Thank you, Mr. Chairman, Senator Lugar.

I, like the Ambassador, kind of thought maybe I had already had

my last hearing ever. So this is an honor, and I do appreciate the opportunity.

I think also in the comments from the Ambassador, I would align

with him pretty much totally. The only thing I would add as a

caveat on the military options is that even though we may have an

assessment, a personal assessment of those options, they should

never be removed from the President as options.

They have to stay on the table. And I just want to make sure that that is understood.

I think, first, the construct here of risk. If Iran were to obtain

a nuclear weapon, there are all sorts of prognostications out there

about what could happen in the region from an arms race, the failure

of extended deterrents. None of the options look good, and so

this is a significant threat. It is one that we have to pay a lot of

attention to. The good news is several administrations have and continue to do so.

I also want to make sure people understand for the most part,

historically, nation states, when they seek to have nuclear weapons,

seek to have them as a shield, a guarantor of their sovereignty

and their ability to remain sovereign.

When you move that over to a surrogate, or a terrorist, that is

where it becomes a sword. That is where the greatest threat is to

an unpredictable act of violence.

It is that nexus that people probably most worry about, at least

in my community, associated with Iran gaining a nuclear weapon.

It is not as much the idea that they are going to conduct some sort

of attack. They would never win that kind of an exchange. It would

be an existential threat on them, not on others for the most part.

I also want to talk a little bit about the military activities that

have occurred over the past few years in the region in an understanding

of this threat. And I think the first thing to understand

is that we have put in place and worked with the regional partners active and passive defenses.

The simple things that keep terrorists from obtaining their objectives,

someone who wants to attack you, but seemingly is undeterrable—

you can take the objective away from the adversary by

doing simple things like creating standoff distances from buildings and those types of activities.

Those measures have been in progress of several years. The

region has been, as we would say in the military, hardened to those

types of threats, which you have to worry about particularly in

order to maintain the viability of several of the options that the President might have.

The second has been to have an active role in the region in exercises

and working with the local armed forces in ensuring that they

are capable of responding to any threat. On the active side of

defenses, we have moved radars, missile defense capabilities into

the region that are significant and would put into question any

first strike or decapitating type of strike that Iran may wish to undertake.

And then I think equally important is we have changed our posture

in the region. Some of it has been the result of the ongoing

conflicts in Iraq and Afghanistan, but our posture in the region is

significant from the standpoint of military capability.

I think the third issue that I would bring out is one of context.

We are, in fact, a nation that has been at war for over 10 years

now. We are a nation that has significant financial issues out there

that we are working our way through.

None of those should be interpreted by the Iranians as limiting

our ability to go in there and do what we need to do. By the same

token, if you look around the yard out there, you have the decisions

on leadership in places like China, Russia, France, U.K., United

States over this year. That is in some part going to affect diplomacy

and discussions and probably has. And it may be interpreted

by the Iranians as a window of opportunity, and so we should be

careful as we move through that period.

The last issue that I would like to cover just briefly here is the

idea of how a weapon is developed and how they might go about

that in the Iranian side. And generally, there are three stages here in the thought process.

The first stage is that you have a limited number of scientists

and technical people who believe that they have at least the

essence of being able to build a device. That leads you through the

reprocessing activities, the enrichment activities, and takes you to weaponization.

In weaponization, again, a limited number of people trying to

understand how to actually put a weapon together that will attain a critical mass and then react.

The third activity is a delivery system. And in the delivery system,

that is a very visible activity, much like an underground test,

but it is a very visible activity that you can watch and we can

watch develop. It takes a lot of capability to develop rockets that

can, in fact, deliver over long distances, but also short distances.

It also takes very precise entry and pointing and those types of

activities which you can watch and takes several years to develop.

The worry here is that things could interrupt the timeline, and the

intelligence community has spoken often to this. But if outside

assistance is gained through intelligence and intellectual capital on

how to reprocess, that could accelerate the process.

