Thank you. And I would like to thank members of

the committee for having me today. And the hint was duly taken.

I will briefly talk about the dangers of an Iranian

nuclear weapon, and then what I feel are a list of quite troubled

and flawed United States options for dealing with it.

There are three main problems, in my judgment, with an Iranian

nuclear weapon, all of which should make the prevention of Iran

having a weapon a priority.

The first is that Iran might step up its backing of terrorist

groups around the world. Although Iran is often called the world’s

leading sponsor of terrorism, it has been in the past much worse

than it is today. And it is worth pointing out that it could go back

to that level, or perhaps increase it.

A second concern is that Iran might be even more aggressive in

Iraq. And a third is that it might spur proliferation elsewhere.

For all of this, Iran might be more aggressive because it no

longer worries that United States conventional strength will punish

it, because it has a nuclear weapon to protect it.

There are two things to point out, though, that Iran would not

be likely to do. The first is that Iran is not likely to launch an

unprovoked assault on the United States or one of its allies, including

Israel, in the region with a nuclear weapon.

The second is that Iran is not likely to give a nuclear weapon to

terrorist groups. And in Q and A, I am happy to expand on that,

if you would like.

But a final caveat is in order for all of this, which is we know

remarkably little about Iran’s intentions with a nuclear weapon.

And this is not meant as a dig at the United States intelligence

community. It is meant to say that I do not believe that the Iranian

leadership knows what it will do with a nuclear weapon.

There are various purposes that are possible, but acquiring a nuclear

weapon has achieved a certain status symbol effect in Iran

that I think goes beyond Iran’s strategic ambitions.

Now, United States policy options for handling the nuclear program

with Iran are poor. There have been advocates of talks with

Tehran, and I agree the United States should talk with Iran about

Iraq, terrorism, and other issues. But we show very low expectations.

Iran consistently has not gotten its act together in terms of a position

with the United States, and right now it believes it has the

high hand, in that the United States will make further concessions.

Regime change has not worked for the United States over the

years. The U.S. has had very weak programs, and these efforts

have met with no progress. The regime is well entrenched; the opposition

movements seem penetrated. And even more important,

Iranians are exceptionally sensitive to outside meddling. And the

one thing guaranteed to unify them behind a regime they don’t like

is the idea that the United States is trying to manipulate the country.

It is possible that U.S. military strike on a uranium enrichment

plan at Natanz or a uranium-conversion facility at Isfahan or other

targets could set back the nuclear program. But in my judgment,

a successful strike not only is far from guaranteed, but would likely

backfire. I believe that the military options should remain on the

table for the long term, but a strike right now would be a mistake.

It is not clear that the United States has the necessary intelligence

to do such a strike. And even if we did, Iran for years has

been reinforcing its facilities in preparation of just such a strike.

A strike would lead Iran to redouble its efforts to get a nuclear

program, and also it would tarnish the U.S. image in the Middle

East, which is actually about as low as it has been in modern history,

and where the United States is already viewed as triggerhappy.

But the biggest concern is that Iran would strike back. Iran has

an international terrorism presence, and has cased United States

Embassies around the world. And in particular, Iranians talk openly

of what they call 140,000 hostages next door in Iraq.

Although Iran is certainly up to no good in Iraq today, the situation

could be far worse in terms of what Iran is involved in, and

it could turn parts of Iraq that right now are relatively peaceful

into parts comparable to the worst of Anbar Province. And we need

to recognize Iran’s power to strike back in Iraq.

Dr. Levitt has spoken ably about different economic instruments

to press Iran, and I won’t repeat what he said. I will simply emphasize

what Mr. Royce said early on, which is Iran’s economy is

its vulnerability, and that is where we should be directing our efforts.

We should be tightening the economic noose with regard to

Tehran.

Although much of Iran’s leadership supports the nuclear program

and a nuclear weapon, many of them think economic growth should

be a higher priority. And that difference is a source of potential

U.S. leverage. And our strategy should be designed to strengthen

those voices that are pragmatic enough to recognize that a nuclear

program will mean Iran’s economic ruin. And from our point of

view, that means both calibrating the strategy, yet ensuring the

punishments we are trying to inflict are tough enough where these

voices are credible.

This pressure has to be sustained. Over the years Iran has made

an art form of evading punishment, making token concessions, and

otherwise trying to outlast the international community. We need

to be sure that pressure we are applying today we can also apply

again in 5 years.

I will add that Congress needs to allow the administration flexibility

to put possible concessions on the table if Iran makes real,

verifiable progress. At times, states have made progress on nuclear

issues or terrorism, and it has been difficult for the administration

to recognize that because of Congressional pressure. This should

not be done today, because Iran is certainly going in the wrong direction;

but the administration must have the flexibility to reward

good behavior, as well as support for punishing Iran’s current bad

behavior.

I am going to conclude by saying that the United States must

also recognize that influence over Tehran, while considerable, is

not absolute. And as a result, there is a real possibility of failure,

and we must begin to think about the implications of not only Iran

with a nuclear program, but Iran with a nuclear weapon, and how

the United States will handle that in its regional diplomacy and in

its international diplomacy.

Thank you very much.

Those voices, an example would be the former President,

Rafsanjani, who, let us be clear, this is not a good man. This

is not someone that the United States should be happy has influence

in the world.

But there are voices in Iran that recognize that the

confrontational path of the current President has been a disaster

for Iran.

Right. And there are several others. There are many

among the Iranian technocratic elite who are smart people, who

recognize that you need foreign investment and foreign trade to

have a modern economy, and they care about that.

