Thank you very much, Mr. Chairman, Senator

Lugar, members of the committee. I want to thank you for the opportunity

to appear before the committee today to discuss U.S. policy

toward Iran. As you’ve mentioned, I’ve just returned from 3

years as Ambassador in Moscow, and I look forward very much to

working with all of you in my new position.

I’d ask that my written statement be included in the record and,

with your permission, I’d offer a very brief oral summary and highlight

a few key points.

Thank you.

First, the behavior of the Iranian regime poses as serious a set

of challenges to the international community as any problem we

face today. Iran’s nuclear ambitions, its support for terrorism, and

its efforts to undermine hopes for stability in Iraq and Afghanistan,

including lethal backing for groups attacking American troops, are

all deeply troubling. So are its destructive actions in Lebanon, its

longstanding rejection of a two-state solution for Israelis and Palestinians,

and the profoundly repugnant rhetoric of its leaders

about Israel, the Holocaust, and so much else.

Compounding these concerns is Iran’s deteriorating record on

human rights. Ten years ago we saw signs of opening in Iran’s political

and social systems. Today, sadly, Iranian citizens are subjected

to increasingly severe restrictions on basic rights and increasingly

blatant manipulation of the electoral process.

Second, it’s important to understand not only the dangers posed

by Iranian behavior, but also the vulnerabilities and complexities

of Iranian society. To be sure, the Iranian regime is a potent regional

adversary, tactically cunning and opportunistic and good at

asymmetric conflict. But as you said, Mr. Chairman, it is not 10

feet tall. It often substitutes assertiveness and self-aggrandizing

pronouncements for enduring power, promoting the illusion of Iran

as a real counterweight to the United States or to the institutions

of global order, especially the United Nations and the International

Atomic Energy Agency.

The truth is a little bit more sobering for Iran. Because of its behavior,

it can count on few allies in the world beyond the

unimposing trio of Cuba, Belarus, and Venezuela, and sometimes

Syria, and no real friends that could offer strategic reassurance,

global investment, or a secure future in a globalized world.

Its neighbors are all wary. Most Iraqi leaders want normal relations

with Iran, not surprisingly. But as the Maliki government’s

capacity and confidence slowly grow, its priority is to assert Iraq’s

own sovereignty. The readiness of the Iraqi Government and security

forces to confront Iranian-backed militias has also produced

new support and cooperation from its Arab neighbors. So far Jordan,

Bahrain, and the United Arab Emirates have decided to send

Ambassadors back to Baghdad and we’re pressing other Arab governments

to do the same.

Meanwhile, Syria’s active involvement in indirect peace talks

with Israel is a reminder to Iran that even its regional partners

may have higher priorities than the relationship with Iran.

Beneath its external bluster, Iran faces a number of internal contradictions.

Despite $140 a barrel oil, its economy is stagnating and

a remarkably inept Iranian leadership is failing its own people. Inflation

is running at 25 percent and food and housing costs are skyrocketing.

Because of bad economic management, the oil windfall

has failed to generate anywhere near the 1 million new jobs that

Iran needs each year just to keep up with its population growth or

to bring desperately needed diversification to the economy.

In these circumstances, it’s fair for Iranians to ask whether the

cost of its defiant nuclear program, which could run into the tens

of billions of dollars, is really worth it. Iranians need only look

across the gulf to the spectacular rise of an advanced, innovative

economy in Dubai, the rapid expansion of Qatar’s natural gas exports

and gas-based industries, and the efforts of Saudi Arabia and

other oil-rich states to reduce their debt, undertake needed reforms,

and invest in future capacity to appreciate the opportunities

squandered by their own leaders.

In Iran, the fourth largest oil producer in the world, nearly half

of all refined petroleum products still need to be imported. With

two-thirds of its population under the age of 30, Iran is also a society

with a mounting appetite for modernity, advanced technology,

and connections to the rest of the world. Its younger generation is

far more attuned to what those connections can offer than warped,

isolated, impoverished places like North Korea, and far more likely

to feel the pull that comes through the Internet and satellite television

and travel abroad.

