Next, again, just a couple of straightforward questions. Does Iran—Secretary Blinken, does Iran remained the world's most active state sponsor of terror?

Mr. BLINKEN. Whether it is the most active, it certainly for sure in the very top percentile.

Mr. DEUTCH. And is the administration in any way considering removing them from the state sponsor of terrorism list?

Mr. BLINKEN. No.

Mr. DEUTCH. Thank you.

Now, when it comes to the issues that we are dealing with that concern me in any deal, one, we have talked about the number of centrifuges and the infrastructure. A question I have is whether the ultimate number of centrifuges is reduced from the close to 20,000 to 6,000 or 7,000 or 3,000, whatever the number is, what will happen to the rest?

Will any of them be dismantled? Will they go into a closet? Will they go into an attic? Will they be readily available for Iran at the expiration of the deal?

Mr. BLINKEN. All of that is subject to the negotiations. That remains to be determined. I think you are right to point in general to the centrifuges. Obviously, that is a key component. But it also important to understand it is not the only component.

Mr. DEUTCH. I understand. I understand, and I only have a little time. But I would encourage—I would suggest that if the ultimate deal doesn't require that a single one of those centrifuges is dismantled, it is going to make it awfully difficult for a lot of us to be comfortable that this is a serious enough step to prevent them from breaking out.

Next, I just—I think you can understand, and I am not going to have time to get to my other—so I will just focus on this. I think you can understand the frustration that we have when both you, Secretary Blinken and Mr. Szubin, both talked about phased, proportionate and reversible sanctions relief but then went on to acknowledge the plan to go to the United Nations Security Council and to make clear that at the U.N., Venezuela, Malaysia, Nigeria may get a chance to vote on this deal now but Congress, ultimately, will have a chance to vote on this perhaps 5, perhaps 10, perhaps 15 years in the future.

That is what we are being told. I hope you can understand the frustration and how can—and the real question I have is how can the sanctions relief be reversible if the plan is to go to the United Nations to reverse all of the multilateral sanctions, leaving only the American sanctions in place?

Mr. BLINKEN. Again, I just want to try to make it clear that this is, if it happens, an international agreement that has other parties to the agreement. That is done through the Security Council.

The Security Council would take note of any agreement and it would make clear that it is prepared, once Iran demonstrates that it is meeting its commitments, which would be at some point in the

future because there would be a series of commitments under the deal, at that point to suspend or lift any international sanctions.

Our own sanctions, again, would be under our own discretion and ultimately Congress has to pass judgment on that.

Mr. DEUTCH. And Mr. Chairman, if I could just ask to have Mr. Szubin provide to us, because I am out of time, provide to us after this hearing a breakdown to the extent that you have done it of the $700 million that has been released every—the money that has been released every few months under the interim deal, and if you have done analysis on a deal of what a final deal might look like of sanctions relief, to the extent that $10 billion, $20 billion, $50 billion of the frozen money was released all at one time where any that money in the case of the interim deal has gone in Iran, where it would go under the—under the permanent deal and whether it would simply wind up going to benefit the Revolutionary Guard, the military and their terrorist activities.

I thank you and I yield back.

Chairman ROYCE. Without objection, so ordered. And we go to Mr. Mike McCaul of Texas.

Mr. MCCAUL. Thank you, Mr. Chairman.

Mr. Secretary, Section 1, 2 and 3 of the Atomic Energy Act, as you know, requires that all significant U.S. nuclear cooperation agreements must be approved by both houses of Congress.

Last year, Congress approved two such agreements, one with South Korea and the other one with Great Britain, who are our allies. However, in this case, when we are dealing with the world's leading state sponsor of terrorism, the position of this administration is that that should not be subject to approval by the United States Congress.

I don't quite understand that distinction. Can you explain that to me?

Mr. BLINKEN. Thank you, Congressman.

I think the issue is what is the best form of an agreement in order for us to have the flexibility that we need to make sure that Iran is living up to its obligations and to be able to reimpose sanctions quickly if it is not. We—what we are seeking is—and the issue here is really whether this is a legally binding agreement or not.

If it is a legally binding agreement, it would be subject to the rules of international law on how you get into an agreement and how you get out of it, which can be quite burdensome.

So having a nonbinding agreement allows us to have the flexibility we need if necessary to snap back sanctions immediately, not wait for international partners to agree or not agree.

With regard to whether it is a treaty or not and so subject to the advice and consent of the United States Senate, as you know, the vast bulk of international agreements that we have made under Democratic administrations and Republican administrations in the nonproliferation area and the foreign policy area more generally in fact are not treaties and are not subject to the advice and consent of the Senate.

And I can go through the list under the nonproliferation area. We have everything from the missile technology control regime,

which has been very successful in creating voluntary export licensing around the world, the nuclear security guidelines——

Mr. MCCAUL. And my time is limited, and I appreciate what you are saying. I just think we are treating our allies different from a state sponsor of terror and I think that the American people, through its representatives, should be weighing in this deal. But I know we disagree on that point.

ICBMs—this concerns me greatly. There has been no—this has been off the table, not part of the discussions at all, and the intelligence community and the Pentagon in its annual report on military power of Iran have noted that by—as early as 2015 of this year they may have ICBM technology—missile ranges that could potentially reach as far as the United States of America.

And then the Ayatollah, the Supreme Leader, says that to limit this program would be a stupid idiotic expectation and that the Revolutionary Guard should definitely carry out their program and should mass produce.

Why in the world isn't this on the table and does that not concern you about their intent here?

Mr. BLINKEN. Yes. The missile program is absolutely a concern which is, again, why we have been working very vigorously around the world to deny, where we can, Iran the technology for that program and to push back against proliferation.

In that effort, whether there is an agreement or not, we will persist in those sanctions and the various measures we are taking will continue regardless of whether there is an agreement.

The scope of this agreement, if there is one, is the nuclear program. That is what our partners have agreed to. That is what is being negotiated. It is not a missile agreement.

Now, there are aspects of it that come into this that are critical in terms of Iran's capacity to make, potentially, a nuclear weapon to a missile and, indeed, we are focused on that because that does fall within the confines of what we are——

Mr. MCCAUL. Well, because that is the delivery device for a nuclear warhead.

Mr. BLINKEN. Exactly. Exactly.

Mr. MCCAUL. And so they are not backing down on that, which kind of makes me question, you know, their whole good faith analysis here. You know, if I could just say, when I read their own words, President Rouhani, who you say is taking a different tack and trying to be a peacemaker here, says that in Geneva agreement world powers surrendered to the Iranian nation's will, and that is in his words.

And then, you know, they said that the centrifuges were spinning and will never stop. When Prime Minister Netanyahu gave his speech at the joint session of Congress, Iran was they were blowing up a mock of the USS Nimitz in the Red Sea, simultaneously.

I question the good faith here. You have an extraordinary challenge, sir, and I wish you all the best. But I cannot—I just have to question the good faith on the part of Iran.

Mr. BLINKEN. Sir, you are exactly right. It is not a question of good faith.

It is a question—and by the way, whether it is President Rouhani or the foreign minister or any others, it is not that we think these are good guys who like the United States.

It is that there are some people who are somewhat more pragmatic about what Iran needs to do for its own interest in the future and they believe that negotiating an agreement and getting some relief from the pressure that they have been under is what makes the most sense for their country, again, not because they like us or have good intentions.

The other thing I would say that I think is important is that there are abhorrent statements made on a regular basis by Iran's leaders on all sorts of issues. In some instances, though, some of these statements are made for domestic political purposes.

We sometimes have a tendency to see Iran as the only country on Earth that doesn't have politics. In fact, it has very intense politics and there is a lot of politics going on right now between those in Iran who would want an agreement, again, because they believe it is in the interest of the country, and those who don't want one, and some of the statements you are seeing, as objectionable and as abhorrent as they may be, some of those designed for political consumption at home to push back against those who do not want an agreement. Thank you.

Chairman ROYCE. I hear "Death to America" on an ongoing basis regardless of the politics and that is concerning for us.

We go now to David Cicilline of Rhode Island. Mr. Cicilline?

Mr. CICILLINE. Thank you, Mr. Chairman. Thank you very much for being here and for giving us your insight on this very important issue.

