

Testimony before the Senate Foreign Relations Committee

**Under Secretary for Political Affairs David Hale
Wednesday, July 24, 2019**

Chairman Risch, Ranking Member Menendez, distinguished Members of the Committee, thank you for inviting me to testify today.

The Trump Administration has implemented an unprecedented pressure campaign on Iran with two objectives: First, to deprive the Iranian regime of the money it needs to support its destabilizing activities. Second, to bring Iran to the negotiating table to conclude a comprehensive and enduring deal as outlined by Secretary Pompeo in May of 2018.

President Trump and Secretary Pompeo have expressed clearly America's willingness to negotiate with Iran without preconditions when the time is right. We have also been clear about our desire for peace and our readiness to begin normalizing relations should we reach a comprehensive deal. We have put the possibility of a much brighter future on the table for the Iranian people, and we mean it.

The comprehensive deal we seek with the Iranian regime should address four key areas: its nuclear program, its ballistic missile development and proliferation, its support for terrorist groups and proxies, and Iranian treatment of U.S. citizens, such as the wrongful detention of U.S. citizens like Siamak Namazi and Xiyue Wang, and the case of our missing citizen Bob Levinson.

Over a year ago, Secretary Pompeo laid out twelve points describing the negotiated deal we seek. These points reflect the wide extent of Iran's malign behavior as well as the global consensus before the JCPOA, as reflected in multiple UN Security Council resolutions that were adopted starting in 2006 following the revelation of Iran's nuclear violations.

Before we re-imposed sanctions and accelerated our pressure campaign, Iran was increasing the scope of its malign activity, emboldened by the resources and legitimacy provided by our participation in the JCPOA. These actions included engaging in expansive missile testing and proliferation, as well as continuing to unjustly detain American citizens and those of our allies.

Iran also deepened its involvement in regional conflicts.

In Yemen, Iran has provided funding, weapons, and training to the Houthis, only prolonging the conflict and suffering of the Yemeni people. Iran seeks to exploit Yemen's war to undermine its adversaries and expand its regional power. By contrast, America has given more than \$2 billion to help the Yemeni people since the start of the conflict. Iran has provided zero dollars for humanitarian assistance in Yemen. The Iranian regime would rather buy explosive drones to attack civilian airports and infrastructure than provide for the welfare of the Iranian people.

In Syria, Iran supports a regime that has killed hundreds of thousands, displaced millions of its own citizens, and which continues to spread violence throughout the country. Iran is trying to deepen its roots in Syria –economically, militarily, and socially - and use it as a forward operating base to threaten Syria's neighbors, especially Israel and Jordan.

In Lebanon, Iran uses Hizballah to provoke conflict with Lebanon's neighbors, imperil the Lebanese people, and generate instability.

American pressure is aimed at reversing these trends. Today, the regime and its proxies are weaker than when our pressure began.

Shia militant groups in Syria have stated that Iran no longer has enough money to pay them as much as they have in the past. Hizballah and Hamas have enacted unprecedented austerity plans because of a lack of funding from Iran. In March, Hizballah's leader Hassan Nasrallah publicly said Hizballah needed financial support to sustain its operations. Hizballah has placed donation boxes in some small businesses and grocery stores asking the public for spare change.

We are also making it harder for Iran to expand its own military capabilities. Starting in 2014, Iran's military budget increased each year until it hit nearly \$14 billion in 2017. From 2017 to 2018, when our pressure campaign went into effect, military spending fell by nearly 10 percent. Iran's 2019 budget proposed even steeper cuts, including a 28 percent cut to their defense budget and a 17 percent cut for IRGC funding. The IRGC's cyber command is now low on cash, and the IRGC has told Iraq's Shia militia groups that they should start looking for other sources of revenue.

Our pressure is working. It is making the cost of Iran's violent and expansionist foreign policy prohibitive.