My third point, against that backdrop, is that the purpose of our

policy is to change the behavior of the Iranian regime, making common

cause with as much of the international community as we can.

We should not let the Iranian regime off the hook about its behavior

or allow it to divert attention from its domestic failings and external

adventurism under the also pretext that it is under existential

threat from the outside. The problem is the regime’s behavior,

which endangers not only the international community, but the

self-interest of the Iranian people.

Our strategy is built on tough-minded diplomacy, maximizing

pressure on the Iranians at multiple points to drive home the costs

of continued defiance of the rest of the world, especially on nuclear

issues.

At the same time, however, we’re trying to make clear to Iran

and its people what they stand to gain if they change course.

My fourth comment considers the sticks side of the equation, the

progress, sometimes frustratingly slow, but nonetheless tangible,

that we’ve made in sharpening the down sides for Iran of its continued

refusal to heed the U.N. Security Council or the IAEA.

Three Chapter VII sanctions resolutions have significantly complicated

Iran’s pursuit of its nuclear ambitions, as well as its international

financial position.

While deeply troubling, Iran’s real nuclear progress has been less

than the sum of its boasts and it has not yet perfected enrichment.

Iran’s front companies and banks are being pushed out of their normal

spheres of operation, away from the dollar and increasingly

away from the euro, too. The cost of export credits to Iran has increased

by 30 percent and the overall level of credits has diminished.

A growing number of major international financial institutions

have cut ties with Iran over the past year and more are moving

in that direction.

In this respect, renewed willingness by European Union states to

tighten pressure on Iran is especially welcome. Two weeks ago the

EU adopted new sanctions against 38 individuals and entities, including

imposing an assets freeze on Iran’s largest bank, Bank

Melli. Last week the EU began formal consideration of additional

measures. We are consulting quietly with other major players, such

as Japan and Australia, about what more they can do.

Our partners in the P5+1—Britain, France, Germany, Russia,

and China—remain committed to a two-track approach and that

would mean consideration of new steps beyond Resolution 1803 if

Iran refuses our recent incentives package and ducks its U.N. Security

Council and IAEA obligations.

To reinforce multilateral actions, the United States has also implemented

a series of autonomous sanctions against Iran. In particular,

the Departments of Treasury and State have carried out an

effective campaign to limit Iran’s access to the international business

community. Indeed, yesterday we designated 11 additional

Iranian entities and individuals for proliferation activities.

These measures, combined with warnings such as the ones

issued last year and early this year by the Financial Action Task

Force, reverberate in financial sectors, making Iran less hospitable

for business and aggravating the impact of the regime’s economic

mismanagement.

My fifth and final point focuses on the carrots or incentives side

of the equation, on our intensifying efforts to make clear to the Iranian

people what’s possible with a different pattern of behavior.

Javier Solana’s recent visit to Tehran helped highlight the opportunities

before Iran if it cooperates with the international community.

Solana carried a package of incentives including an offer of assistance

on state of the art light water reactor technology, along with

a letter signed by the P5+1 Foreign Ministers, including Secretary

Rice.

None of us dispute Iran’s right to pursue civilian nuclear power

for peaceful purposes. But Iran needs to answer the questions

posed by the IAEA, comply with U.N. Security Council resolutions,

and restore confidence in its intentions. Major powers like South

Korea have realized the benefits of civilian nuclear energy without

the need to enrich and reprocess and that is a path that is open

to Iran, too.

While skepticism about the Iranian regime’s reaction to international

incentives is almost always a safe bet, we’re working with

our P5+1 partners in an intense public diplomacy campaign to explain

what we’re offering directly to the Iranian people, as well as

to others in the international community, like leading members of

the nonaligned movement, who might also help drive home the advantages

of cooperation.

We want the Iranian people to see clearly how serious we are

about reconciliation and helping them to develop their full potential,

but also who’s responsible for Iran’s isolation. The truth is

that Iran’s nuclear weapons ambitions bring it less security, not

more. They set back, rather than advance, Iran’s ability to play the

significant regional and international role that its history, culture,

and geopolitical weight should bring it.