I am hopeful that the ongoing negotiations will ultimately result in an agreement that we can get behind and I think, as our chairman and our ranking member said, many of us have a lot of questions about the details of a final agreement and in a letter I think we will express to you what some of those concerns are.

As I listen to the—my colleagues today, you know, guaranteeing that actors to a negotiated agreement are going to behave in a certain way is always difficult and we have no guarantee of that.

And so it seems to me what the goal of this agreement should be is to be sure that we set it out so that it is difficult for them to violate the agreement, that we make it certain that we can detect it if they do and that we have an opportunity to respond to it.

I mean, that is really the best we can do other than imagining that we can control the decisions of lots of other people.

And so with respect to that, last year the Pentagon's Defense Science Board released a report that found the U.S. Government mechanisms for detection and monitoring of small nuclear enterprises or covert facilities are "either inadequate or, more often, do not exist."

So in that context, how will we know and what are we doing to ensure that we would learn if Iran was pursuing a covert program, particularly after the sunset of a comprehensive agreement, and will the additional protocols in the NPT address this?

But isn't that a fair question to know? We are not particularly good at that from the sounds of it in general, and with respect to Iran in particular what are the protections?

Mr. BLINKEN. Thank you very much, Congressman.

Yes, I think you make a very important point and, indeed, I am well aware of the report by the Defense Science Board. We are factoring in the report's recommendations as we work on and think about any agreement with Iran.

I think it underscores the absolute necessity of having the most intrusive significant monitoring access transparency regime anywhere, anytime, anyplace in the world, and in terms of what happens in perpetuity it underscores the absolute necessity of having at the very least the combination of the additional protocol, Modified Code 3.1, and a safeguards agreement.

Those things taken together, the storehouse of knowledge that will be built up by the exceptional transparency measures, we believe that all of those things taken together will give us the ability to detect any efforts by Iran to break out or to sneak out.

But I think the report underscores the absolute essential nature of those components of any agreement.

Mr. CICILLINE. Thank you. And would you speak for a moment about kind of what you see as the kind of scenario if no agreement is reached?

There has been a lot of discussion about the urgency of enacting additional sanctions, which I think Congress would do immediately and the President would support. But to the extent that happens, do you foresee that that actually would prevent the development of a nuclear weapon?

I mean, the goal here we shouldn't lose sight of is not just to impose pain on Iran but impose conditions such that they don't develop a nuclear weapon. That is the ultimate goal.

And I am wondering if you would speak to what is the alternative of a good comprehensive agreement here. What do you likely see even if additional sanctions were imposed if these talks fall apart? Do we prevent a nuclear Iran in that scenario?

Mr. BLINKEN. Well, I think it depends very much on how an agreement is not reached. That is to say, if it is clear at the end of this process that Iran is simply not able and will not make a reasonable agreement, then, clearly, that calls not only for sustaining the existing pressure but adding to it in an effort to get them to rethink that very unfortunate position and, indeed, to bear down on all fronts in its efforts to acquire technology for a nuclear program and the resources for a nuclear program. So that is where we would want to go.

Now, if on the other hand, we are at the end of March very close, having gotten agreement on many of the key elements but not all of them, and because nothing is agreed until everything is agreed we can't put the whole thing together, then I can see a circumstance where it might be useful to take the time that we still have until June under the nature of the interim agreement that we signed. So we have to see exactly where we are.

The third possibility, of course, is that for whatever reason we are perceived as having been responsible for the failure to reach an agreement or at least there is enough mud in the waters to create

that impression, that—were that to happen, which absolutely cannot and must not happen, that would make it more challenging, not only to add new sanctions and add more pressure but just to sustain the pressure that we have because it is very important to keep remembering that this is not just about us.

The power, the efficacy of the sanctions that Congress has produced and that we have been implementing is exponentially magnified by the participation of other countries around the world. If that goes away a lot of the power of the sanctions will.

Mr. CICILLINE. Thank you. I yield back.

Ms. ROS-LEHTINEN. Thank you so much.

Mr. Poe of Texas.

Mr. POE. I thank the gentlelady.

I have a lot of questions and I think you can answer many of them with just a yes or no. They are not gotcha questions. But unless I ask you to explain the answer, don't explain the answer, if you would.

The 10-year agreement or however many years it is going to be. Is the deal that the sanctions will be lifted—all of the penalties, I should say—after the agreement is over with whenever that is? With Iran, are the penalties coming to an end?

Mr. BLINKEN. Congressman, it would be—it would be phased. That is, we would insist on Iran demonstrating compliance and then certain sanctions might be at that point suspended, not ended. And after still more compliance, at some point sanctions would actually be ended, assuming Congress agreed to end them.

Similarly, on the international front with the U.N., we would be looking at demonstrated compliance by Iran and then suspension and then ending. And then if Iran didn't do what it was supposed to do or if it cheated or reneged, we would have snap back provisions both here and internationally.

Mr. POE. Okay. The purpose of this agreement is to prevent Iran from getting nuclear weapons. Would you agree that Israel is probably concerned, being a neighbor, about Iran getting nuclear weapons?

Mr. BLINKEN. Yes.

Mr. POE. And the United States are both concerned about—the United States as well?

Mr. BLINKEN. Yes.

Mr. POE. The ICBM issue—that is not even being discussed as a part of this agreement, is it?

Mr. BLINKEN. That is correct.

Mr. POE. And the Supreme Leader has said they want to get rid of Israel first and then take on us—calls us the Great Satan. And one way to get to us is the ICBMs, correct?

Mr. BLINKEN. That is correct.

Mr. POE. ICBMs aren't needed to eliminate Israel. They have got other missiles that can already go and reach Israel. Is that correct?

Mr. BLINKEN. That is correct.

Mr. POE. We are not talking about trying to prevent the ICBMs. All we are trying to do, if I understand the State Department's position, is to keep them from getting technology.

Mr. BLINKEN. What we are trying to do apart from this agreement——

Mr. POE. Is that correct? We are trying to get them——

Mr. BLINKEN. The contours of this agreement go to the nuclear program and to the United Nations Security Council resolutions regarding that program. That is what needs to be satisfied. Those are the terms of the negotiations that our partners sign on to.

Mr. POE. Okay.

Mr. BLINKEN. Separate and apart from that, though, we are working very hard to prevent Iran from getting the technology.

Mr. POE. That is what I just asked you. It is a yes or no. We are trying to prevent them from getting technology. But isn't it true that Iran is pursuing the development of ICBMs in their country?

Mr. BLINKEN. I am sure that is true, yes.

Mr. POE. So it is true. So they are building the missiles. We are not trying to stop them, except we just don't want them to get the technology from the North Koreans or the Chinese or Russians.

Mr. BLINKEN. Well, that is why they need—that is why they need to develop it and they need to get technology from other countries with knowledge——

Mr. POE. Reclaiming my time. They are developing intercontinental ballistic missiles. Is that correct?

Mr. BLINKEN. They are trying to do so, yes. That is correct.

Mr. POE. And we are not dealing with that issue, I don't think, at all.

Mr. BLINKEN. We are, but just not part of this——

Mr. POE. Excuse me, sir. Excuse me.

Mr. BLINKEN. Sorry, Congressman.

Mr. POE. We are trying to prevent them from getting nuclear weapons, which I think at the end of the day if this agreement is signed and delivered they will get them eventually and then they may have the capability to send them to us.

I think this is a long-term threat to the world and especially the United States and Israel and peace-loving countries. Iran gets nuclear capability. Assume this. Would you agree that Saudi Arabia will get it next? Turkey will get it? Egypt will get it? And who else knows in the Middle East to balance the power over the Middle East?

Mr. BLINKEN. Yes, it sigificantly increases the likelihood, which is why we are trying to prevent them from getting one.

Mr. POE. Just a couple of more questions.

The 2015 Worldwide Threat Assessment put out by the Director of National Intelligence, you said that this report focused on ISIS.

If it is a worldwide assessment—worldwide—wouldn't you think that it would mention Hezbollah? You think it might? Should?

Mr. BLINKEN. Hezbollah is a foreign terrorist organization. It remains designated. It remains a focus of our activities.

