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“United States Policy Towards Iran”

INTRODUCTION

Thank you, Chairman Biden, Ranking Member Lugar, and distinguished Members of the Committee. I last appeared before this committee in September to discuss our strategy for addressing the challenges posed by Iran. At that time, Iran appeared to be riding high. The Iranian regime had spurned a historic offer to begin negotiations on its nuclear weapons ambitions with the U.S. and our P-5 partners. Instead, it proceeded openly and in unimpeded fashion in pursuit of a nuclear weapons capability. It was escalating its efforts to fund Hizballah and Hamas and sow discord in both Lebanon and Iraq. At home, the Iranian regime’s disastrous economic policies and radical rhetoric went largely unchallenged, except by the brave efforts of a small number of dissidents and activists.

Since that time, however, the United States – in concert with an ever-widening coalition of concerned states – has taken significant steps to check Iran’s nuclear ambitions, contain its regional trouble-making, and intensify Tehran’s isolation. We have coordinated a series of diplomatic initiatives with allies across the world to knock Iran off its stride, and I believe, put it on the defensive for the first time.

Just this past weekend, the U.S. led the Security Council in a 15-0 vote to condemn and sanction Iran for the second time in three months.

Despite the fulminations of President Ahmadi-Nejad, Iran is not impervious to financial and diplomatic pressure. It is clear to us that concerted international pressure is helping to undercut the Iranian regime’s sense of ascendancy, unnerve its overly confident leadership, and clarify to it the costs of its irresponsible behavior. Indeed, although the Iranian regime remains obstinate and we have not yet succeeded in either stopping altogether its nuclear research programs or blunting its support for terrorism, we are making progress. I believe that this active and focused diplomatic strategy is the best way forward for our country.

As you know, we face a complex, interconnected set of four crises in the Middle East: the need to achieve a stable and more peaceful Iraq; to strengthen the democratically elected government of Lebanon against Iran's, Syria's, and Hizballah's attempt to unseat it; to block Iran's nuclear and regional ambitions; and to establish the foundations for peace between the Israeli and the Palestinian people. The Middle East is now the region of greatest importance for the U.S. worldwide, and our critical interests are engaged in all of these areas. But beyond our responsibility to help stabilize Iraq, nothing is more vital to the future of America's role in the Middle East than addressing the challenges posed by the radical regime in Iran, whose public face is the vitriolic President Mahmoud Ahmadi-Nejad.

For nearly three decades, dealing with Tehran's confrontational ideology and strident anti-Americanism has been a persistent dilemma for our country. But never have the concerns regarding Iran's intentions been more serious, the intricacies of Iranian politics more significant, or the policy imperatives more urgent than they are today. Under President Ahmad-Nejad, Tehran has embarked on a dangerous course—repeatedly defying its obligations under international law and appalling the world with the most abhorrent, irresponsible rhetoric from a

world leader in many years. Ahmadi-Nejad has declared that Iran's nuclear program has "no brakes," and the Iranian regime has brazenly disregarded demands from both the International Atomic Energy Agency and the United Nations Security Council for a full suspension of its enrichment-related and reprocessing activities. We have created a coalition of all the leading countries of the world who are concerned that Iran's so-called peaceful nuclear program is actually designed to produce a nuclear weapon.

Beyond its pursuit of nuclear weapons, Iran has endeavored to sow chaos and instability throughout the region, particularly in the precarious democracies of Iraq and Lebanon, where Iranian-funded militants seek to thwart the democratic will of the Iraqi and Lebanese people. And as the regime has escalated its long-standing and violent rejection of a Middle East peace settlement between the Israeli and the Palestinian people, its human rights record at home has once again taken a dismal turn.