Interpreting Iran’s domestic debates is always a humbling business,

but there are some interesting commentaries beginning to

emerge after Mr. Solana’s visit. In one newspaper column, the

former deputy head of Iran’s atomic energy organization wrote

that: ‘‘Spinning 3,000 or 4,000 centrifuges at semi-industrial levels

is useful for political maneuvering and talks, but if it means the

imposition of technological, economic, and welfare hardship then it

raises the question of what other vital interests are being harmed

by immoveable, stubborn Iranian officials.’’

It’s hard to say where any of this will lead, but it at least suggests

that it is well worth the effort to explain and publicize what

we are putting on the table. The Iranian regime has provided an

initial rely to the P5+1 proposals and has proposed a further meeting

with Mr. Solana in the coming weeks to discuss this in more

detail.

We’re also trying to find creative ways to deepen our own engagement

with Iran and its people, who remain amongst the most

pro-American populations in the region. And while that is admittedly

a low bar these days, it’s striking how curious Iranians are

\about connections to Americans. With the generous support of Congress,

we’re in the second year of successful people-to-people exchange

programs. In cooperation with the National Basketball Association,

for example, we’re bringing the Iranian Olympic basketball

team here next week for the NBA Summer League. We’re committed

to using educational, cultural, and sports exchanges to help

rebuild bridges between our two societies after 30 years of estrangement.

Mr. Chairman, I have no illusions about the grave dangers presented

by the behavior of the Iranian regime or the difficulties of

changing that behavior. I am convinced that we cannot do it alone

and that a strong international coalition is crucial. Hard-nosed diplomacy,

backed up by all the tools that are at our disposal and

as much leverage as we and our partners can muster, is an essential

ingredient. As Secretary Rice said earlier this year, ‘‘America

has no permanent enemies, we harbor no permanent hatreds.’’

Diplomacy, if properly practiced, is not just talking for the sake

of talking. It requires incentives and disincentives to make the

choices clear to those with whom you are dealing that you will

change your behavior if they’re willing to change theirs. That is the

kind of approach that helped produce significant breakthroughs

with Libya several years ago, including its abandonment of terrorism

and the pursuit of nuclear weapons. It is the kind of approach

that is beginning to produce results in our multilateral diplomacy

with North Korea. It may or may not produce results on

Iran, with whom we have had a relationship burdened by deepseated

grievances and suspicions and a long history of missed opportunities

and crossed signals. But it is important for us to try,

bearing in mind that our audience is not only the Iranian regime,

but also the Iranian people and the wider international coalition

we are seeking to reinforce.

At a minimum, it seems to me it is important to create in this

administration as strong an international diplomatic mechanism as

we possibly can to constrain Iranian behavior, on which the next

administration can build. Our choices are not going to get any easier

in the months and years ahead, but they will be even more difficult

if we don’t use all our diplomatic tools wisely now.

Thank you very much again, Mr. Chairman. I look forward to

your questions.

Well, Mr. Chairman, I think there’s a wariness

in that relationship, at least as I understand it over the years. So

that we have had concerns about al-Qaeda members who have been

harbored in Iran over the years. But it’s a relationship obviously

that we watch very carefully, but there’s certainly a wariness

there, I think.

Well, Mr. Chairman, the passage of that legislation

as it exists now I think would complicate that effort, precisely

at the moment when we’re beginning to see a greater willingness,

especially on the part of the European Union, now under the

French Presidency, to take more assertive steps on economic sanctions.

The designation of Bank Melli, the largest of Iran’s banks,

2 weeks ago was a very significant step and it’s a message that’s

not lost on the Iranian regime.

So at precisely the moment when I think we’re having some success—

we’re not moving as far and as fast as we would like, but

we’re having some success in mobilizing that coalition—our concern

would be that the legislation that’s been proposed would complicate

that effort.

Second, I think it might also complicate the kind of mechanism

that we leave in place for the next administration, because, like

you, I absolutely believe that we’re not going to solve this problem

diplomatically alone, that we need to make as much common cause

as we can with the international community.