Mr. POE. But it is not mentioned as a worldwide threat in this report. That confuses me. If the Federal Government comes out with a report and it reports on everything, and it is a worldwide threat assessment of terrorism, we leave off of the state sponsor of terrorism—Iran—and we leave off their puppet, who is causing mischief all over the world—Hezbollah—that seems a little bit confusing to me.

So would you recommend that maybe the intelligence agency go back and have an addendum to this worldwide report and add these other two organizations?

Mr. BLINKEN. What I can tell you is, led by the intelligence agencies, we are pushing back every single day on Hezbollah's activities——

Mr. POE. So you think they ought to add to the report that Hezbollah and Iran are terrorism threats to the world?

Mr. BLINKEN. Let me go back and look at the report.

Ms. ROS-LEHTINEN. Thank you. Thank you, Judge Poe.

Ms. Frankel of Florida.

Ms. FRANKEL. Thank you, Madam Chair. Thank you, gentlemen, for being here today.

Well, it does sound like the one thing that we all agree on is that Iran should not be able to get a nuclear weapon. I have a couple of questions. I want to—if I could just state them first and then you can answer.

First—my first question is if there is no deal, how long would it take Iran to—at this point, do you think, to break out to have a nuclear weapon?

It is interesting because I hear the frustration of so many of my colleagues about, you know, not trusting Iran. I think we—no one trusts Iran. But if we do not get a deal, we do not get a deal, is the alternative—the realistic alternative a military operation?

What would that look like? And if there was a military operation, how long do you think that could delay Iran from getting a nuclear weapon and what do you think would be the interim collateral damage? I mean, what would you—I am sure you have discussed this.

You know, what is the scenario of not having a deal? Now, and just to add to that, you have said, well, if there is no deal, then we are going to increase the sanctions. But I am assuming that you have made the calculation that we have taken them—that this is a time to get a deal. So you can respond to those thoughts.

Mr. BLINKEN. Thank you very much, and I think that you raise very important questions.

First, with regard to the break-out time, this is something we can, I think, best deal with in a classified setting. But what I can tell you broadly is this, that currently the break-out time is a matter of a few months, if everything went just right.

But, of course, we would—even under the interim agreement, we would see that immediately. But that is—that is where we are. So if there was no deal, that is where they would be.

But, presumably, under various scenarios they would then seek to speed to increase the number of centrifuges, and increase the other capacity, move forward on Fordow, move forward on Iraq. And as a result of all of that over some period of period of time the break-out time would drop, presumably, even further.

What are the alternatives? Well, I think that is a critical question because at the end of the day any agreement that is reached has to be evaluated, first of all, under the terms of the agreement. That is the most important thing. People will have to decide whether the agreement holds up, makes sense and advances our security.

But I think it is also going to be very important for those who would oppose the agreement, if there is one, to say what the alternative would be and how it would be achievable. Those are critical questions because we are not operating in a vacuum and in an abstraction.

So a lot, again, as I suggested earlier, depends on why there would be no deal. That is, if it was clear that Iran simply was not going to make an agreement and the international community recognized that, I think we would be in a position not only to sustain the sanctions that we have now but to increase the pressure and increase the sanctions.

Now, however, if for whatever reason that didn't happen, if Iran started speeding to a weapons capacity and to a bomb, then a military option has always been on the table. It would remain on the table. If military action were taken, it could certainly set back Iran's program for some period of time.

But, again, it is important to understand that because Iran has the knowledge and that we can't bomb that away, we can't sanction it away, that at some point they would resume their activities.

They would probably go underground. We would lose the benefit probably of the international sanctions regime and pressure and Iran would be in a better position than it is today and, certainly, than it would be under an agreement.

Ms. FRANKEL. And, if you could, because I am sure you have talked about this, what would be the ramifications especially in the region if all of a sudden there was a war with Iran? What would be the consequences, for example, to Israel? What would you expect?

Mr. BLINKEN. Well, I think, first of all, if Iran were in a position where it was rushing to a nuclear weapon, many of the concerns that have been raised by other members of the committee in terms of what other countries in the region would do would be front and center.

That is, it would be, I think, very tempting for other countries to feel that they needed to pursue a nuclear weapon to protect themselves. That is exactly one of the reasons we are trying to prevent Iran from getting a weapon. We do not want to see an arms race in the region.

In terms of Israel, it faces an existential threat from Iran and, indeed, one of the reasons we are trying to prevent Iran from getting a weapon is in defense of our close ally and partner, Israel.

Ms. FRANKEL. But would you—would you expect further acts of terrorism?

Mr. BLINKEN. Oh, I would—I would expect that Iran unshackled with a weapon or speeding toward one, would feel further emboldened to take actions in the region, including against Israel.

Ms. ROS-LEHTINEN. Thank you, Ms. Frankel.

Subcommittee chair, Mr. Duncan, is recognized.

Mr. DUNCAN. Thank you, Madam Chair. And this has been a very informative hearing. Yesterday, we had a hearing on Iran as well. Mr. Deputy Secretary, do you believe Iran is present and active in the Western Hemisphere?

Mr. BLINKEN. Yes.

Mr. DUNCAN. Do you believe their influence is steady? Do you think it is increasing, as General Kelly may say, or do you believe it is not?

Mr. BLINKEN. I think they are trying in various parts of the world including in our own hemisphere to position themselves and to take advantage of any openings that they have.

Mr. DUNCAN. The State Department report that came out in 2013 says that the Iranian threat in the Western Hemisphere is waning. Are you aware of that?

Mr. BLINKEN. I am yes.

Mr. DUNCAN. Okay. If Iran is—is Iran still on the state sponsor of terrorists list?

Mr. BLINKEN. Yes.

Mr. DUNCAN. Okay. So they are still aiding and abetting terrorist organizations like Hezbollah all over the world, correct?

Mr. BLINKEN. Yes.

Mr. DUNCAN. Okay. What is going to—what is going to change with this agreement with regard to their being on the state sponsor of terrorists list, as of the administration?

Mr. BLINKEN. Nothing.

Mr. DUNCAN. So we are negotiating with a country that is not willing to quit exporting terrorist items to terrorist organizations that could threaten the United States and its friends and allies, right?

Mr. BLINKEN. So we are negotiating in order to deny them a nuclear weapon which would further embolden those activities. And at the same time, we are making it very clear that whether or not there is an agreement we will continue to be taking action against its efforts to do all of the things you just cited.

Mr. DUNCAN. Iran has continually violated past obligations with regards to sanctions and sanctions relief and all of that. What is to make us think that they are not going to violate this?

Mr. BLINKEN. Because of the penalties that they would have to pay. The reason that they are at the table now is because they violated——

Mr. DUNCAN. But it is not legally binding on us. Do you—will you all of a sudden think it is going to be legally binding on them?

Mr. BLINKEN. I don't think——

Mr. DUNCAN. How do you think they—how do you think they view that statement?

Mr. BLINKEN. Oh, I think the issue is not whether it is legally binding. The issue is whether it is very clear, and it will be, that if they violate the agreement there will be serious consequences.

It doesn't matter if that is legally binding or not. The sanctions will come back into full force and there will be more sanctions.

Mr. DUNCAN. North Korea has the same sanctions and they violated those and they have the bomb now.

Mr. BLINKEN. But, again, with regard to Iran the very reason they are at the table is because they spent years and years and years violating their obligations. Thanks to Congress, thanks to the administration, thanks to our international partners, we exerted significant pressure on them and now, faced with that pressure, they are seeking to make an agreement.

Mr. DUNCAN. I think pressure works. I think the sanctions worked. I think Mr. Szubin talked about some of the repercussions of that.

Now, let me move on. In April 2014, Secretary of State John Kerry said that the Obama administration will consult with Congress about sanctions relief contained in a final agreement and he said, well—and this is his quote: "Well, of course, we would be obligated under the law," he said, adding "What we do will have to pass muster with Congress. We well understand that."

Yet, the Secretary's testimony in the Senate last week, excuse me—Deputy Secretary Blinken said and Under Secretary Cohen indicated that the Obama administration would not submit a potential agreement to Congress for a vote. Instead, the administration will sign what is termed a political agreement.

So What is the difference between what Secretary Kerry said in 2014 and what is being said by the administration now?