In order to deal with the challenge that Iran poses, we have a policy of applying multiple points of pressure against the Iranian regime. First, we are working at the United Nations and bilaterally to increase pressure on Iran to abandon its apparent quest for a

nuclear weapons capability. As a result, there is now a major international coalition of countries asking Iran to abandon a nuclear weapons capability. This coalition includes all of Europe, Russia, China, India, Brazil, Egypt, and now Indonesia and South Africa. Second, we have applied U.S. financial sanctions on Iran's leading banks. Third, we have used our influence to convince leading European banks to stop all lending to Iran. We have convinced European governments and Japan to begin reducing export credits. Fourth, we continue our efforts to discourage the Iranian regime's support for terrorism and extremism, while expanding engagement with the Iranian people. Finally, we have stationed two carrier battle groups in the Gulf to reassure our friends in the region that it remains an area of vital importance to us and we have taken steps to counter the destructive activities of Iran in Iraq itself. All of these points of pressure have had an impact on Iran, which is now essentially without friends on the nuclear issue.

Diplomacy is our best and preferred course of action in blocking and containing the Iranian regime. I do not believe a military confrontation with Iran is either desirable or inevitable. If we continue our skillful diplomatic course and have the patience to see it play out over the mid- to long-term, I am confident we can

avoid conflict and see our strategy succeed. Our strong hope is that Iran will accept the offer to negotiate with the U.S. and our P-5 partners so that we can achieve a peaceful end to Tehran's apparent nuclear weapons ambitions.

Any effective diplomatic strategy must provide one's adversary with exit doors when, as Iran has certainly done, it paints itself into a diplomatic corner. We have offered the regime a path for direct dialogue, and with the passage of the new UN resolution we will reaffirm that this path remains open. We hope the Iranian regime will seek a constructive end to its isolation and choose to meet us at the negotiating table. Javier Solana has begun, on behalf of the P-5 countries and Germany, an active effort to convince the Iranian government to reconsider our negotiating offer.

We are responding to the challenge of a nuclear-armed Iran with a comprehensive strategy that relies on American diplomatic leadership and the creation over the last two years of a robust multilateral coalition. First and foremost, we have made clear to the Iranian regime that its provocative and destabilizing policies will entail painful costs, including financial hardship, diplomatic isolation, and long-term detriment to Iran's prestige and

fundamental national interests. Secondly, and equally important, we have worked to alter the regime's actions and behavior and convince it that another, more constructive course is available to it.

We have seen both elements of this strategy play out over the past week at the United Nations Security Council (UNSC), where we joined our European partners—France, Germany, and the United Kingdom—as well as Russia, and China in putting forward a robust new sanctions resolution that was adopted by the full Council on March 24. Iran must now face the fact that it is isolated nearly without friends in the world. In last week's vote, the world's largest Muslim nation, Indonesia, one of the Non-Aligned Movement (NAM) leaders, South Africa, and an Arab neighbor, Qatar, all voted against it. This second Chapter VII resolution in three months was a resounding repudiation of Iran's radical nuclear course. This resolution builds on the elements of Resolution 1737, which was a significant milestone following two full years of patient diplomacy among the United States, our European partners, Russia, and China, and represented a crucial turning point in international willingness to pressure the Iranian regime to comply with its obligations.

In addition to reaffirming the requirements set out in UNSCR 1737, the new resolution is substantially stronger than the first in establishing new sanctions on the Iranian Revolutionary Guard Corps Command (IRGC), on Iran's fifth largest bank, Bank Sepah, and on introducing for the first time, measures to reduce countries' export credits made available to stimulate trade with Iran. The resolution establishes additional travel restrictions for Iranians involved in nuclear and ballistic missile programs; expands the number of individuals and organizations subject to travel restrictions and assets freeze; imposes a ban on Iranian arms exports (including to Hizballah and Hamas); urges countries to limit transfers of some weapons to Iran; and encourages both states and international financial institutions to halt new financial assistance agreements and loans with the Iranian government. All of these measures are carefully targeted to isolate the Iranian regime and make clear to it that it will face increasing costs for its continued defiance.