If there is someone who understands how to build a weapon, that

accelerates the process. Many people look at weapons and think

this is what it took us, the United States, to do. There is no reason

to build a weapon exquisite—to the degree of exquisiteness that the

United States has. You can develop a weapon in a much more simple

format and do it much quicker. So we have to be careful about

trying to equate our timelines with their timelines.

And then I think the third issue here is one of if you have just

a few scientists, that is a vulnerability. There is always the option,

as we would say, to cut the head of the snake off and remove that capability.

Once a country moves on, the second stage generally is to build

a succession plan. In other words, depth in your scientists, depth

in your engineers, the ability to have people come in behind if you

lose somebody. I would say that is likely and quite possibly where the Iranians are right now.

The third stage is called franchising. This is when you distribute

the capability. You have indigenous capabilities, and they proliferate

to more places than you can obviously find. And that becomes

a very dangerous situation. That is a situation we and the

Israelis are very worried about that we might be approaching and

one that we have to watch very carefully in the assessments.

I think in my mind the breakout is the transition between that

second and third stage to where they start to proliferate intellectual

capital and physical infrastructure. We are starting to see underground

facilities and know about them. That is the type of indicators that we are worried about.

And I will hold at that point and stand ready for your questions.

Could I just offer just a quick comment?

The only thing that I would add to this is that broadcasting to the

Iranian people is like telling them what to think. What we really

need to do is to engender an internal dialogue and the tools to do

that, which allow both collaboration internally and exposure to the

outside.

So the work that many of the agencies have undertaken is to try

to get things like the Internet opened up because the maldistribution

of wealth that is occurring as a result of these sanctions is

going to put pressure on the system.

My sense, Senator, is combined with

Libya, the Arab Spring activities in the region, there is a sense

that they are emboldened more to need some sort of a guarantor

of their sovereignty and that internal the dialogue is such to make

that even more pronounced that see what has happened—see what

happens if we go along with this path of denuclearizing, see what

happens if we give too much of a voice to the populace.

I mean, it is an internal dialogue. That is why I was pushing on

making sure that if we actually embrace trying to give the Iranian

people a way to communicate, it is probably going to be more efficient

than just Voice of America. In other words, having them be

able to talk amongst themselves and with people external is probably

a more powerful weapon than just broadcasting to them.

But they have looked at that lesson. I can’t tell you what is in

their mind, but we have heard reporting along the lines—see what

happens if you go down this path?

This is again supposition, sir. Certainly

trying to guess what the future is going to bring here. But the dialogue

that you would fear and the thought process that you would

fear is one that the acknowledgment that even if they have a dozen

of these weapons, there is no way to win a nuclear exchange. But

these weapons in the hands of a surrogate, even at the onesie or

twosie level, become items that create blackmail scenarios all around the world.

And then what you are trying to do is undermine confidence. The

thought process that one of these could emerge in a city someplace

in the world is a very destabilizing activity and makes the weapon

far more powerful than exploding it.

It is a double-edged sword for them, actually.

On one side, they could see leadership changes that would

favor their position. On the other side, they could see leadership

changes that potentially would change the position of Russia or

China in the P5. They could see the lack of will potentially of

nations to want to go to armed conflict in a year of—— Yes, sir.

Well, a potential scenario is to declare—to

declare either the dash or just to declare that they are going to test

or have tested. We have no way of proving or disproving that action,

and the declaration, in and of itself, is extremely destabilizing.

I have not seen hesitancy on their part to

have a dialogue about the ‘‘what if’’ side of it. But as they lay down,

they want to make sure whoever reads the documents has a clear

view of what they actually know, not what the supposition side of it is.

In conversation, in briefings, they will often get into here is

potential turns, potential misunderstandings of how we are interpreting

the data. I think more what is happening here with our

intelligence community is they are trying to be very precise about

what they actually know and don’t know and then have a dialogue

after that and document that.

My general belief is that a limited strike

would—and we have had that conversation here today—would, one,

probably steel their resolve. In other words, make them more resolved

to move forward. You never know for sure because of all of

the other things that are going on.