Mr. BLINKEN. No, I don't there is a difference, sir. I think the Secretary is exactly right. First of all, in our judgment, at least, we have consulted extensively throughout the duration of these negotiations—as I cited earlier, more than 200 hearings, meetings, calls, briefings.

If there is an agreement, obviously, we will go through that in great detail in Congress in open sessions and closed sessions, in meetings, in calls. And as we have been clear all along, the agreement at some point will call—will require the lifting of sanctions and only Congress can decide whether to do that or not.

So Congress will have a vote and, indeed, keeping that Sword of Damocles hanging over the heads of the Iranians—that is, the knowledge that the sanctions have been suspended but not ended and that Congress has the authority to end them—we think will be leverage to make sure that they make good on their commitments.

Mr. DUNCAN. Okay.

Madam chair, I don't have a whole lot of other questions.

Ms. ROS-LEHTINEN. Thank you so much.

Mr. DUNCAN. A lot them I asked. Thank you. I yield back.

Ms. ROS-LEHTINEN. Because although there is a vote on and we have two votes, the subcommittee—I mean, the full committee will come back. But we would never break without the opportunity of recognizing Mr. Connolly for his 5 minutes.

Mr. CONNOLLY. I thank my friend.

Unfortunately, I have to begin by chastising my friend. You know, my friend, the chair, who is truly my friend, referred to the President having a temper tantrum about Prime Minister Netanyahu, and Mr. Chabot, my friend from Ohio, and he is also my friend, said there is no President who has done more to damage the U.S.-Israeli relationship.

I cannot let that go by. A foreign leader has insulted the head of state of the United States Government. It is not a temper tantrum and it didn't start with President Obama. It started with Bibi Netanyahu.

You can decide for yourself whether it was appropriate for him to speak to a joint session. But the process is beyond dispute.

It was an insult to this government. Friends don't act that way, and I would say to my friend, Mr. Chabot from Ohio, it would come as news to Shimon Peres, the outgoing President of Israel who gave President Obama the highest award that the Israeli Government can give, for his support of Israel.

At some point, does the partisan rhetoric ever stop? Where are your loyalties with respect to the prerogatives of this government and our country? And the shameless way Mr. Netanyahu has conducted himself deserves reproach and I think the President has actually shown restraint.

And I say this as somebody who has a 35-year record of unwavering support for Israel. I am not a critic of the Israeli Government. But I am a critic of how this Prime Minister has treated my President—everyone's President—and I cannot sit here and listen to the waving away of bad behavior that is an insult to my country.

We have one President, whether you like him or not, whether you want to take political issue with him or not. Fair enough. That is fair game.

But when a foreign leader insults him, that should not be fair game and that should never be apologized away because it damages relationships long-term. It puts a divide where there was never a divide in public opinion in my country and I worry about that long term. I hope you do too.

Let me say, Mr. Deputy Secretary, it seems to me there are five issues that Congress has to be concerned about. There is the broad extensional question, are we better with a deal or without.

I would argue that same Prime Minister of Israel has never supported any agreement with Iran even though we are where we are, and he would like zero centrifuges. He would like zero enrichment capability.

He would like a complete roll back so that there is no nuclear capability, and so would I. But I don't know anybody who can achieve that, realistically, and if you feel that, if those are your goals, the only option is what has euphemistically been called the kinetic option if you are not willing to accept any nuclear capability and I am not sure the American people support that. I am not even sure the Israeli people support that. Would you agree with that analysis, Mr. Deputy Secretary?

Mr. BLINKEN. Thank you. I would agree. As we discussed earlier, that Iran has knowledge of the fuel cycle. They know how to make a bomb if they choose to do it and we can't bomb that away. We can delay it. We can't eliminate it. It is knowledge.

Mr. CONNOLLY. Let me—let me say I think there are five issues. If we move on—okay. Let us accept that and so we need an agreement. We are going to get the best agreement or we need to seek the best agreement we can.

I think with respect to my colleagues in Congress including myself there are five issues that have to be addressed and that the administration is going to have to convince us you have addressed efficaciously to the best of your ability to our satisfaction.

One is what capability is left in place? Number of centrifuges, percentage of enrichment—something we can live with? Something we got to worry about? Two, cheating, and that—the inspection regime to me is all important. If there are holes in the inspection re-

gime I don't see how you are going to get any confidence in the agreement.

Thirdly, sanctions—how do we phase in the lifting of sanctions assuming an efficacious agreement and how expeditiously can we reimpose them? Our worry up here is that we might be okay but our allies may not.

Fourth, the threshold time frame—there are a lot of—there is a lot of legitimate concern up here that it is too fast, that Iran can quickly rush to nuclear capability under the reported terms of the agreement.

And, finally, the expiration of an agreement—the time frame for expiration. A lot of people are very concerned about the that, that it is almost an open invitation to a future Iranian Government to proceed.

Thank you very much, Madam Chairman.

Ms. ROS-LEHTINEN. Thank you, Mr. Connolly, and it is not my temper tantrum to cut you off. We really are out of time.

Mr. CONNOLLY. I know. I know.

Ms. ROS-LEHTINEN. And to all the committee members and witnesses, we have two votes on the floor. We will recess briefly and then come back to get to the most amount of members that we can get to before our witnesses have to depart.

And so with that, the committee stands in recess. Thank you.

[Recess.]

Chairman ROYCE. We will re-adjourn and go to Mr. Tom Emmer of Minnesota.

Mr. EMMER. Thank you, Mr. Chair, and thank you to both the witnesses for being here today.

Just a couple of questions because you pretty much have been running the range today in front of the committee. But first, Mr. Blinken, thank you for being here, again, and thank you for your service.

Your opening remarks were assuring to somebody like me who wants to see the branches as they were constructed work the way they are supposed to and I just want to confirm, if you will bear with me.

I believe it is Article 1 Section 8 says that it is the sole responsibility of Congress to enter into agreements with foreign nations, which would include treaties or agreements such as the one that we have been discussing, and I believe that you confirmed that again this morning that it will be Congress's obligation to finalize, ratify any negotiated agreement.

Mr. BLINKEN. Because Congress imposed and legislated the sanctions on Iran, if those sanctions are ever to be lifted Congress must be the one to do it. Congress has the—only Congress has the authority to do that.

Mr. EMMER. But that is what is already in place. That part aside, any agreement with the details that the administration is participating in the negotiations in right now it is Congress that not only—I think your words this morning will play a very important role—that was number one, which indicates to me there will be much communication once this framework, if it is reached by the end of this month—once that is reached there will be some significant communication.

Mr. BLINKEN. Absolutely.

Mr. EMMER. And after that, assuming that can you can arrive at the final details by the end of June, then I just want to make sure that I understand your position on behalf of the State Department is that Congress will have to approve or will not any final agreement.

Mr. BLINKEN. No, Congressman, that is not our position. This would not be a treaty that would be subject to the advice and consent of the Senate.

This would be an agreement that, obviously, as I said before, for its terms to be implemented, assuming that sanctions are to be lifted, Congress would have to play that role and it could decide whether or not to do that.

And you are absolutely right that just as we have sought to consult fully throughout this process in hearings and briefings and meetings and phone calls, you are absolutely right that if there is an agreement in the coming weeks that we would consult intensely with Congress on that agreement. Every aspect of that agreement would be——

Mr. EMMER. But all you—but all you are going to ask for, based on what you are testifying to this morning, is that Congress lift the sanctions. You are not going to ask for Congressional approval of the final agreement.

Mr. BLINKEN. That is correct.

Mr. EMMER. So if it is not legally binding then, as Secretary of State Kerry has discussed, what do you actually believe that you are getting out of it then? And let me just add to it because I am trying to be very measured.

It disturbs me greatly to have people talk about giving an organization that is not interested in peace around the globe, that is actually and being an aggressor and trying to roil up problems—we are going to give them all kinds of hard currency. Explain to me how this is a good idea.

Mr. BLINKEN. So two things. Thank you, Congressman. First, with regard to whether it is legally binding or not, if this is really a question of international law, first and foremost, if you make a legally binding agreement then it is subject to various provisions of international law which actually make it more difficult to do things we may have to do if Iran violates the agreement.