There’s a third concern that goes beyond your comments in at

least one of the pieces of legislation, which has to do with the

United States-Russian 123 agreement, civil-nuclear cooperation,

which I won’t go into now. But there again, I think our concern

would be that that would undermine our ability to work with the

Russians in the nuclear field, both on Iran and more widely, to

help prevent the spread of nuclear weapons.

Well, Senator, I think the Russians and Chinese

do share the same strategic objective in the sense that neither

leadership needs to be persuaded that it’s a bad idea, a real bad

idea, for this Iranian regime to acquire nuclear weapons, and they

have worked with us, which is not an insignificant thing, over the

last couple of years on three Chapter VII Security Council resolutions.

And they have stood firmly along with the rest of the P5+1

in making the concerns of the international community clear to the

Iranian regime.

They have also not moved as far and as fast and as hard as we

would prefer in those Security Council resolutions in the breadth

and depth of sanctions, which we think will have an even more significant

impact on the Iranian regime. So it can be a painful and

sometimes frustrating process, but I think we have made progress.

I think we can make more progress along both tracks of our approach.

In other words, just as you were saying before, one track which

shows the consequences to Iran and its people—further economic

pressures, more isolation—and the other which makes clear what

it stands to gain.

Sure, Senator. No; my understanding is that

the P5+1, including the Russians and Chinese, are still committed

to the negotiating posture which we’ve laid out, which Solana repeated

to the Iranians a few weeks ago. That is a negotiation that’s

based on suspension for suspension. In other words, the P5+1 commit

to suspending the applications of the current U.N. Security

Council resolutions and in return as negotiations begin the Iranians

would suspend all enrichment and reprocessing activity.

Well, the suspension for suspension would be

the basis for the discussions. But that’s the basis on which we’ve

made clear that Secretary Rice, for example, would be prepared to

join the other P5+1 Foreign Ministers in those negotiations.

Well, Senator Lugar, I think it was significant,

and the significance was not lost on the Iranians, that Secretary

Rice joined the other P5+1 Foreign Ministers in signing the letter

that accompanied the incentives package. Our position is a very

clear one. We’re prepared, Secretary Rice herself is prepared, to

join personally negotiations on the basis of the proposal that the

P5+1 has made, and that remains our position.

So we’ve tried to find as many ways as we can to reinforce the

fact that the United States is serious about the proposal in which

we’ve joined the P5+1, both parts of it, both the incentives and the

disincentives.

I don’t believe that Mr. Solana has yet pinned

down a time for another meeting with his Iranian counterpart. But

I think it is likely to take place in the next few weeks.

I’m not sure, Senator, honestly. The format I

don’t think has been determined yet. Certainly when Mr. Solana

presented our proposals in Tehran a few weeks ago the Russian

representative, my counterpart, was there along with my other

P5+1 counterparts. So we’ve made every effort, and the Russians

have as well, to make clear that we’re standing together on this

two-track approach.

Yes, sir, Senator Lugar. And I do agree with

you—we’ve discussed this many times before—that the Russian

role, as frustrating as it sometimes can be—and ours is certainly

a complicated relationship today, which mixes cooperation on some

issues with competition and sometimes political conflict on others.

But when you look—and you know this better than anyone—at the

challenges in the nuclear field, whether it’s the broad challenge of

preventing the spread of nuclear weapons or the specific challenge

of Iran, there is no partner with whom our cooperation can produce

more than Russia in strategic terms, in plugging the biggest remaining

gap in the NPT regime, which is the current ability of

member states to enrich and reprocess within the regime right up

until the point of nuclear weapons capability.

We and the Russians have both proposed some very similar and

creative ideas for plugging that gap, including international fuel

centers, the provision of assured fuel supply to countries, essentially

to demonstrate that there’s a pathway to civilian nuclear programs

for peaceful purposes that does not involve enrichment and

reprocessing. That’s where the 123 agreement I think is an important

ingredient in cementing our cooperation.