But as the franchising of this enterprise, nuclear enterprise

occurs, the effect of bombing and the ability of bombing to actually

find all of the targets becomes problematic, No. 1. And No. 2, the

intellectual capital now has been so diffused that should they continue

to intend, the ability to rebuild is actually well within their power.

And so, it is not a question of trying to eliminate some sort of

thought process by kinetic energy. That usually tends to take you

in the opposite direction. What we want is for the Iranian people

to come to the judgment on their own through a variety of meanings,

sanctions, the threat of force potentially.

My worry is that, like in Iraq and Afghanistan, the bombing

itself is not going to change their mind.

Yes. It would depend on whether they

were getting any assistance in that area from somebody who has

worked in this area and built a weapon themselves. But assuming

that they haven’t, well within a year they would be able to do

something like that. That is after they have gotten the reprocessed

material, not all the way to weapons grade in our construct.

It does. It does. It concerns me from the

standpoint of weaponization reprocessing and then weaponization.

Also concerns me from the standpoint of delivery. The components

that could be manufactured or at least developed in Korea for their

weapons systems, missiles, could easily migrate. And you just have

to worry about that because it would fundamentally change the

timelines to fielding these types of capabilities.

Right.

Could I just add just briefly?

I mean, there are kind of three issues

here. If the adversary doesn’t know what your redlines are, they

don’t know when they cross them. So you have to put them

forward.

If you put them forward and then you negotiate through them,

beyond them, you lose credibility. And the third issue, which I

think we are probably starting to see play out with the Korean

missile launch here that is projected, is other parties may see this

differently than we do. And so, in the case of Korea right now, the

Japanese and their administration are taking a look at alternatives

that we may not be considering.

And so, this is a very difficult area, and making those lines too

bright red oftentimes undermines our credibility.

My sense is you have to have redlines. You

have to put them out, but you have to also understand that you

are entering into a negotiation and that other parties may see

those redlines differently, and it makes it very difficult to move

forward.

You know, you are trying to forecast, and

my crystal ball is probably no better than anybody else’s here. But

the concern would likely be that there would be an initial exchange

of ballistic missiles, short and medium range, which I believe the

Israelis have already put into their calculus and for which the region

is now starting to develop a very robust capability against.

It doesn’t mean it is a shield. It just means the likelihood is diminished.

Then the likelihood of asymmetric actions, as people

have called it, but terrorist type acts that are focused at undermining

the confidence of each of the nations’ populace and government,

and they could take the form of critical infrastructure. They

could take the form of going against civilian population concentrations.

All of those are possible. So that is where things like passive

defenses, stand-off and what not, are important to try to deter

what is generally accepted as nondeterrable type activities, but

remove from the adversary the goal they seek.

The other is that, and we have talked briefly about, is that an

attack like that could very easily steel the resolve of the Iranian

people that, ‘‘See, this is what we have said.’’ And so, I think all

of those are on the very negative side of this activity of considering.

And again, I would never remove this as an option from a President,

but I think our judgment here at the table is that it is not

a good option, and certainly it should be left for the very last.

I think, Senator, the thing that worries me

probably the most here is—and I am trying to choose the words

carefully. It is the proliferation issue of the technology, not necessarily

the pure weaponization or the ownership of weaponization.

It is the fact that the fuel cycle is now very well understood around

the world. That the nodes on the fuel cycle where weaponization

can occur are now known how to make them relatively obscure to

visibility and inspection.

And that that knowledge, that intellectual capital is now moving

and potentially moving faster as a result of this activity and is

likely—you can look at the pattern of Iran versus North Korea—

is likely to emerge in other places. They may emerge in allies. It

may emerge in adversaries.

But that knowledge is not going to be uninvented. So we are—

if you look farther down the road, which I know you do, this problem

is not going away. In the short term, we are worried about

Iran. And the longer term problem for us as a planet is the proliferation

of this activity.