There are all sorts of treaty law formalities that we would have to go through if we said Iran is violating the agreement.

We would have to present a legally defensible reason to cease our implementation of our commitments under the agreement. We might get into a debate with our international partners if they did not agree. I am making——

Mr. EMMER. Well, I am going to run out of time, with all due respect. I am going to run out of time. So I just—I think that this is the problem that the administration has had and now the administration and Congress are having is this breakdown in an understanding of respective positions in the process, and the idea that this administration is going to get approval from the U.N. Security Council as opposed to coming to Congress is not only disturbing, it is wrong, from my perspective.

Mr. BLINKEN. Thank you, Congressman.

Could I just mention—you know, again, I just want to be clear. We will have to go, if there is an agreement, to both. That is, there are sanctions that are pursuant to the United Nations Security Council that have been implemented by the Council so the Council will have the authority and will have to decide whether to lift them or not, suspend them or not.

Similarly, our own sanctions have been imposed and legislated by Congress. Only Congress can decide whether to end them. And, as you know, the vast majority of the international agreements that we strike around the world, a key tool of our foreign policy and national security policy, are nonbinding.

Mr. EMMER. Thank you. Mr. Chair, I am going to yield back.

But I just want to make the comment that it is amazing to me that this administration apparently puts Congress and the U.N. on the same level in terms of who they are going to deal with.

Chairman ROYCE. If the gentleman will yield. I am not sure it is on the same level because I think the U.N. vote will come immediately.

Mr. EMMER. Again, I was trying to be measured.

Chairman ROYCE. You were being measured and I appreciate that, Tom.

I do think that it is going to be a considerable amount of time under the calculus that the administration is working under when they intend to come to Congress for that vote and that is very, very concern concerning. But I appreciate the gentleman raising this issue.

We go now to Brian Higgins of New York.

Mr. HIGGINS. Thank you. Mr. Secretary, is this the most complicated negotiation that the administration has been involved with internationally?

Mr. BLINKEN. It is—I think the answer is yes. I am searching my mind to think of anything that could rise to a higher level of complexity. You know, arguably, the new START agreement was complicated. But I would I have to say this probably tops the list.

Mr. HIGGINS. Yes. Now, the interesting thing is, you know, it is still an agreement. You hear varying reports saying that, you know, 90 percent is done and 60 percent is done. But, you know, the bottom line is that it is still very fluid.

Mr. BLINKEN. That is correct.

Mr. HIGGINS. And those issues that remain will always be the most critical issues because they are the most difficult to find mutuality on.

Mr. BLINKEN. That is correct.

Mr. HIGGINS. But, clearly, the issue of fuel and enrichment capacity are central to this and inspections and verification. How many pounds of enriched uranium is Iran though to have currently?

Mr. BLINKEN. So they have a stockpile of low enriched uranium at about 3.5 percent that is, I recall, is about 7,000 kilos. Is that correct?

Mr. HIGGINS. And under the current draft framework, what would become of that 3.5 percent enriched uranium?

Mr. BLINKEN. So you will understand I can't get into the details. This is all subject to negotiations. But one of the elements, and you

are right to point to it, that would be important in figuring out their break-out time is the available stockpile of material that they have to work with.

So centrifuges—the number of the centrifuges is one component. The configuration of the centrifuges is another. The stockpile is a third. And depending on how you put those elements together you limit their break-out time.

But I can't tell you what the limitation might be under an agreement because that is all subject to the negotiation.

Mr. HIGGINS. The proliferation of centrifuges 10 years ago, really, under Rouhani, there were probably, you know, less than 200 centrifuges.

Now there is over 19,000. Now we are talking about advanced centrifuges. We are talking about next generation centrifuges. We are talking about, as you mentioned in your response, a knowledge that you can't destroy.

Is it—is it plausible, is it—is it realistic to accept the uranium—Iranian argument that they need so many centrifuges in order to sustain a civil peaceful nuclear program?

Mr. BLINKEN. Well, look, obviously, we are highly skeptical of that argument. The fact of the matter is that they, clearly, had the military aspirations for their program at least through 2003.

That is, certainly, the assessment that our intelligence community made at the time. And, of course, so many aspects of this program strongly suggest that they are seeking or have been seeking a nuclear weapons capacity.

That said, their argument, for what it is worth, is that they do want to build a nuclear power program for the country. They, obviously, have vast oil resources so why they would need it is a very good question.

They say that they want to devote oil to exports. They want to have the nuclear program for domestic energy production. They talk about a post-carbon future, which other countries talk about.

But all of that said, their activities, of course, suggest the opposite and if that is really what they were focused on, they could presumably, you know, buy nuclear fuel abroad instead of produce it.

Mr. HIGGINS. Well, let me ask you this. What percentage of Iranian's domestic nuclear power is nuclear?

Mr. BLINKEN. It is very de minimis but I will get you the exact number. But what they—what they purport to be looking at is a much more significant piece of their domestic energy program being provided by nuclear.

That is the argument they make for why they would need a significant enrichment capacity in the future and, again, we are certainly skeptical of that, especially given their oil resources.

Mr. HIGGINS. The—you know, it is just, you know, again, very, very difficult within the context of what Iran is engaged in today.

Qasem Soleimani, head of the Quds Forces, is on the ground in Iraq today, probably, you know, directly leading the Shi'a militias in Iraq today to defeat ISIS.

He saved Bashir al-Assad in the 11th hour to preserve Syria as a land bridge into Lebanon, to Hezbollah, which acts as a proxy for Iran.

And yet here we sit with them face to face in negotiations. I do understand the complexity of diplomacy and the fact that you use diplomacy with your enemies more than your—but this is a very, very, very hard thing not only technically from the standpoint of a negotiator—and we do appreciate your efforts—but politically as well. You know trust is a hard thing and America is an extraordinary superpower.

But I do believe that even if, you know, in the end we have to exercise a military option because negotiations fail, I do think we have to demonstrate to the international community that every diplomatic avenue was exhausted before that can happen and that is, unfortunately, the responsibility of America as the indispensable world power.

I yield back.

Mr. BLINKEN. Thank you.

Chairman ROYCE. I thank the gentleman for yielding.

We are going to Mr. Ted Yoho of Florida.

Mr. YOHO. Mr. Chairman, I appreciate it and I am not really sure where to start, I have so many questions, and just looking for clarification.

I think the best way to start is that there was a quote from President Dwight Eisenhower 60 years ago when he announced the Atoms for Peace program: "One lesson is clear. Civilian nuclear programs flourish only through cooperation and openness. Secrecy and isolation are typically signs of a nuclear weapons program."

I don't think that has differed and, you know, we look at Iran over the last 30 years and if you have you read, and I am sure you have, Ambassador John Bolton's book, "Surrender is Not an Option," Iran has been moving steadily in this direction ever since then. They have played the cat and mouse game. They have lied and deceived.

It is a pure game of sophistry, and sophistry, as we all know, is a well orchestrated deception, misdirection and we call that a lie, in the country. And I see that going on with our nuclear negotiations and I mean that in the sense that I think it is great that we are negotiating to prevent them from getting nuclear arms but I think we are all in agreement they are going to get nuclear arms.

I have sat here for 2 years. I am going into the third year. We have had expert after expert after expert sitting where you are that said Iran within 6 months—that is when I first got here in January 2013—within 6 months to a year has enough fissile material for five to six bombs.

And so that has been over a year so I can only assume, because the experts like you have told us, they are going to have that. And for us to say no, they are not, and then you look at Iran has prevented the IAEA to go in to inspect, we have got evidence that they have detonated a nuclear trigger in the region of Parchin but they won't let the IAEA go in.

And going back to what President Eisenhower said is if they are not going to be forthright and honest and open, is it prudent for the United States of America to go forward with this versus backing up from the negotiation table and say, when you are serious, Iran, let us know and we will take the sanctions off.

Mr. Szubin, you brought up that Iran is in a crisis mode. They are in a hole. It will take over a $160 billion to get out of it. Yet, yesterday on the Western Hemisphere meeting we had the experts again and the report from the State Department said that Iran and Hezbollah has got the most activity they have ever had in the Western Hemisphere since 2009.