With regard to Iran specifically, I think as you look over the

course of the last 2 years, when, not coincidentally, we were negotiating

the 123 agreement, we have seen some positive movement on

the part of the Russians. And it’s sometimes been slow, but it’s

been represented first in the three Security Council resolutions I

mentioned before, the three Chapter VII resolutions, in the way in

which the Bushehr project has been transformed so that now the

Russians provide the nuclear fuel and then take back the spent

fuel, demonstrating to the Iranians and the rest of the world that

you don’t need to master the fuel cycle, you don’t need to enrich

and reprocess, to have a peaceful nuclear program.

Finally, as I’ve had the opportunity to discuss with some of you

in closed session, there have been tangible steps taken by the Russian

Government to ensure that Russian companies or entities are

not engaged in illicit activities in the Iranian nuclear program.

So in the nuclear field I think we have seen some practical steps.

That does not change the reality that in some other areas Russian

behavior in Iran remains troubling. The supply, for example, of air

defense securities to Iran is something we strongly oppose and

have sanctioned the Russians for, using other levers. But it just

seems to me that the 123 agreement is an important tool to cement

cooperation in the nuclear field on Iran as well as in our broader

strategic cooperation.

Well, I think, Senator Lugar, that the recent

EU step—the assets freeze on Bank Melli, which is Iran’s largest

commercial bank—is a very encouraging sign in that respect——

continuing]. Because Bank Melli is the bank

through which the Iranian regime does a lot of business. And it

seems to me that that, coupled with the other steps, both multilaterally

as well as the autonomous U.S. steps against the Iranian

banking system, are beginning to take a toll.

There’s more that we can do. We certainly haven’t exhausted all

the diplomatic possibilities or the economic possibilities, especially

in the financial sector. I think it’s encouraging to see the EU take

that step. It gives us another argument we can use, for example,

in the gulf, where oftentimes, whether it’s Dubai or other places,

people in the past—and I’ve heard the same argument—have said,

well, why should we act when in London or some other European

capital Iranian banks can function. Now there’s a pretty good

counterargument to that, given the step that the European Union

has taken.

So I think we have an opportunity the mobilize more pressure,

but I think we are making some progress in that area.

Yes, sir.

Senator, the missile launches that we saw

today are very disturbing, provocative, and reckless. They’re a re-

minder that Iran is continuing to try to expand and develop its

missile program.

Yes, sir.

It’s always a humbling experience to try and

determine the motives behind particular actions on the part of this

Iranian regime. Sometimes they act in conflicting ways. On the one

hand we see some positive noises about the proposals that Mr.

Solana made and on the other hand in recent days we’ve seen not

only the missile launch, but some extremely reckless and pugnacious

public statements.

Subtlety has never been a hallmark of Iranian

behavior and it’s a way, it seems to me, of reinforcing the point

they’re trying to make.

Yes; it certainly is, Senator, and I look forward

to seeing Mrs. Levinson next week, and we will continue to press

as hard as we can on this issue.

Senator, there’s not much in this format that

I can share, but I’d be glad to meet with you to provide a more detailed

update. We’re continuing to press this case hard. We’ve

pressed the Iranian regime on several occasions using the Swiss

channel. We still have not gotten satisfactory responses. We’ve encouraged

other governments to raise this issue and are appreciative

of those who have. We’ll continue to push very hard, and I’d be

glad to in another setting to describe in more detail what we’ve

done and where we are.

Well, as I said before, humility is always a

good starting point in trying to decipher the Iranian political system.

Certainly the United States over the last few decades has gotten

it wrong from time to time. But I do think it’s clear that the

Supreme Leader, Ali Khamenei, is the ultimate decisionmaker in

Iran. There are a number of centers of power within the regime.

There often seems to be an active debate about tactics, whether it’s

over economic policy or even the nuclear issue. The current President

represents one of those power centers, but there are others as

well.

So I think the best thing we can do from the point of view of

American interests and the interests of the international community

is try to sharpen as best we can the choice that I described

before, in other words the consequences of a failure to abide by

Iran’s international obligations, not only for the Iranian regime but

for its people, and also what Iran and its people stand to gain by

changing their behavior and meeting those international obligations,

especially in the nuclear area.