Our policy is at its core an economic and diplomatic one. We are focusing on maximizing economic pressure on the regime, linking that pressure to its malign activities, and simultaneously increasing Iran's diplomatic isolation. Recently, Iran has responded to this campaign with violence. Our diplomacy and economic pressure does not entitle Iran to undertake violence against any nation or to threaten maritime security. As the Secretary has said, Iran should meet diplomacy with diplomacy, not with terror, bloodshed, and extortion.

Iran was responsible for the attacks at the UAE Port of Fujairah in May as well as the assault on two oil tankers in the Gulf of Oman last month. Iran was responsible for shooting down an American unmanned aircraft lawfully operating in international airspace.

The President has been clear that this Administration does not seek armed conflict with Iran. However, we have also been clear to the regime that we will defend our citizens, forces, and interests, including against attacks by Iran or its proxies. As Secretary Pompeo has noted, the Administration's goal is to find a diplomatic solution to Iran's destabilizing actions, not to engage in a conflict with Iran. The Administration is not currently seeking a new authorization for use of military force. Nor has the Administration, to date, interpreted either the 2001 or the 2002 AUMF as authorizing military force against Iran, except as may be necessary to defend U.S. or partner forces engaged in counterterrorism operations or operations to establish a stable, democratic Iraq. Marik String, the Department's Acting Legal Adviser, is here today to speak to this issue in more detail and about AUMF more generally.

Safeguarding freedom of navigation in, through, and around the Strait of Hormuz is paramount. One-fifth of the world's oil supply transits through the Strait, with the majority fueling the economies of Europe and Asia. We stand with our partners and allies to safeguard global commerce and regional stability. At the direction of President Trump, we are working to establish an international initiative to promote freedom of navigation and the free flow of commerce in the Gulf. It is vital that we and other nations preserve the ability and right of all vessels to safely navigate the Strait of Hormuz.

While threatening maritime shipping and plotting attacks against U.S. forces and interests, Iran is also continuing its longstanding practice of nuclear extortion.

The Iranian regime's recent announcement that it is accelerating its uranium enrichment reminds us of the fatal flaws of the JCPOA deal. It left Iran's nuclear capabilities largely intact and placed Iran in a position to pursue rapid breakout at a time of its choosing, if it decided to do so.

Mr. Chairman, the problems presented by Iran's provocative building up its stocks of nuclear material and increasing the level of enrichment are problems that the world would have faced soon anyway – at the very least because the terms of the JCPOA were time bound with unacceptable sunset provisions.

But the secret nuclear weapons archive discovered last year reminds us that Iran's nuclear ambitions are in no way peaceful. Iran hid this archive from the world before, during and after JCPOA negotiations. Iran hid this archive while maintaining an organization headed by the founder of Iran's former nuclear weapons program – an organization that employs scientists who worked on that nuclear weapons program.

Had we continued participating in the JCPOA until key aspects of the deal began to expire, we would have been faced with an Iranian regime that was more entrenched in the region and with an even greater conventional arsenal. It would have continued to reap revenue from abroad and funnel it into missile proliferation, support for terrorism, proxy warfare, and regional destabilization. The Iran we would have faced would be much more formidable than the Iran we in fact face.

We must learn from past mistakes. Any new deal must demand a full accounting of Iran's past and present nuclear activities, alongside comprehensive and permanent restrictions on Iran's activities and capabilities. Our pressure will continue to deny Iran access to the revenue streams it needs to destabilize the Middle East. It is time for the

Iranian regime to leave 40 years of terror and failure for their people behind.

As we raise the cost of Iran's expansionism and of the status quo, we seek a comprehensive deal and a far more peaceful and stable relationship.

Iranians in the United States and around the world contribute to the vitality and success of their communities. We look forward to the day when we can restore diplomatic relations with Iran and work together with the Iranian people to bring them and their neighbors the peace and prosperity they deserve.

Chairman Risch, Ranking Member Menendez, and other Members of this Committee, I thank you again for the opportunity to testify before you. I welcome the opportunity to answer your questions.