Thank you, sir. And let me start by thanking the

chairmen, Chairman Sherman and Chairman Ackerman, for the invitation

to come here, as well as the ranking members, Congressman

Pence and Congressman Royce.

Because you do have my written testimony in front of you, let me

very quickly run through some of the main points.

I would say that a very good place to start in any discussion

about Iran’s nuclear program and the next steps is the current way

of the political end when it comes to discussions about strategy.

And today, if you were to ask any policymaker, expert, or analyst

what can be done, you will very likely get one of three answers.

The first is that some people believe that the optimal way to deal

with Iran’s nuclear ambitions is to reach some sort of negotiated

accommodation; essentially, dialogue with the Iranian regime.

The second is that there are others who have concluded that

Iran’s atomic efforts are a casus belli, and warrant the immediate

use of force.

And the third group, a distinct group, thinks that the ascendance

of a nuclear Iran or a nuclear-ready Iran is a benign, even a beneficial,

turn of events, and that no action at all is needed on the part

of the United States.

I would contend that none of these amount to a serious strategy,

because diplomatic engagement, even though it can reap shortterm

benefits, risks alienating the young pro-Western population

that we see on the Iranian street. It is a vibrant constituency of

some 45–50 million people who will ultimately determine the political

disposition of that country. And because of their age, that ultimately

is likely to become very, very soon.

Military action is likewise deeply problematic, as Dr. Byman

mentioned, both because of the intelligence shortfalls that we have,

and because of the likely blow-back, that political blow-back, both

abroad and within Iran, that such military action would entail.

As well, it is not feasible, in my opinion, to think that the United

States can simply do nothing, because our inaction will prompt a

number of negative regional dynamics, ranging from a new arms

race in the Middle East to the rise of a radical, anti-American,

Shi’a-dominated political order. That is something we should be

concerned about.

Instead, the United States needs to look at five discrete areas.

The first is intelligence. We need to expand intelligence on Iran’s

nuclear program, as well as the regime’s larger strategic capabilities.

We do have a substantial amount of knowledge now, as Dr.

Albright mentioned. However, there are things that we don’t know

about the Iranian nuclear program, and these things are likely to

be decisive.

For example, we do not know the extent and the success of Iranian

procurement activities on the nuclear black market in the

former Soviet Union over the last decade. Likewise, we don’t know

the extend of Iran’s current contacts with the nuclear cartel of

Abdul Qadir Khan, the Pakistani nuclear scientist; a cartel which,

as testimony before this committee last year heard, is still alive

and functioning.

The conclusion here is that these sort of inputs into the Iranian

nuclear program have the ability to dramatically accelerate its pace

and maturity. What the United States needs to do desperately is

to, if I could use the term, ‘‘get smart’’ on Iran; to designate it as

a priority intelligence-gathering target, which I am sure is going on

already in certain sectors. But also to accurately identify the most

effective means by which to blunt Iran’s nuclear ambitions. And

also, more than anything else, to accurately gauge how much time

is left to achieve them.

The second point is creative diplomacy. And we have seen that

over the last several weeks, there has been progress on the international

level, at the United Nations Security Council. But I would

think it is fair to say that the type of progress on sanctions and

other measures that is taking place is being outpaced by Iran’s nuclear

progress. And that means that the U.S. needs more creative

bilateral and international diplomacy. It needs to exploit new developments,

such as the fissures that are beginning to emerge between

Russia and Iran over construction of the Bushehr plant. It

needs to exploit them to strengthen its hand vis-a-vis Russia, and

to leverage that relationship better.

The third point is counter proliferation. And today the United

States faces essentially three proliferation problems relating to

Iran.

We are concerned about outside assistance to Iran’s nuclear effort

that has the ability to accelerate it. We are concerned about

the assistance that Iran already has received from Russia, from

China, and North Korea, and other places, of being proliferated onward

to places like Syria, or to groups like Hezbollah. And we are

concerned that this model of Iran’s nuclear progress will become

internationalized.

And here it is worth noting that 2 years ago, there was one nuclear

aspirant in the Persian Gulf; today there are nine. So it is

something that I think is rather eye-opening. And what we need

to do is we need to work better on technologies that slow Iran’s acquisition

of WMD capabilities, and make it more difficult for Iran

to proliferate those technologies onward.

I won’t mention economic sanctions, which is the fourth point,

because my colleague, Dr. Levitt, has done so ably.

I would say, I would end by talking about one element that I

think overrides all of the others. What the United States needs

more than anything else is better strategic communications, both

with the Iranian regime and the Iranian people.

To the former, the United States needs to communicate in no uncertain

terms that its continued rogue behavior will carry adverse

consequences, and consequences that are up to and including the

use of force, if necessary.

To the latter, the United States needs to demonstrate its commitment

to their urge for freedom; the urge for freedom that is visible

on the Iranian street. And to do so not just in word, but in deed

as well. And to do so, I think it is essential to understand that we

need to launch an effort to reform and retool the existing outreach

vehicles that we have toward the Iranian people: The Voice of

America Persian Service and Radio Farda.

