Thank you so much, Mr. Chairman, and

thank you, Under Secretary Burns, for testifying before our committee

today.

There are a growing number of voices arguing for the United

States to engage Iran and even to enter into negotiations with its

regime. I believe that this would be a disastrous mistake.

Direct or indirect U.S. engagement with the Islamic regime without

preconditions would only be interpreted as evidence that, regardless

of what the United States proclaims about our resolute op3

position to Iran’s destructive policies, we will in fact overlook that

regime’s continuing support of terrorists, including those like

Hamas and Hezbollah. We will ignore its moves to dominate the

Persian Gulf and its defiance of U.N. resolutions. Worse, it undermines

our all important efforts to stop Iran from acquiring nuclear

weapons.

Our willingness to discuss diplomatic ties, and the removal of

North Korea from the list of state sponsors of terrorism, in exchange

for initial temporary assurances from North Korea further

undermines our efforts in dealing with Iran.

We must stay focused on denying the Iranian regime the political

and the diplomatic legitimacy, the technology, and the resources to

continue its destructive policies. We are at a critical juncture, and

the opportunity for successful application of our sanctions has

never been greater.

Iran’s economy is heavily dependent on its energy sector, which

requires foreign investment. According to James Phillips of the

Heritage Foundation:

‘‘The United States should lead international efforts to exploit

Iran’s Achilles heel, its faltering economy. High oil prices

have boosted the Iranian regime, but allowed it to postpone

long-needed economic reforms. Iran’s rapidly growing population

is plagued by high unemployment, high inflation, endemic

state corruption, and low economic growth. Iran’s oil exports,

which provide about 85 percent of export revenues, are

projected to shrink without huge injections of foreign investment,

technology, and expertise.’’

Also, Jim Woolsey, the former director of the CIA, made the following

assessment during his testimony in front of our committee

in January. He said:

‘‘Iran’s economy is driven by oil exports, and we have indeed

begun to have some effect on its oil production by our efforts,

although they could well be intensified to dry up its oil and gas

development.’’

In order to succeed in placing the necessary economic pressure

on Iran, it is critical that we follow up with our two-track strategy

and have it be implemented. The first is what we can do ourselves,

which is enforcing our existing laws and building upon them, and,

secondly, convincing other nations that they must take effective action

and simply not hide behind the U.N. Security Council to avoid

their own obligations. These nations must either show that they

are committed to nonproliferation, or face consequences in their relations

with the United States.

At the crux of securing such commitment from other nations is

full implementation of all sanctions under United States law,

namely the Iran Sanctions Act. This and other Iran-related laws

were strengthened by the Iran Freedom Support Act, which I introduced

last Congress with my distinguished colleague, the chairman

of the full House Foreign Affairs Committee, Tom Lantos, and

which was signed into law by the President in September of last

year.

In the last few months, as the chairman pointed out, there have

been multiple reports of proposed investment deals in Iran in

Iran’s energy sector that would be in violation of some of these

laws. Some of the firms include China’s National Offshore Oil Corporation,

Australia’s LNG Company, Royal Dutch Shell, in cooperation

with Spain’s Repsol, and Malaysia’s SKS.

These entities are testing the resolve of the United States, and

we are failing to meet those challenges. In many of these proposed

investment deals in Iran’s energy sector, foreign governments and

export credit agencies would help to subsidize these investments.

Yet rather than make it clear to these entities and their government

that we will implement the Iran Sanctions Act to the fullest

extent, the Department of State refuses to enforce these sanctions.

Mr. Chairman, I have a longer statement that I would like to be

placed in the record.

I yield back the balance of my time. Thank

you.

Thank you so much, Mr. Chairman, and I

thank everyone for their great questions and you, Mr. Ambassador,

for your wonderful answers.

Why have we not implemented the sanctions that are available

to us? We tell the international community that you don’t have to

wait for the U.N. Security Council to act, you can impose sanctions,

yet we don’t do that ourselves even though we passed this law in

various ways in different years.

You said that the proposed international deals are not yet at the

level where we can use sanctions. At which point will we have

sanctions available to us? For example, if Royal Dutch Shell and

Repsol go forward with their plans to develop Iran’s South Pars oil

fields, would this violate the Iran Sanctions Act? Will we then implement

what our laws say?

I think we would agree that preventing investment in Iran’s energy

sector does have a dramatic impact on Iran’s ability to finance

its nuclear programs, so why don’t we become the leader in making

sure that we implement all of the tools that are available to us?

Before we tell other countries what they should do, let us implement

the sanctions.

On Iran, just one last question, Mr. Chairman.

Thank you for the time, and thank you, Mr. Ambassador.

For the longest time the Bush administration has been very clear

about not negotiating with or engaging Iran until it stopped its

uranium enrichment, and in just a few days we will have what you

could call indirect or direct talks because of the problems in Iraq,

and they will involve Iran and Syria.

What is the Bush administration’s position on what could have

factored into this change—or at least this perception of change—

when in the past year, if there has been any movement on the part

of Iran it is to make even worse statements about Israel, to make

horrific statements about the United States, to increase its centrifuges,

and to continue with its water reactor project.

In words and deeds, Iran has proven to be an unworthy participant

in direct or indirect negotiations. I know that is the big question,

but why reward such behavior?