I thank you, Mr. Chairman, for holding this important hearing on United States policy toward Iran. Today, our

examination occurs against the backdrop of several significant developments.

First, the U.N. Security Council adoption of Resolution 1929 on

June 9 added incrementally to three previous rounds of U.N. sanctions

against Iran. This was followed on July 17 by the European

Union’s announcement of new sanctions, most notably a ban on investment by companies in Iran’s oil and gas industry. In addition, June 12 marked the 1-year anniversary of Iran’s disputed

Presidential elections and the brutal repression of the protests

that ensued. I would just say the anniversary serves as a

reminder of the values we Americans hold dear and to which Iranian

citizens aspire: freedom of expression, freedom of assembly,

and the freedom to choose our government through transparent, fair elections.

As we debate as to how most effectively to constrain Iran’s

nuclear ambitions, it is important to keep in mind those who continue

to pay a personal cost for expressing their opposition to the Iranian regime.

Iran represents a direct threat to United States national security, as well as to the security of Israel and that of our other friends in the region. It has long provided materiel and financial

support to terrorist organizations, such as Hezbollah in Lebanon

and Hamas in the Gaza Strip. Concerns about this activity were

augmented earlier this year by reports of Iran’s transfer of long range rockets to Hezbollah via Syria.

The exact status of Iran’s nuclear program and the degree of

progress it has made toward a potential nuclear weapon continue

to be debated. But Tehran clearly is not complying with international

nonproliferation regime. The latest report of the Director General of the International Atomic Energy Agency pointed to ‘‘Iran’s continued failure to comply with its international obligations,’’

and noted its ‘‘sustained lack of cooperation with the IAEA.’’

The revelation last year of Iran’s clandestine enrichment facility was but one case in point.

Restraining Iran’s nuclear program requires significant cooperation

with allies and partners, most of whom have commercial interests

with Iran and independent views about the Tehran regime.

The progress this month toward broader international sanctions

was welcome, but a sanctions strategy is likely to require much

more work. For example, as additional countries in Europe, Asia,

and elsewhere expand sanctions, what efforts are being made to

persuade other nations—particularly China—to forgo the opportunity

to substitute their own investment and trade for that which is being withdrawn? Greater international unity is vital, not only to materially inhibit Iran’s nuclear program ambitions and raise

the costs of Iran’s noncompliance, but also to demonstrate international

resolve that can help deter other states from violating NPT commitments and pursuing nuclear weapons.

While the administration was engaged in negotiations over international

sanctions, Congress has deliberated on legislation that

would expand unilateral U.S. sanctions toward Iran. Although we

are grateful for the briefings on this matter by administration officials,

including Under Secretary Bill Burns, one of our witnesses

today, it is past time for the administration to weigh in with a concrete

response to this legislation. What provisions are supported or

opposed by the administration, and what changes does it rec-

ommend? How would additional U.S. unilateral sanctions affect the

ongoing campaign to construct a more comprehensive system of international sanctions?

The administration is conducting a review of existing United

States sanctions on Iran. What lessons from this review can be

applied to the new measures? I have my own reservations about

certain provisions of this legislation, but I look forward to hearing from our

witnesses today on the administration views.

Beyond sanctions, I am hopeful that the witnesses will shed light

on the administration’s broader strategy. At what point will President

Obama’s offer of engagement reach the end of its shelf-life?

What will become of the P5+1 track? Is the administration considering

steps to further isolate the regime in Tehran? To what extent

has the need to isolate Iran been elevated on the bilateral agenda with countries that remain friendly with Tehran?

I look forward to hearing our witnesses’ views. To the extent that

some of these discussions would be more appropriately held in a

classified setting, I would also welcome that opportunity at a future date.

We thank you for coming, and I thank you, Mr. Chairman. Thank you, Mr. Chairman.

Secretary Burns, I would like your comment on a front-page story

that appeared yesterday in the Washington Times entitled,

‘‘Military in Iran Seen As Taking Control.’’ The story begins,

‘‘Defense Secretary Robert N. Gates said Sunday that Iran’s Government

is becoming a military dictatorship, with religious leaders

being sidelined and, as a result, new sanctions could pressure

Tehran into curbing its illegal nuclear program. ‘What we’ve seen

is a change in the nature of the regime in Tehran over the past

18 months or so,’ Mr. Gates said on FOX News Sunday. ‘You have

a much narrower based government in Tehran now,’ he said. ‘Many of the religious figures are being set aside.’ ’’

Furthermore, the article later points out that Mr. Gates said,

‘‘added economic pressures on top of the militarization, ‘has real

potential’ of pressuring Iran into complying with international

controls on its nuclear program.’’ I had not seen that sort of analysis

before concerning the evolution of Iran’s Government, and furthermore

the implication Secretary Gates thought with regard to

the efficacy of sanctions. Do you have thoughts about that this morning?

These developments would mark quite a change, though, as most of us have not been thinking about Iran in terms

of a military dictatorship in the country. We’ve had conflict between

various religious leaders, with the military perceived to be

more in the background. But it seems to me Secretary Gates was

suggesting that the military is coming much more into the foreground.

Furthermore, I think he suggested the possibility that as

religious leaders are pushed aside, empowered military personnel

could take a more pragmatic stance and realize that their security

is more, rather than less, endangered by going forward with their nuclear program.

Secretary Burns, as you are likely aware, the Conference Committee cochairs taked with resolving House and

Senate differences in Iran sanctions legislation came to an agreement

yesterday on draft joint text. The administration has diplomatically

asserted that it wishes to work with the Congress on this issue. Now, as I understand it, at least according to analysis

in the press, an ongoing point of contention between the Congress

and the administration is that the legislation, as it is currently

crafted, targets foreign companies and even foreign governments

that do not comply with its provisions. Now, the legislation offers

exemptions from sanctions on a case-by-case basis if certain criteria

are met by the foreign party in question, but the administration

would rather it provide blanket waivers for certain countries. In

the administration’s view, this would prevent a potential set of diplomatic

problems with others who believe they have been working even harder at this business of sanctions that we have. Nevertheless, this is an extraterritorial feature of the legislation as some have suggested.

What is your analysis, either one of you, as to the substance of this legislation as it currently stands?

Well, how is that advice going to be given? We’re coming down to the final stages. Is the President, the Secretary, or someone else going to talk to Senator Dodd, Congressman Berman,

or others who are guiding this along? It’s one thing to talk in an

advisory capacity, but what are the action steps that need to be taken at this point? Thank you very much.

Well, thank you, Mr. Chairman, I do, but I will submit them to the witnesses for the record, and if you would respond swiftly, we’d appreciate it.