Today neither, I would say, is responsive to the core constituency

they are designed to reach: The Iranian street. What we need to

do is to overhaul these organs to be more responsive, and to provide

a clearer message to the constituencies they are designed to

reach. Moreover, all of this needs to happen soon, because the closer

Iran gets to a nuclear bomb, the more difficult it will be to communicate.

I would end by saying that all of these steps are synergistic, and

need to happen in tandem. But more than anything else, as you,

Chairman Sherman, said, they need to happen soon, because time

is running out.

Thank you.

I think that is an excellent question. And I would

say, just by virtue of background, that the traditional Russian-Iranian

relationship as we understand it is really underpinned by

three things.

It is underpinned by a fairly robust military trade, arms trade,

and of late, over the last 8 years, a nuclear trade as well. It is

underpinned by Russian concerns about Iran’s capability to cause

trouble in what Russia calls the ‘‘Southern Rim,’’ in the Caucasus

and most of the majority, the majority Muslim states of Central

Asia. And it is underpinned by good, old-fashioned anti-Americanism.

And the last one we can’t do anything about. There are certainly

many people, certainly in the force ministries and in places like

Rosatomexport, which is the main atomic sales body for the Kremlin——

They sure are, they sure are. And here, the anti-

Americanism is hard to combat. But I would say that on the two

other fronts there are hopeful signs. There are signs, over the last

4 years, that Iran has begun to breach the sort of understanding

that it has reached with Russia previously, and begun interfering

more and more in the politics of Central Asia and the Caucasus.

And this is certainly something that is of concern in Moscow.

And the other element that I think is exploitable, frankly, is the

fact that Russia is discovering that Iran is not as durable a defense

industrial partner as it originally thought. The current scandal

over Bushehr has to do with the fact that Iran has been in default

of the monthly payment that it owes on the Bushehr Reactor, and

it has been in default for some months. Those payments total $25–

$30 million a month, so that is a pretty hefty sum.

So what Russia is discovering is that the steady stream of funds

that it expected from Iran might not be so steady after all.

My personal feeling is that we will not make any

headway in multilateral bodies until we have made headway bilaterally,

so that those individual member states will be more cooperative

in the multilateral setting. So I think it is very important to

continue the bilateral discussion, and pressure, frankly.

Well, Congressman, I go by the same testimony

that you received here.

And so I can only defer to those experts. However,

I have heard from more than one source that the type of asymmetric

proliferation that has existed for some time in the Gulf has

not become a thing of the past, as a result of the house arrest of

A.Q. Kahn. And there are suspicions, as you heard yourself in the

fall, there are suspicions that even that network itself, the A.Q.

Kahn network itself, is still operational in some fashion.

Thank you.

Well, the answers are separate for Russia and for

China, but let me try to take a stab at both.

On the Russian side, I think there is a great deal of concern

about Iran’s potential to foment instability. And so that has, if you

were to use the phrase, has the Russians over a barrel, so to speak,

in terms of how they relate to the Iranians. They know full well

that forceful action of the Security Council is likely to create exactly

the type of destabilizing regional behavior that they are trying

to avoid. So that is obviously a disincentive for cooperation.

But I think you are right. And I think what you are beginning

to see on the Russian street is that policy experts and policymakers

there are beginning to understand that a threat of a nuclear-ready

Iran will rebound to their detriment in a much more direct fashion

than they predicted otherwise. So I am hopeful that the ability of

us to push that dialogue bilaterally with the Russians is increasing,

rather than decreasing.

I am less hopeful with the Chinese, for the simple reason that

all politics is local. And if you look at what Iran is doing to the Chinese

economy, it would be fair to say that Iran is the driving piston

of the Chinese economy. The Chinese economy is expanding dramatically,

in the neighborhood of 10 percent a year, and Iran is its

second- or third-largest energy supplier.

So simply taking Iran off the table and not having a serious discussion

with Beijing about ways to compensate, ways to discuss

with them about energy partnership moving forward, seems somewhat

of a non-starter. In the same way as if someone was to address

us and ask us unilaterally to cease our reliance on Saudi

Arabia. Although a very good idea, economically unworkable if we

were to go cold turkey.

Well, I actually think that they do. I think the public

rhetoric that they are expressing is concern about interception

about invalidation of the Russian strategic arsenal is more of an

expression of discontent with the diminution of Russian political

and economic prestige in Eastern Europe than anything else.

If you listen and talk to missile proliferation and missile defense

experts in Moscow, you will hear pretty much the same thing that

I have heard over the last couple of years; the Russians have

looked at our program, our ground-based and theater missile defense

program, and they are okay with it. Even with the European

basing site.

What they are very concerned about is a space layer. And that

is obviously not on the table at this point.

So I have to conclude that the type of rhetoric that is coming out

of the Kremlin is designed to use the European leg of our missile

defense program more as a political crutch to accomplish goals

than anything else. I don’t think it actually reflects real concern

about invalidation of their arsenal.

just a few seconds. I would say that the impact of Iran’s quest for

nuclear capability is having a twofold effect on the region, on the

Sunni Crescent that you mentioned.

