

WRITTEN STATEMENT
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SENATE FOREIGN RELATIONS COMMITTEE
“Reversing Iran’s Nuclear Program”
October 3, 2013

Introduction

Chairman Menendez, Ranking Member Corker, distinguished Members of the Committee: Thank you for inviting me to be here today. It is always a pleasure to return to the Senate and speak with you about an issue we both agree is one of our country’s primary foreign policy challenges.

This hearing comes at a pivotal time for U.S. policy toward Iran. As requested, I will speak about recent talks with the Iranian government at the UN General Assembly in New York, the status of our negotiations, our continued effort to put pressure on the Iranian government, and a potential path forward for diplomacy – including the core actions needed to reach a verifiable agreement with Iran.

Dual Track Policy and Rouhani’s Election

Let me start with a brief survey of our dual track policy to show how we arrived at this point.

As President Obama has stated many times, the United States remains committed to preventing Iran from obtaining a nuclear weapon.

The strategy we have pursued – and continue to pursue – to fulfill this commitment and address the international community’s concerns with Iran’s nuclear program is the dual track policy of engagement and pressure. While our preference has always been diplomatic engagement, we concluded that such engagement would not work absent pressure.

In response, we and our allies, with the President’s and your leadership, have established a robust sanctions regime. I would emphasize that it was the Iranian government’s choices that led to these devastating sanctions, and it will be the Iranian government’s actions in the months ahead that will be a key factor in

determining whether we decide the sanctions should remain in place or whether we can begin to relieve some sanctions pressure as Iran addresses our concerns.

The pressure on Iran has been severe and may lay the groundwork for a diplomatic outcome that addresses our concerns. However, we remain clear-eyed about the challenges ahead and the importance of vigilance, while proceeding in good faith. Through our continued efforts and the work of the Congress – notably through the leadership of the Chairman of this committee, with the support of the Ranking Member – we have leveraged our economic influence effectively to raise the financial stakes for the Iranian government.

In aggregate, we have led the international community in implementing an unprecedented sanctions regime that is having a real and tangible impact. Twenty-three economies have united in significantly reducing or eliminating purchases of Iranian crude oil. In 18 months, Iranian oil exports were cut by more than 1 million barrels per day. Iran's rial has depreciated by approximately 60 percent over the past 24 months. GDP has contracted by over 5 percent in the same period. Iran's access to the international financial sector has been largely severed and its ability to engage in normal economic activity has been sharply curtailed.

The Iranian presidential election last June focused on the economy. Questions of how to engage with the international community on the nuclear file were front and center as President Rouhani, a former nuclear negotiator himself, ran against candidates that included then-current negotiator Saeed Jalili. Rouhani made the case that the failure to pursue a serious agreement on Iran's nuclear program was devastating the Iranian economy – and he won the election.

President Rouhani says he has a mandate – both a popular mandate from the Iranian people and a mandate from Supreme Leader Khamenei – to secure sanctions relief and improve Iran's economic situation, which can only be accomplished by pursuing an agreement that satisfies the international community's concerns over Iran's nuclear program.

As the President reaffirmed last week, we are prepared to test that proposition in a serious way. But we must do our part to ensure the success of this effort and to avoid any measures that could prematurely inhibit our ability to secure a diplomatic solution. Here it will be important that we – the Executive and U.S. Congress – remain in close consultation with each other, and that we ensure we can continue to show the Iranian government that the international community remains firmly united as we begin this process.

Review of Last Week's P5+1 Meeting

Last week, Secretary Kerry and I met with Foreign Minister Zarif and the Foreign Ministers of the P5+1 countries in New York on the margins of the UN General Assembly. Although we have indicated we are open to bilateral dialogue with the Iranians, we have emphasized that a nuclear deal would be concluded and implemented by the P5+1.

In our New York meeting, we made clear that we seek an agreement that respects the right of the Iranian people to access peaceful nuclear energy while ensuring to the world that Iran meets its responsibilities under the Nuclear Non-Proliferation Treaty and U.N. Security Council resolutions.

Foreign Minister Zarif gave a thoughtful presentation and set forth some ideas on how to proceed. He told us that Iran does not seek nuclear weapons and detailed the reasons why it did not make sense for Iran to possess nuclear weapons. We also made clear in return that his words alone, while welcome, are not enough. The test will lie in Iran's actions, to include the development and implementation of specific confidence building measures as well as actions that ultimately address all of our concerns.

So in the coming weeks, we will be looking to the Iranian government to translate its words into transparent, meaningful, and verifiable actions. We enter this period hopeful, but sober. As Secretary Kerry said, no deal is better than a bad deal. So now it is time to see if negotiations can begin in earnest and generate a positive result.

Future Prospects

Let me give you an idea of how we see this process moving forward.

Given the scope of Iran's nuclear program and its history of noncompliance with IAEA Board of Governors and UN Security Council resolutions, as well as the deep mistrust between our two countries, any productive path forward must start with mutual confidence building.

Meaningful, transparent, and verifiable steps are necessary. We will be looking for specific steps by Iran that address core issues, including but not limited to the pace and scope of its enrichment program, the transparency of its overall nuclear

program, and stockpiles of enriched uranium. The Iranians, in turn, will doubtless be seeking some relief from the comprehensive international sanctions that are now in place. We have been clear that only concrete verifiable steps can offer a path to sanctions relief. We look forward to hearing Foreign Minister Zarif's suggested plan when the P5+1 next meet with the Iranian delegation in Geneva on October 15 and 16.

We need to ensure throughout that the international community remains united and does not permit sanctions to prematurely unravel. Let me assure you that we will also continue to vigorously enforce the sanctions that are in place as we explore a negotiated resolution, and will be especially focused on sanctions evasion and efforts by the Iranians to relieve the pressure.

Concluding Thoughts

We are mindful of the serious challenges ahead. But we are also prepared to move expeditiously in pursuit of a diplomatic resolution to this crisis. If there is indeed a diplomatic outcome available, then it is one we must test with good faith and due diligence.

As the President said after his phone call with President Rouhani, "the very fact that this [phone call] was the first communication between an American and Iranian President since 1979 underscores the deep mistrust between our countries, but it also indicates the prospect of moving beyond that difficult history."

Any path to a meaningful agreement will be difficult. Both sides have significant concerns that will have to be overcome. Both sides will also have to demonstrate to one another's satisfaction that any understanding that is reached will be fully implemented. We are prepared to pursue this diplomatic track along with our P5+1 partners, and hope that Iran's actions soon live up to their words.

As we move forward, it will be critical that we continue to move together and take no steps that signal divisions to Iran that it could and likely would exploit. Further, as the effect of our sanctions on Iran depends in part on the actions of our partners, we must ensure that our sanctions do not place an undue burden on those countries. It is not in our interest to create fissures within the international coalition facing Iran, as the impact of our pressure comes from the steps these countries take.

We will continue to raise our other concerns, including Iran's sponsorship of terrorist organizations, human rights abuses, and destabilizing activities across the

region. And we will remain dedicated to the return of U.S. citizen Robert Levinson and U.S.-Iranian dual nationals Saeed Abedini and Amir Hekmati. Every day their families wait for them to come home.

And as we do, we will remain in close consultations with our allies and partners in the region, including Israel, whose security remains a paramount focus. We also hope to continue our close consultation with the Congress, as we have in the past, so that any congressional action is aligned with our negotiating strategy as we move forward.

Thank you again for this opportunity to discuss with this Committee the important developments over the past week in New York. As always, I look forward to regular engagement with you in the weeks ahead and to your questions and comments today.