While we are acting vigorously to isolate the Iranian government, we are also offering to it a diplomatic way forward by seeking engagement with Iran. Secretary Rice and her P-5 Foreign Minister colleagues issued a statement just after the UN resolution passed last week reaffirming our strong



desire to find a way to the negotiating table. Javier Solana has reached out to the Iranian government on our behalf to attempt once again to convince Iran to join the talks. For this reason, Secretary Rice has agreed to join her P5+1 colleagues in direct discussions with Iran regarding the nuclear and other issues “at any place and at any time,” provided Iran verifiably suspends its enrichment-related and reprocessing activities. This avenue continues to represent the best path for Iran to satisfy the international community’s concerns about its nuclear program, and for Iran and the United States to move toward resolving our differences.

Iran must know that the world is united in our aim to deny it a nuclear weapon. Our coalition is diverse and robust, and it has only grown stronger as Iran’s defiance has persisted. Leading states across the globe – including India, Egypt, and Brazil – supported this effort at the International Atomic Energy Agency. The governments of Russia, China, Japan and our many European allies are committed to our joint effort to thwart Iran from crossing the nuclear threshold. The Iranian government finds itself in profound isolation on the nuclear issue.

Outside of the Security Council, we have worked cooperatively with major governments to curtail

business transactions tied to Iran's nuclear activities and support for terrorism. Under the International Emergency Economic Powers Act (IEEPA), we have sanctioned Iran's Bank Sepah and cut off Iranian state-owned Bank Saderat from all access to the U.S. financial system. As my colleague, Treasury Under Secretary Stuart Levey and I discussed with the Senate Banking Committee last week, these steps have had a snowball effect, as banks and businesses worldwide are recognizing the serious risk associated with Iran and are beginning to scale back their Iran activities. In 2006, several leading European banks reduced lending to Iran. I expect international financial institutions will make this same choice now that we have passed a second Chapter VII resolution.

We have also acted to blunt Iran's regional ambitions. In Iraq, Iran continues to provide lethal support to select groups of Shia militants who target and kill U.S. and Coalition troops, as well as innocent Iraqis. We have made clear to Tehran that this is absolutely unacceptable, and our troops on the ground in Iraq are acting to disrupt Iran's networks in Iraq that provide deadly weapons to Iraqi groups. These actions are consistent with the mandate granted to the Multi-National Forces in Iraq by both the United Nations Security Council and the Iraqi Government to take all necessary measures to

contribute to the maintenance of Iraq's security and stability. We have an absolute and indisputable obligation to defend our soldiers from such attacks.

At the same time, we are supporting the Iraqi Government's efforts to solicit international support for stabilizing Iraq. To this end, the United States joined representatives of Iraq's neighbors and the P5 in Baghdad on March 10 as part of an Iraqi-led effort to discuss strategies to end bloodshed and sectarianism. We hope Iran will commit itself to a constructive and positive role in Iraq as a result of those discussions, and along with other neighbors it will work for peace and stability in the region. We expect these discussions with all of Iraq's neighbors and other concerned countries to resume in the near future.

We are also working with France, Saudi Arabia, Egypt, Jordan, and others to signal our strong support for Prime Minister Siniora's democratically elected government in Lebanon, to enforce the arms embargo imposed by Security Council Resolution 1701, and to prevent Iran and Syria from rearming Hizballah. We have stationed two carrier battle groups in the Gulf, not to provoke Iran, but to reassure our friends in the region that it remains an area of vital importance to us. And at the regional level, Secretary Rice last

autumn launched a series of ongoing discussions with our Gulf Cooperation Council partners, as well as Egypt and Jordan, regarding issues of shared concern, including most especially the threat posed by Iran.

Combined with our long-term efforts to promote peace and stability in the region and reassure allies, including Israel, these steps mark the natural evolution of our efforts to demonstrate international resolve against Iran's disregard for international law and its aspirations to dominate the region. And they have all had an impact. Iran is now more isolated and under more intense international scrutiny than ever before.