He certainly is the ultimate decisionmaker, it

seems to me, in Iran.

It’s hard to characterize it that way. He’s certainly

very outspoken about his views, but the reality it seems to

me is that it’s the Supreme Leader who is the ultimate decisionmaker.

Senator, as I said, our position remains that

Secretary Rice herself would be prepared to sit down in the negotiation

along with the P5+1 Foreign Ministers on the basis of the

suspension for suspension proposal that the P5+1 has made. We’ve

also tried to demonstrate, hopefully in the runup to negotiations on

that basis, the seriousness with which we support the proposals

that Mr. Solana presented, in particular her signature on the letter

that Mr. Solana delivered along with that package of incentives.

So we’ve tried to make very clear not only our support but our

active involvement in this process, and the seriousness of the

choice that we and our partners have posed for the Iranians.

Well, sir, at this stage our position is just as

Secretary Rice has outlined it and as I described it before. But we

have certainly made very clear our support for this effort and the

seriousness with which we view it.

Senator, our position is just as I described it.

Certainly the Russians, my Russian counterpart,

did take part in the presentation that Mr. Solana made in

Tehran a few weeks ago. The format for this follow-on meeting

hasn’t been determined yet as far as I know, so it’s certainly possible

that you could see political director level people there, including

the Russians. But I don’t think that’s been decided yet.

Thank you, Senator. I think in terms of the

broad strategy in the region, the first thing that it’s important to

understand is that you have to connect the dots. In other words,

you have to, in terms of promoting American interests, pursue a

strategy which is going to deal in parallel with a number of very

important challenges, and you highlighted most of those that occur

to me.

But my point is it’s not an a la carte menu. We have to be serious

about a whole range of issues which go from economic modernization

and helping societies to open up greater economic opportunities.

It certainly includes the challenge of creating more modern

political institutions over time.

But it also includes building relationships and partners to deal

with regional problems like the spread of weapons of mass destruction

and violent extremism. It certainly goes right to the heart of

issues at the core of the concerns of most people in the region, like

the Arab-Israeli conflict, both in its Palestinian-Israeli dimension

and, as you mentioned, the Syrian-Israeli as well as Lebanese-

Israeli tracks.

So I think as you look at the challenges over the coming months

and for years beyond that, it’s important for us to be serious first

in doing everything we can to stabilize the situation in Iraq and

create a more hopeful set of circumstances there. That means engaging

Iraq’s neighbors and deepening their stake in Iraq’s stability.

As I mentioned before, we’ve seen some encouraging signs

from Arab states that they’re willing to do more, especially as

they’ve seen the Iraqi central government beginning to expand its

confidence and its capacity a little bit.

It’s important to stabilize and do everything we can to help stabilize

the situation in Afghanistan. It’s important to look at building

regional mechanisms such as the so-called GCC plus 3, the six

gulf countries plus Egypt, Jordan, and Iraq, which I think is a good

mechanism in terms of harnessing the common interests of those

states, not least because of the signal it sends to Iran.

I think you rightly mentioned the value of the indirect talks between

Syria and Israel which the Turks have helped to facilitate

over recent months. That’s something that we encourage. And I

think the net result of all these things, if you just look at the particular

challenge of Iran, is on balance very positive, because what

it does is help to sharpen the choice that I was describing before

for the Iranian Government and its people. It helps to create a

clearer picture of what’s possible in the region and what’s possible

for Iranians if they change their behavior on the nuclear issue and

in other areas.

It also helps sharpen the consequences for them—the likelihood

of greater isolation, of being out of step with the kind of trend lines

that I hope we can promote in the region. That’s all much easier

said than done, but it just seems to me that those are the main

challenges before us as we look out the next 6 months, but then

well beyond.

I’d be glad to do that, sir.

Thank you very much, Senator Lugar. Certainly

Iran is not nearly as opaque a society or a political system

as North Korea is. But our sources of information are not complete,

in part because we haven’t had a diplomatic presence on the

ground for 30 years, as we do in most every other country in the

world.