There are others who have emerged, and who have become

stronger, apparently recently, who actually have a very kind of

1970s leftist view of economics, which is you want self-reliance, and

you don’t want trade. But it is hard with oil prices high to

strengthen the voices of those calling for investment.

But that said, oil prices are not going to solve—high oil prices

are not solving Iran’s problems. And we have seen in the last 6

months that the more radical camp, in losing out in local elections,

there has been a lot of criticism, so it does seem that the voices

of, I won’t say moderation, but pragmatism are becoming stronger.

Iran has multiple interests in Iraq, some of which

are in harmony with the United States, some of which are not.

The system of government the United States has put in in Iraq

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Surprisingly, they urge their various

proxies to cooperate with the United States in a variety of ways politically.

At the same time, Iran recognizes that street power, local power,

violent power is what is going to matter in Iraq, what matters in

Iraq today, and what is going to matter in Iraq in the future. And

in their views, the United States are the tourists there.

We are there, maybe we will stay for 18 months, maybe we will

stay for 5 years. But we will be gone. And when the United States

is gone, Iran needs power on the ground. And power on the ground

entails having lots of proxies, not just Shi’a, but also Kurdish, and,

I don’t have evidence for this, but I would be surprised if Iran

hasn’t at least tried to reach out tactically to some of the Sunni

jihadists who hate Iran. And it wants influence, and it wants options.

And the model I think Iran has in mind is what it did in Lebanon,

where it was there, and it worked at a grass-roots level, creating

parties, creating organizations, social work, and so on. And

very, very effectively, unfortunately for the United States.

And so in Iran and Iraq, because the system we put in is one

that actually accords with Iran’s interests, there is a degree of harmony.

But at the same time, Iran’s long-term vision is that it needs

power on the ground. And in so doing, it is undermining central authority,

and undermining the power of the government. And that

hurts the United States. And I am not surprised at all that some

of the groups Iran is working with are violently anti-American, and

Iran is okay with that.

And I will add that Iran has a mixed view of the United States.

It certainly recognizes that the United States is fighting to protect

a government that is relatively pro-Iranian. But at the same time,

Iran fears the United States, suspects the United States, and dislikes

the United States. So it is happy to see the U.S.’ nose bloodied,

and it is happy to see problems for the United States, as well.

And yes, there are contradictions in there, but Iraq is probably the

overwhelming policy issue for Iran today. And it is not surprising

to me that for a big issue, you have some policy contradictions.

From Iran’s point of view, Hezbollah has been a remarkable

success. That not only does Iran have a strong ideological

sense of brotherhood with Hezbollah, which really should not be

underestimated; but also, Hezbollah has proven proxy for Iran in

Lebanon, and in particular against Israel. And in part because of

Hezbollah attacks in the 1990s or support for Palestinian groups,

it was harder to have an Israeli-Palestinian peace, which, from

Tehran’s point of view, was a policy success.

So unfortunately, Tehran has learned a lesson, which is support

for terrorism works.

Absolutely.

Sir, I think there are two different questions. I can’t

think of a country that would be happy about it, but I can think

of a number of countries that frankly don’t care that much. And

those are the problem.

I think that, as you said, they have the most to fear

and they are tremendously concerned. Their sense of influence over

Tehran is extremely limited. The Saudis, by Saudi standards, have

been relatively proactive. It is a rather low bar, but nevertheless,

they have been trying to forge a consensus against Iran. But in

their eyes, there isn’t much that they can do.

And they have looked to the United States, I would say in a conflicted

way. They want U.S. leadership, but frankly, they are concerned

that the United States will stir the pot too much and create

tension from which they will suffer.

And a number of our allies in the region to me have a very bad

track record of looking ahead; that they will wring their hands, but

not have been able to more consistently—and I would like to see

more Saudi support, more Gulf State support with our European

allies for our bilateral diplomacy. And to my knowledge at least,

that has been rather limited.

Sir, I will give you my opinion, and others on the

panel may have quite a different one.

The MEK has at times produced extremely valuable intelligence

that the United States has used. There is no question about that,

especially the revelations about the extent of the Iranian nuclear

program that helped trigger much more scrutiny.

That said, I believe there is an extremely heavy cost to U.S. cooperation

with the MEK. We have to remember this is a regime

that set up shop in Saddam’s Iraq. This is the sort of group we are

talking about. The Intelligence community once referred to them as

they would be the muggers in Beirut.

And the point I would like to make is that this alienates many

ordinary Iranians who see this group as having betrayed them fundamentally

by allying with Saddam against Iran during the Iran-

Iraq War. This group has carried out numerous terrorist attacks—

they are fairly well documented—also supported attacks years ago

against the United States. And we are trying to go around the

world to say to people even though al-Qaeda or another group isn’t

directly killing your citizens, you should not support or allow them

to do activities because it is wrong fundamentally.

And my view is that even though the MEK is not currently targeting

the United States and has some tactical values, for us to

have them legitimacy, we need to make sure that we are not cooperating

with a group we have designated as a terrorist group.

There is a hatred that goes back because the MEK

has done——

Well, the hatred is also, I want to say, at a regime

level, very specific, because a lot of regime figures were killed by

this group in successful attacks. But that hatred doesn’t correspond

with the fear any more.

When the MEK set up shop in Iraq, they lost what limited base

they had in Iran itself. So this is more resentment, anger, but not

fear.

In my judgment, under current conditions, it would

make him more popular, and in the short term at least, make him

more——

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