Part of charting a new course for U.S.-Iranian relations is intensifying our engagement with the Iranian people. While it is now not feasible for us to have formal diplomatic relations with Iran, it is within our grasp to bridge the divide between our peoples. So in addition to our diplomatic efforts to persuade Tehran to alter its foreign policy, we have launched a program to increase contacts between the American and Iranian peoples. We sent the U.S. National Wrestling Team to compete in Iran in January; we are also bringing hundreds of Iranians on exchange programs to the United States. These efforts have been helped tremendously by

Congressional support for the Administration's 2006 supplemental funding request. In the long-term, assuaging the separation between our peoples is critical to overcoming the nearly 30-years estrangement that currently divides the U.S. from Iran.

Our diplomatic success vis-à-vis Tehran, and the endurance and vitality of our international coalition, are no small achievements. They reflect the leadership of President Bush and the sustained efforts of Secretary Rice, the State Department, and contributions from other government agencies. As the President and Secretary Rice have reiterated—and I cannot emphasize this enough—we seek a diplomatic solution to the challenges posed by Iran.

Today, I would like to provide some details on the additional steps we are pursuing at the United Nations and bilaterally to increase pressure on Iran to abandon its quest for a nuclear weapons capability. I will also touch briefly on our continued efforts to discourage the Iranian regime's support for terrorism and extremism, while expanding engagement with the Iranian people.

## **IRANIAN NUCLEAR PROLIFERATION**

The greatest immediate threat posed by the Iranian regime is its pursuit of a nuclear weapons capability. For some 18 years, Iranian leaders pursued a clandestine enrichment program and other undeclared nuclear activities in violation of their international obligations. It is this continued abuse of the world's trust that is at the heart of the international community's impasse with Iran.

The United States and the entire permanent membership of the UN Security Council recognize Iran's right to peaceful, civil nuclear energy under relevant articles of the Nuclear Non-Proliferation Treaty (NPT). However, that right comes with responsibilities, paramount among them a legal obligation to forgo the pursuit of nuclear weapons and to subject all nuclear activities to International Atomic Energy Agency (IAEA) monitoring. As IAEA Director General ElBaradei's most recent report to the Security Council makes clear, the Iranian regime remains in noncompliance with its international obligations and has been anything but transparent. Despite multiple requests over more than three years, the regime has yet to clarify several outstanding issues and the IAEA is unable to verify that Iran's program is solely peaceful.

A review of Dr. ElBaradei's report is instructive and alarming. Iran has repeatedly failed not only to meet the IAEA's requirements; it has also failed to even have the courtesy of responding to many of the IAEA's direct questions on behalf of a concerned international community.

The regime has refused to enable the IAEA to clarify the past history of its P1/P2 centrifuge work, plutonium separation experiments, and uranium contamination. It has refused to agree to IAEA requests for access to Iranian officials and documentation, including a 15-page document that describes the procedures for casting and machining uranium into hemispheres, for which the only plausible purpose is manufacturing nuclear weapons. And it has refused to accept and implement the safeguards measures that the IAEA believes are necessary to ensure non-diversion of enriched uranium at the Natanz enrichment plant.

The Iranian regime has, of course, had sufficient time to clarify questions regarding its nuclear activities. Since 2003, the IAEA Board of Governors has called on Iran to meet its obligations under the Nuclear Nonproliferation Treaty. The UN Security Council called on Iran several times—both in March 2006 and again in July 2006—to suspend all enrichment-

related and reprocessing activities and to cooperate with the IAEA's ongoing inspections. Iran, however, ignored these requests as well as the generous P5+1 incentives package offered last June. Faced with the Iranian regime's blatant disregard for its international nuclear obligations, the UN Security Council had no choice but to unanimously adopt Resolution 1737 on December 23, 2006, and 1747 on March 24, 2007. If Iran does not comply with UN Resolution 1747 by May 24, it will be subject to even stronger sanctions in a third resolution. And in the face of Iran's continued defiance, we expect that the Council will continue to incrementally increase pressure on Iran.