But there are other sources of information. You mentioned a

number of them, whether it’s journalists who come in and out, it’s

other foreign embassies with whom we’re in touch, or Iranians who

come out from time to time and take part in academic conferences.

So there is a lot of information out there, but it’s not always complete,

and I would be the last person to suggest that our appreciation

or our insights into a lot of those very important sectors of Iranian

society or the Iranian economy are complete. There’s certainly

more that we could learn.

Thank you.

Thank you very much, Senator Kerry. On the

first broader strategic question, I think you have very accurately

highlighted the reality that there’s a lot more that can be done

through diplomatic means, through means of tightening economic

pressure, to sharpen the choice for Iranians. We have, I would submit,

made some progress in that direction. The recent steps that

the EU has taken, especially with regard to Iran’s largest bank,

Bank Melli, are a reminder of the impact that those kind of steps

can have, but they’re also a reminder that there’s more that can

be done.

The challenge, as you well know, is how do you mobilize others

to take those steps? That involves leadership on our part, our willingness

to take autonomous steps, as we have with regard to some

Iranian banks before others were prepared to do it. But it also involves

us being engaged in a genuine give and take with our partners

as well to demonstrate that we’re willing to invest in both

tracks of our policy, to make clear that whenever we take a diplomatic

step or think about a form of tightening pressure or a possible

incentive, that what we have in mind is not just the Iranian

regime and the impact it’s going to have on the Iranian regime, but

also the Iranian—the broader Iranian audience, the Iranian people,

for whom we’re trying to sharpen this choice, but also I think the

international coalition we’re trying to build, because there’s a lot of

steps that we’ve taken and that we may take in the future that I

think may help to reinforce that international coalition and over

time, if Iran is not willing to change its course and change its behavior

and meet its international obligations in the nuclear field,

will enable us to build greater and greater multilateral pressure,

because that’s—because that I think is what—and you’ve cited

some other cases where this has been true over the last 20 or 30

years—it’s that multilateral pressure that ultimately is going to

have a greater impact.

But let me just—all I wanted to add—I’m

sorry, Senator—is I think over the last couple of years in particular

we have taken steps in that direction. Sometimes they’ve been frustratingly

slow, not because we wanted them to be slow, but because

it’s difficult to challenge and mobilize our partners.

But we have begun to move in that direction. My only point is

there’s more we can do and I think if we’re ambitious and creative

about it there’s more that can be accomplished in the coming

months that can put us in a stronger diplomatic position and help

sharpen that choice for Iranians.

Sure, Senator Hagel. Our goal again, just to repeat,

remains very clear and that is through concerted diplomacy

to ensure that Iran does not acquire nuclear weapons capability.

The negotiating proposal that we and the P5+1 have put on the

table is aimed at negotiations based on suspension for suspension.

But Mr. Solana has also introduced the idea of freeze for freeze as

an interim step, as a way of talking about how you get to negotiations.

The idea of freeze for freeze is that for a fixed, short-term period

of 6 weeks we would agree to freeze, we the P5+1 would agree that

we would not seek any new Security Council action against Iran,

and during that same fixed period Iran would not engage in any

new nuclear activity. In other words, it wouldn’t add additional

centrifuges to its effort.

Again, I would emphasize we’re talking about a step that’s designed

to get to negotiations, a fixed period for a fixed goal, which

is to begin negotiations, as we have made clear for some time,

based on suspension for suspension. So that’s the concept, and I

think that within the P5+1 it’s further evidence of our seriousness

about reaching a diplomatic solution of this very, very serious problem.

Senator Hagel, on the question of American

participation, direct American involvement, our position remains as

I described it before. In other words, what Secretary Rice has said

publicly, that she would be prepared personally to engage at the

ministerial level with the Iranians, along with their P5+1 partners,

in negotiations on the basis of suspension for suspension.

The freeze for freeze concept is an idea that was introduced in

Mr. Solana’s conversations as a way of getting us to that point and

of demonstrating our collective seriousness.