One is actually very positive. One is that there are a number of

countries that are beginning to discuss more and more cooperation

amongst themselves, and greater strategic reliance on the United

States. But I think that trend, although it is positive, is outweighed

by the negative trend, which is that there are a number of countries

that are beginning to seek accommodation with the Islamic

Republic.

Over the last 5 years or so we have had an unprecedented deployment

of political capital, economic capital, and military personnel

into the region in support of the War on Terror and the war

in Iraq. But during that same period, we have seen countries like

Kuwait, like Oman, even like Saudi Arabia, sign bilateral security

deals with the Islamic Republic.

And so the trend here I think is very clear. There are countries

that, while they are nervous about a nuclear Iran or a nearly nuclear

Iran, have no confidence that we are in it for the long haul.

And so what they are doing is they are trying to create a modus

vivendi with Iran, with sort of the new regional hegemon, to hedge

against the day that we are gone; that the American interest is

gone, that the American personnel are gone.

And what that does, in a very practical sense over the next several

years, is it makes the Persian Gulf, which is already a very

inhospitable region, less and less friendly to United States interests

while we are still there.

Well, no, I think that is correct. And I would say

that the trend that is emerging in the Sunni parts of the Gulf, it

is very troubling to me. Because you are seeing, again, two things.

You are seeing this sense of increased accommodation of the Islamic

Republic on the part of some, at least some countries in the

Persian Gulf. What you are also beginning to see is that because

a rising tide lifts all boats, we are seeing a wave of empowerment

sweep over Shi’a communities in places like Bahrain, in places like

Saudi Arabia.

And what I suspect is going to happen is—and permit me just

a little bit of predictive analysis—because the region is dominated

by overwhelmingly authoritarian or quasi-totalitarian states, these

regimes tend to react to challenges to their rule in predictable

ways. So what we are going to see is an increasingly unfree region

moving forward, as these countries feel the need to crack down on

the religious minorities within their own borders, to prevent Iran

from exploiting those assets.

Well, I know that this is an area that is of particular

interest to both of us, so let me be brief, at the risk of repeating

myself. I think that is exactly the question.

I would say that that is mostly their calculus. What we have

demonstrated to them, unfortunately, over the last 3 years is that

we are very heavy on the rhetoric, far less heavy on the implementation.

We spend a lot of time talking about anti-democratic drift

in Russia, and not much time actually doing things about it.

I would argue for a much more pragmatic approach to the equation.

The Russians have a few red lines, if you would call them

that, when it comes to United States policy. They are concerned

about missile defense certainly, but they are much more concerned,

for example, about a United States hand in what they call ‘‘color

revolutions’’ in the post-Soviet space. This is something that we

have been accused of fomenting in places like Kyrzygstan and other

places, when in fact only in Ukraine, I would say, has there really

been an overt American hand.

An argument that says to the Russians: ‘‘Yes, I understand that

you are concerned about this, we are not in the business of doing

this. However, our stance toward these revolutions is dependent

entirely upon how constructive you are in other fields.’’ I think this

would go a long way.

You need to have a discussion with them about some sort of security

arrangement in the post-Soviet space that protects their interests.

But you also need to demonstrate to them that the status quo

is not impenetrable.

Let me just tackle this for 1 second. I think that

is what they believe, and I do think largely they are correct. If you

noticed, over the last 21 ⁄2 months, at least two Chinese companies—

CNOOC, the China National Offshore Oil Corporation, and

PetroChina, which is a subsidiary of CNPC—have signed deals in

excess of $100 billion with Iran for the next 25 years.

For my money, it is impossible to conduct robust

coercive diplomacy while taking an element such as military action

off the table.

In other words, there has to be a credible threat that something

will happen if the negotiations break down in order to force people

to participate in the negotiations.

I would only make a comment to round out your

previous question about whether or not there are segments of the

Iranian leadership that actually are looking for military conflict.

That is a very good question.

Because up until the summer of 2005, the political lay of the

land in Tehran was essentially known. The President was an

empty office, the supreme leader was in charge, unquestionably in

charge, and all decisions flowed from that structure.

I think what we have seen now is today, the supreme leader is

still in charge; Ali Khamenei is still in charge. But what I have

seen, what I witnessed sort of in following this is that over the last

year or so, Iran’s President, Ahmadinejad, has emerged as a foreign

policy actor in his own right: So much so that there are elements

within the regime, such as the pragmatists led by Ali Akbar

Hashemi Rafsanjani, that have chosen to expand their power as a

check to his.

So what I think that they are concerned about——

What I think they are concerned about, and certainly

we should be concerned about, is that streak, that apocalyptic

millennial streak that we see when Ahmadinejad gives his

public speeches. Not only for consumption in the West, but for domestic

consumption, when he talks about hastening the coming of

the 12th Imam, the hidden Imam, the Mahdi; and about the need,

the overriding religious need for a nuclear capability.

That is not a formula for stability. In fact, it would suggest

strongly that that segment of the population, the ‘‘war generation’’

that grew up during the Iran-Iraq War, is interested in a more

confrontational attitude, possibly including provoking or precipitating

an attack, comforted by the knowledge that our intelligence,

in terms of being able to denuclearize them, is incomplete.

Congressman, thank you. I would only amplify for