While President Ahmadi-Nejad continues to scorn the Security Council's efforts and declare its Resolutions "torn pieces of paper," we have observed that the international community is increasingly determined to prevent Iran from obtaining a nuclear weapons capability. We see evidence of this in our unprecedented cooperation with our European partners at the UNSC—cooperation one country recently described as "the best in more than a decade." We see evidence of this in Russia's decision to suspend cooperation on the Bushehr reactor until Iran complies with its international obligations. And we see evidence of this in the international community's concerted efforts to



implement these two Chapter VII sanctions resolutions and cooperate on other financial measures outside of the UNSC framework.

## **FINANCIAL PRESSURES**

Over the past several months, Treasury Department Under Secretary Stuart Levey and I have engaged with foreign governments and private firms, reminding them of the financial and reputational risks of doing business with Iran. Iran is one of the largest beneficiaries of official export credits and guarantees, with \$22.3 billion in exposure reported by OECD countries as of the end of 2005. Noting that a number of major international banks have now reduced their business with Iran, we are also encouraging governments in Europe and Asia to reduce the official export credits they provide to Iran. Governments should not take on the financial risk that private companies are facing in that country. Europe should now repudiate a business as usual approach with Iran. Many countries share our concerns and are starting to decrease their official lending. Some countries have capped their exposure at current levels, while others have begun scrutinizing Iranian credit applications to ensure they comply with the strict, nonproliferation guidelines contained in Resolution 1737. France, Germany, and Japan have reduced export credits limits sharply for

Iran, while others have committed privately to doing the same, and especially, reducing the medium and long-term credits that Iran uses for capital goods and project finance.

Under domestic legal authorities, we have designated Iranian entities associated with Iran's weapons of mass destruction and missile programs, effectively denying them access to the U.S. financial system. Termination of Iran-based Bank Sepah and Bank Saderat's ability to conduct transactions in dollars has further limited that access and we are asking other nations to follow our lead.

We also worked last year with Congress on the reauthorization and amendment of the Iran and Libya Sanctions Act (ILSA) which, thanks to the success of our diplomatic and economic efforts with respect to Libya, is now simply the Iran Sanctions Act (ISA). ISA has been valuable in emphasizing to foreign government our concerns about Iran and highlighting the risks of investing there. Indeed, we attribute the continued lack of investment in Iran's oil and gas sectors, in part, to ISA. We could not support, however, modifications to this act now being circulated in Congress that would turn the full weight of sanctions not against Iran but against our allies that are instrumental in our coalition against Iran.

We will continue to engage relevant companies and countries regarding their potential investment in Iran's oil and gas sector. In making clear our opposition to such deal, we have emphasized how they would undermine international efforts to resolve the nuclear issue, as well as the legal implications of future investment under our law. Most of these deals remain in the negotiation stage. Our discussions are intended to diminish the likelihood of seeing them finalized. More broadly, Iran continues to encounter great difficulties in attracting foreign investment to its hydrocarbon sector and few foreign companies have committed to developing Iranian oil and gas fields. Iran's own behavior and policies have contributed to this situation, but ISA has also helped.

The net-effect of these efforts, along with those at the UN, has been to make it more difficult for the Iranian regime to fund its illegal nuclear efforts.

## **CURBING IRAN'S DESTABILIZING ACTIONS ABROAD**

Looking beyond its nuclear aspirations, the Iranian regime's aggressive foreign policy and hegemonic aspirations constitute an increasing threat to regional security and U.S. interests.

I noted in my opening remarks our serious concerns regarding Iran's lethal support to Iraqi militants, and the steps we are taking to counter these destructive activities in Iraq. But Iranian interference is also evident in Lebanon, where its efforts to rearm and financially bolster Hizballah threaten to set back the democratic progress of the past two years. President Ahmadi-Nejad's repeated threats to "wipe Israel off of the map," and the regime's internationally condemned Holocaust denial conference in December, highlight regime hostility toward a major U.S. partner and a United Nations member-state—as does continued Iranian financial and military support to Palestinian terrorist groups such as Hamas and Palestinian Islamic Jihad.