Iran is working with Iraq to beat ISIS so they are funding a war in Iraq. They have funded the takeover of Yemen, and I ask you is that the nation—is that the status of a nation that is in crisis and they are starving and they are on their last dollar?

Would they be investing money into that or would they investing it into their own country? What are your thoughts on that?

Mr. SZUBIN. Thank you, Congressman. If I could take the last part of your question and then——

Mr. YOHO. Sure.

Mr. SZUBIN [continuing]. Actually defer to my colleague.

Mr. YOHO. And I have got another one I want to ask you real quick so go ahead.

Mr. SZUBIN. Sure. So I did not say that they were on their last dollar and, obviously, we are talking about a sophisticated large industrialized country. What I talked about the were indicators of the economic strain on their society and the economic strain is massive.

That doesn't mean that they don't have the thousands of dollars or even hundreds of thousands of dollars to provide to nefarious actors in their region or even in Latin America and, unfortunately, some of this activity, as dangerous as it is, comes cheap.

Mr. YOHO. Right. And their goal is—again, we hear over and over again Fidel Castro met with the Ayatollah roughly 10 years ago, said we have a common enemy—that enemy is America and our goal is to bring them jointly together to its knees.

I don't see that any different, and with the narrative coming out of there, the rhetoric you hear, it is like Chairman Royce says, you know, "Death to America."

You can pick up a paper pretty much every week and you will find that in there. To move forward, thinking that we are stopping them—and Henry Kissinger said the move that we are—we are moving to prevent proliferation to managing it.

So I think we should come clean with the American people, say they going to have a nuclear weapon. I think that we should put emphasis on what are we going to do the day that they do have that and have our foreign policy because you are already seeing Saudi Arabia and Egypt wanting to run a nuclear program.

Are we going to monitor them? Are we going to say, no, you can't? And then at what point do you intervene? And so I think all of this we are going through, I appreciate you going through it. But I think we are putting emphasis on something to say we are trying to prevent it and we know they are not going to prevent it.

Mr. BLINKEN. Thank you very much, Congressman.

I would say, first of all, as in many things and most things President Eisenhower was very wise——

Mr. YOHO. Yes, he was.

Mr. BLINKEN [continuing]. And so I think apply very appropriately to what we are looking at now, and it is precisely because of Iran's efforts to cheat and to dodge its responsibilities and dodge

its commitments and proceed with a program that the world has called them out and the world has exerted extraordinary pressure on them and that is why they are at the table.

And the only reason that they are there is in order to relieve some of that pressure and the fact that that pressure could be reimposed is the strong incentive they would have to make good on the agreement.

And I would note again that under the interim agreement—under the terms of the agreement they have made good on those commitments for its duration. Going forward, we have to have, and we will have for there to be any agreement, the most exceptional intrusive monitoring, access and inspection regime than any country has ever seen.

That is the only thing that can give us confidence that we are not trusting Iran's word. We are looking at its actions and we will find out if it is violating its commitments.

That is what this is about. At the end of the day, again, we have to deal with—and by the way, I should say we don't accept the proposition that they would get a nuclear weapon. The entire effort that we are making is to make sure that they don't.

If there is no agreement, then there is a good chance that they will rush to a weapon or, certainly, rush to have the capacity to make one.

Mr. YOHO. Does that make all those experts previously that said that they were going to have it wrong?

Mr. BLINKEN. I think what they were—I would have to go back, Congressman, and see what—exactly what they said. I think what they were talking about was what is their capacity, where are they in terms of the capacity of producing a weapon should they choose to do it.

I believe that is what they are talking about and what would the time line be. We are pushing that back. We are making sure that if they did decide to do that we would see it and we would be able to do something about it. That is what this is about.

Mr. YOHO. My time has expired and I appreciate it. Thank you, Mr. Chairman.

Mr. BLINKEN. Thank you.

Chairman ROYCE. I thank the gentleman and I thank Secretary Blinken and Mr. Szubin. Thank you very much for your testimony here today.

I also want to remind you about the points that we made here, the points that we made in the opening statements. I implore you to convey those views immediately, if you would, to Secretary Kerry and the negotiating team.

You heard deep concerns over the sunset provision here, the fact it is only 10 years, over the question of verification of the agreement itself and whether at the—as part of this process whether Iran is going to be required to reveal its clandestine work that it has took on trying to develop a nuclear weapon in the past as part of any final agreement.

You can't have real verification going forward unless you have that revealed to the IAEA. You heard our concerns about previous military activities on the part of the regime, previous testing, what actually went on at the sites that they won't give us access to, as

well as Iran's vast ballistic missile program that is underway as we speak and about Congress' role in this.

So, there is a number of the other issues raised as well so I hope you can convey that there are some profound bipartisan concerns that need to be heard, as a deal may be announced any day.

And while our hearing was taking place there is news breaking from Switzerland that a draft is circulating there among the parties and in that draft Iran would have 6,000 spinning centrifuges for the next decade.

So I know the committee is frustrated to read the press about drafts circulating. It does says something about the administration's commitment to transparency when the press has the information and we are reading it off the news wire. So——

Mr. BLINKEN. Mr. Chairman, just on that point——

Chairman ROYCE. Yes.

Mr. BLINKEN [continuing]. My understanding is that there is no draft—that that report is erroneous and, indeed, our spokesperson clarified that.

Chairman ROYCE. That is good news. So we appreciate that.

Mr. BLINKEN. Thank you.

Chairman ROYCE. So when there is a draft, please share it with the members of this committee and of the Congress.

We thank you again for your testimony, and for now, we will stand adjourned.

Mr. BLINKEN. Thank you, Mr. Chairman.

[Whereupon, at 11:07 a.m., the committee was adjourned.]

APPENDIX

Material Submitted for the Record

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

Edward R. Royce (R-CA), Chairman

March 12, 2015

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 in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at http://www.ForeignAffairs.house.gov):

DATE: Thursday, March 19, 2015

TIME: 8:30 a.m.

SUBJECT: Negotiations with Iran: Blocking or Paving Tehran's Path to Nuclear Weapons?

WITNESSES: The Honorable Antony J. Blinken
Deputy Secretary of State
U.S. Department of State

Mr. Adam J. Szubin
Acting Under Secretary
Office of Terrorism and Financial Intelligence
U.S. Department of the Treasury

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 FULL COMMITTEE HEARING

Day *Thursday* Date *03/19/2015* Room *2172*

Starting Time *8:35am* Ending Time *11:07am*

Recesses [ ] (to) (to) (to) (to) (to) (to)

Presiding Member(s)

Edward R. Royce, Chairman; Rep. Ileana Ros-Lehtinen

Check all of the following that apply:

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

TITLE OF HEARING:

Negotiations with Iran: Blocking or Paving Tehran's Path to Nuclear Weapons?

COMMITTEE MEMBERS PRESENT:

See attached

NON-COMMITTEE MEMBERS PRESENT:

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. Gerald Connelly
QFR - Chairman Edward R. Royce
QFR - Rep. Ileana Ros-Lehtinen
QFR - Rep. Chris Smith

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *11:07am*

Jean Marter, Director of Committee Operations

HOUSE COMMITTEE ON FOREIGN AFFAIRS

FULL COMMITTEE HEARING

PRESENT	*MEMBER*
X	Edward R. Royce, CA
	Christopher H. Smith, NJ
X	Ileana Ros-Lehtinen, FL
X	Dana Rohrabacher, CA
X	Steve Chabot, OH
X	Joe Wilson, SC
X	Michael T. McCaul, TX
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	Scott Perry, PA
X	Ron DeSantis, FL
X	Mark Meadows, NC
X	Ted Yoho, FL
X	Curt Clawson, FL
X	Scott, DesJarlais, TN
X	Reid Ribble, WI
X	Dave Trott, MI
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	Brendan Boyle, PA

Statement for the Record
Mr. Connolly of Virginia

The P5+1 negotiating partners have self-imposed a late March deadline to reach a framework for a final nuclear agreement with Iran. The negotiations are currently being conducted under the auspices of the Joint Plan of Action (JPOA), which has already been extended twice. President Obama and Secretary of State Kerry have reiterated that a third extension beyond the hard deadline in June is neither feasible nor necessary to gauge whether Iran has serious intentions to reach a final agreement that is acceptable to all parties. Even for those who have been constructive partners in the pursuit of a final agreement, our patience is wearing thin.

Since January 20, 2014, the P5+1 countries have conducted a multilateral effort to engage the Islamic Republic on an issue of profound import to the region – preventing Iran from obtaining a nuclear weapon. The JPOA has arrested the Iran nuclear program on several fronts and has actually reversed gains Iran made while developing its program outside the purview of international inspectors. Before the JPOA went into effect, Iran was enriching uranium stockpiles, constructing a heavy water reactor at Arak, readying 9,000 additional centrifuges for operation, and allowing inspectors only sporadic access to nuclear facilities. Under the JPOA, Iran has eliminated all 20 percent enriched uranium, suspended all enrichment above 5 percent, stopped construction at Arak, kept 9,000 centrifuges offline, and provided inspectors with daily access to its nuclear facilities. Further, our domestic embargo and financial, banking, petroleum, trade, terrorism, and human rights sanctions remain in place under the JPOA.

This success has not stopped some irresponsible actors from using the negotiations to make crass and insincere overtures designed to undermine the talks and realize short term political gains. Senator Tom Cotton's open letter to the leaders of the Islamic Republic of Iran, signed by 46 of his Republican Senate colleagues, was a breach of any understanding of the separation of powers. Israeli Prime Minister Netanyahu's partisan collusion with his Ambassador, Mr. Dermer, and Speaker Boehner to secure the privilege of addressing a Joint Session of Congress on the subject of the P5+1 negotiations was similarly offensive. It drove a partisan wedge where none has ever existed before, it provided a gratuitous insult to our head of state, and it bypassed any reasonable norm of diplomatic protocol. It was a shameful episode that diminishes the serious issue which ostensibly caused Mr. Netanyahu to push aside diplomatic niceties; namely the Iranian nuclear negotiations. By acting in such a blatantly partisan way, Mr. Netanyahu diluted the focus from that central, existential issue, to one of parochial partisan politics - his and ours.

Additionally, while we have heard countless objections, viable alternatives have not been as forthcoming. The value of the interim agreement as our best available option for preventing Iran from obtaining a nuclear weapon should not be understated. At a November hearing before the Subcommittee on the Middle East and North Africa, General Michael Hayden stated that the euphemistically termed "kinetic" option would actually accelerate Iran's pursuit and development of a nuclear weapon. It would also deprive us of one of the most valuable components of the JPOA which is enhanced surveillance of Iran's nuclear program. We should heed General Hayden's warning and be particularly suspect of policy prescriptions that seemingly preclude a negotiated settlement to Iran's nuclear program.

I have joined the Chairman and Ranking Member of this Committee and a bipartisan coalition of my colleagues in writing to the President to further a constructive dialogue on what would constitute an acceptable final agreement. Ultimately, we want an agreement that blocks all of Iran's pathways to a bomb. This would include a curtailed nuclear infrastructure, full disclosure regarding the past potential military dimensions of Iran's nuclear program, a rigorous inspections regime that allows international inspectors to verify Iran's compliance, and an overall assurance that the Iranian nuclear program would not be capable of producing a nuclear weapon before we could stop it. In keeping with both the JPOA and an offer made by the Bush Administration to Iran in 2008, a final agreement should not sunset its onerous requirements until we have confidence that Iran's nuclear program is exclusively peaceful.

It is Iran's own actions that have isolated the Islamic Republic from the rest of the world. Human rights abuses, provocative intervention into regional conflicts, and an illicit nuclear program have necessitated the construction of a broad and effective sanctions regime. We are approaching a crossroads at which Iran must make a decision to either continue into a multilateral agreement designed to safeguard global security and stability or revert to its destructive trajectory. Regardless of Iran's decision, it is the policy of the United States that Iran will not obtain a nuclear weapon.

Questions for the Record Submitted to
Deputy Secretary Antony Blinken by
Representative Edward R. Royce (1)
House Committee on Foreign Affairs
February 25, 2015

Question 1:

Would a UNSC resolution require the United States to waive, suspend, or otherwise modify the existing domestic sanctions regime? If so, how? Specifically, which domestic sanctions and designations would be affected?

Answer:

On April 2, 2015, the P5+1 and Iran announced an understanding regarding the key parameters of a comprehensive deal with Iran to address its nuclear program. As the Administration's fact sheet summarizing this understanding, the "Parameters for a Joint Comprehensive Plan of Action regarding the Islamic Republic of Iran's Nuclear Program," states a new UN Security Council resolution would endorse the comprehensive deal and urge its full implementation, lift past UN Security Council resolutions on the Iran nuclear issue simultaneous with the completion by Iran of nuclear-related actions addressing all key concerns (enrichment, Fordow, Arak, PMD, and transparency), and re-establish core provisions of the resolutions dealing with transfers of sensitive technologies and activities. In addition, the new UN Security Council resolution would incorporate important restrictions on conventional arms and ballistic missiles, as well as provisions that allow for related cargo inspections and asset freezes. While it has yet to be agreed, it is our view that these should remain in place for an extended period of time.

Any new Security Council resolution would not convert U.S. political commitments under a deal with Iran into legally binding obligations. The United States would not be legally bound to remove any of its domestic sanctions.

With respect to U.S. domestic sanctions, as the Administration's fact sheet provides, Iran will receive relief from certain U.S. nuclear-related sanctions only after the IAEA has verified that Iran has taken all of its key nuclear-related steps. Moreover, the architecture of U.S. nuclear-related sanctions on Iran will be retained for much of the duration of the deal and allow for snap-back of sanctions in the event of significant non-performance by Iran of its commitments.

Question 2:

Does the waiver authority Congress has provided allow the President to waive all provisions of all sanctions indefinitely?

Answer:

The President may exercise a waiver of statutory sanctions or a renewal of such waiver if the statutory standard for the applicable waiver provision is met, including complying with any statutory time limits on the period of the waiver or its renewal. There are a number of different statutory provisions that require the imposition of sanctions in relation to activities involving Iran. The waiver authorities provided to the President under these provisions differ depending on the statutory sanctions provision. In cases where the applicable waiver authorities imposes a time limit requiring the President to renew the waiver at certain intervals, the President or his designee must determine at the time of each renewal that the waiver standard continues to be met.

Question 3:

How did the Administration determine that a year would be sufficient to detect and reverse potential Iranian violations? What factors did the Administration take into account to reach this number? How long did the U.S. take to find the clandestine uranium enrichment complex at Natanz? How was it discovered?

Answer:

Under a long-term comprehensive solution, Iran would be subject to significantly enhanced transparency and monitoring measures to verify the exclusively peaceful nature of its nuclear program. We are confident that a one year breakout window would give us sufficient time to effectively respond to an Iranian breakout effort, should Iran take a decision to do so. We would be happy to provide more detailed information in a classified setting.

Question 4:

In an agreement, will the Administration insist that IAEA inspectors have "anywhere, anytime" access to all areas and facilities in Iran, including Revolutionary Guard bases? If not, what limitations on access would you be willing to accept?

Answer:

There is no question that a comprehensive deal must ensure that Iran is subject to significantly enhanced transparency and monitoring measures to verify the exclusively peaceful nature of its nuclear program and to quickly detect any attempts to break out. Under a nuclear deal Iran will implement the Additional Protocol, which will significantly enhance the IAEA's ability to investigate questions about covert nuclear activities in Iran and conduct intrusive inspections of Iranian facilities. We are also seeking additional transparency measures beyond the AP.

Question 5:

Will the Administration require that Iran satisfy all questions that the IAEA has about the "possible military dimensions" of its nuclear program, including access to key scientific personnel and paperwork? Will you agree to a deal without those requirements?

Answer:

Iran must take specific concrete steps to resolve the IAEA's concerns about PMD and we continue to work on this issue. There will be no sanctions relief until Iran has taken agreed steps to address the IAEA's concerns about PMD.

Question 6:

The interim agreement states that all "nuclear-related" sanctions would be removed under a final agreement. What specific sanctions will you seek to suspend and ultimately lift under a long-term agreement? Please provide a list of such sanctions with the applicable references in underlying statute, Executive orders, and regulations.

Answer:

There are some sanctions that are nuclear-related, some that are more general, and some that have multiple rationales. As a general rule, we have said that we will not negotiate on our sanctions regarding human rights and terrorism. However, for those sanctions with multiple rationales, we have sought to balance our need to preserve these sanctions measures with our national security priority of resolving the Iran nuclear issue. As the President has said, our most urgent issue with Iran is its possible acquisition of nuclear weapons, which we are determined to prevent. We are therefore prepared to consider the suspension of certain measures that involve multiple rationales and to consider lifting them after Iranian implementation of the comprehensive deal has been fully tested, evaluated, and assessed over an extended period.

Question 7:

The interim agreement calls for Iran to abide by all UNSC resolutions – including the requirement that "Iran shall not undertake any activity related to ballistic missiles capable of delivering nuclear weapons" yet it does not explicitly mention Iran's ballistic missile program. Will restrictions on Iran's ballistic missile program be included in the final agreement? If not, what US national and multilateral sanctions will continue to apply to their missile program? Please provide a list of such sanctions with the applicable references in underlying statute, Executive orders, and regulations.

Answer:

The deal we are negotiating focuses on Iran's nuclear program, not on ballistic missiles. That said, we are seeking an arrangement in which UN Security Council restrictions on conventional arms and ballistic missiles will stay in place for a considerable period of time. We also intend to continue our efforts to counter missile proliferation to Iran, including through the use of U.S. sanctions, export controls, and the 34-country Missile Technology Control Regime (MTCR), as well as through regional security initiatives with our partners in the region and missile defense.

Question 8:

What sanctions will the Administration maintain on Iran in response to Iran's continued sponsorship of terrorism – including propping up Assad in Syria, supporting the overthrow of a U.S. partner in Yemen, and supplying rockets to Hamas and Hezbollah? Please provide a list of such sanctions with the applicable references in underlying statute, Executive orders, and regulations.

Answer:

On April 2, 2015, the P5+1 and Iran announced an understanding regarding the key parameters of a comprehensive deal with Iran to address its nuclear program. As the Administration's fact sheet summarizing this understanding, the "Parameters for a Joint Comprehensive Plan of Action regarding the Islamic Republic of Iran's Nuclear Program," states, Iran will receive relief from certain U.S. secondary nuclear-related sanctions only after the International Atomic Energy Agency has verified that Iran has taken major nuclear-related steps that extend its breakout time to at least one year.

As the Administration has made clear, under any deal with Iran with respect to its nuclear program, we will maintain and continue to aggressively enforce sanctions related to Iran's human rights abuses, support for terrorism, and destabilizing activities in the region. As you know, the United States maintains a broad array of sanctions on Iran for its support for terrorism, the Assad regime in Syria and other destabilizing activity. One key sanction is Iran's status as a state sponsor of terrorism and the sanctions consequences that flow from such a designation.

Similarly, we will maintain and continue to vigorously enforce sanctions against Iranian individuals and entities that engage in destabilizing activities in the region, engage in terrorist acts, or provide support to terrorists or terrorist groups. Sanctions on Iranian individuals or entities who commit, threaten to commit, or support terrorism pursuant to Executive Order 13224 and the Global Terrorism Sanctions Regulations, 31 CFR Part 594, will remain in place, including sanctions on those determined to have provided material support to persons designated for sanctions under this Executive Order.

In addition, we will continue to sanction individuals and entities for terrorism-related activities under other relevant authorities, including relevant provisions of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 and the Iran Threat Reduction and Syria Human Rights Act of 2012.

Moreover, Iranian individuals and entities will continue to be subject to sanctions for their destabilizing activities in the region, including providing support to the Assad regime in Syria under Executive Orders 13572 and 13582 and the Syrian Sanctions Regulations, 31 CFR Part 542, to the Houthis in Yemen under Executive Order 13611 and the Yemen Sanctions Regulations, 31 CFR Part 552, and, other relevant authorities targeting such activities.

In addition to continued robust enforcement of terrorism- and regional stability-related sanctions as outlined above, U.S. support to our regional partners will continue to be the best deterrent against Iranian aggression in the region. We will continue to take robust action to counter the threats posed by Iran in the region and work with our partners to stop Iranian activities that destabilize and threaten its neighbors.

Questions for the Record Submitted to
Deputy Secretary Antony J. Blinken
Representative Ileana Ros-Lehtinen
House Committee on Foreign Affairs
March 19, 2015

Question 1:

The answer to this question is not within the purview of the Department of State. The Department of State defers to the Department of Defense.

Months ago, when it was announced that Iran had launched its own airstrikes in Iraq, both the US and Iraq claimed no knowledge – that Iran acted alone. Given that the Iraqis currently do not have any fixed wing assets or an integrated air defense system to maintain their own air sovereignty, to what extent does the U.S. control Iraqi airspace? Given all the assets the US has in Iraqi airspace – fixed wing, rotary, and unmanned – wouldn't some level of de-confliction need to take place between the U.S. and Iran for Iran to carry out airstrikes? Does the U.S. coordinate all airstrikes in Iraq against ISIL?

Question 2:

There are reports that Iran has additional covert nuclear sites that haven't been declared. Is this report accurate? Will any nuclear agreement include any covert sites that may exist but have yet to be found/declared? If a covert facility is found, or if Iran is found to be continuing to work on a dual civilian/military program, will that terminate the agreement? What will our response be?

Answer:

Iran will be agreeing to one of the most robust and intrusive inspections and transparency regimes ever negotiated for any nuclear program.

The IAEA will have regular access to all of Iran's declared facilities, including Arak, Fordow, and Natanz. Inspectors will also have access to the entire uranium supply chain that supports Iran's nuclear program, from start to finish.

These elements provide the best hedge that we've ever had against a covert path – because Iran would need an entire covert supply chain to feed into a covert enrichment facility.

Iran will also immediately begin implementing the Additional Protocol (AP) of the IAEA. Iran's implementation of the AP would provide the IAEA with expanded access to sites and facilities in Iran and impose additional reporting requirements on Iran's nuclear program. Under the AP, the IAEA can request access to investigate any suspicious sites. And under the JCPOA, we have negotiated a further international mechanism that enables timely access if challenged. Iran can't just refuse.

And Iran will commit to ratify the AP, making these commitments to greater transparency and more intrusive inspections permanent.

Questions for the Record Submitted to
Deputy Secretary Antony J. Blinken
Representatives Chris Smith (1)
House Committee on Foreign Affairs
March 19, 2015

Question:
Thus my question is, if Iran can't protect the human rights of its own people as required by treaties it has signed nor abide by its own constitution—Article 13 of which states that Christians and other religious minorities are free to practice their faith—how can we believe that Iran will abide by any nuclear agreement it signs with the U.S?

Answer:
This deal is not about trusting Iran. It is about verifiably ensuring that Iran's nuclear program is for only peaceful purposes – and that comes through credible steps that Iran will have to take.

The JCPOA does not inhibit our ability to detect and act to prevent Iran from getting a nuclear weapon, but on the contrary it makes us significantly more capable of responding quickly if it does. Bringing Iran's nuclear activities into compliance with international standards could also incentivize Iran's compliance with its international obligations.

Question:
Why haven't we insisted that Iran release Pastor Abedini as a precondition to continued negotiations, especially after the President personally committed to his family to have him released by the time of his son's birthday on March 17?

Answer:
Regardless of the outcome of the P5+1 talks with Iran, we will continue to call on Iran to immediately release Saeed Abedini, as well as detained U.S. citizens Jason Rezaian and Amir Hekmati. We will continue to request that the Iranian government to work cooperatively with us to locate Robert Levinson.

While we have raised these cases on the sidelines of the nuclear talks, we have been very clear that the P5+1 negotiations are related strictly to Iran's nuclear program and the importance of Iran bringing that program into compliance with their international obligations. Our discussions with Iran about our concerns over Mr. Abedini, Mr. Rezaian, Mr. Hekmati, and Mr. Levinson are a separate issue from the nuclear talks.

These U.S. citizens should be returned to their families as soon as possible, and we will continue to raise these cases with Iranian officials and until they are all home. Their freedom should not be tied to the outcome of these negotiations on Iran's nuclear program.

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