As Secretary Rice noted during recent testimony to the House Appropriations Subcommittee on State, Foreign Operations, and Related Programs, we are intensifying our efforts to lay the foundation for a Palestinian state that can exist peacefully alongside Israel. We have also enhanced our support to Lebanon's democratically elected government, and will sustain our efforts to enforce all applicable UN Security Council resolutions pertaining to the rearmament of Hizballah. Secretary Rice's trip to the Middle East this week sought to achieve these important objectives.

More broadly, we are enhancing our security cooperation with longstanding partners throughout the region. The deployment of a second aircraft carrier battle group to the Gulf reinforces these efforts, reassures our allies, and underscores to Tehran our commitment to protect our vital interests.

### **BLOCKING IRAN'S SUPPORT FOR TERRORISM**

No discussion of Iran would be complete without mentioning the regime's long and established record of supporting terrorism.

Tehran has long been the world's leading state sponsor of terrorism; the regime sponsored and was responsible for the deaths of hundreds of Americans in the 1980s and 1990s. Through its efforts to rearm Hizballah, the Iranian regime has violated its obligations under UNSCR 1701 and it has violated UNSCR 1267 and successor resolutions by failing to impose sanctions on al-Qaida and continues to refuse to bring to justice or confirm the whereabouts of senior al-Qaida members it detained in 2003.

Recognizing Iran's role as the central banker of global terrorism, the Departments of State and the Treasury have enlisted foreign support in efforts to

deny suspect Iranian individuals and entities access to the international financial system. The termination of Iranian Bank Saderat's "U-turn" authorization effectively prohibits one of Iran's largest banks from conducting business in U.S. dollars.

Utilizing E.O. 13224, Treasury has also designated two entities (Bayt al-Mal and the Yousser Company for Finance and Investment) that have functioned as Hizballah's unofficial treasury by holding and investing the group's assets and serving as intermediaries between the terrorist organization and international banks. Additionally, we have disrupted Hizballah's financial support network by designating and blocking the assets of individuals and two entities affiliated with Hizballah in the Tri-Border region of South America.

### **EMPOWERING IRANIAN CIVIL SOCIETY**

Before I conclude, I would like to discuss briefly the Iranian regime's repressive treatment of its own people. The regime recently celebrated the anniversary of the 1979 Revolution. But the history of the past 28 years has been a betrayal of the aspirations of the Iranian people.

The regime's record of human rights abuse remains among the worst in the world. As our recently released annual Human Rights Report emphasizes, this record has worsened over the past year. The regime denies its people freedom of expression by cracking down on journalists and bloggers, closing independent newspapers, censoring internet use and blocking satellite dish ownership—all in an effort to control its citizens' access to information. These actions prompt a basic question: why is this regime so afraid of its own people?

We believe the Iranian people deserve better from their leaders. To counter the regime's abuses, we are promoting greater freedom in Iran by funding a variety of civil society programs.

As a result of the generous \$66.1 million in funding from Congress in the FY 06 Supplemental, we have implemented a wide range of democracy, educational, and cultural programs, as well as significantly expanded our efforts to improve the free flow of information to the Iranian people. \$20 million of these funds are going to support civil society, human rights, democratic reform and related outreach, while \$5 million was given to the Bureau of International Information Programs (IIP) for increased Persian language electronic and speaker

programming about American society, institutions, policy and values. An additional \$5 million was allocated to the Bureau of Education and Cultural Affairs (ECA) for new cultural and educational exchange programs to increase mutual understanding between our two peoples. The Congress allocated the remaining \$36.1 million of FY 2006 supplemental Iran funds directly to the Broadcasting Board of Governors (BBG) for media programming into Iran, including our VOA Farsi television service and Radio Farda.

Our programs are open to all who are committed to peaceful, democratic progress in Iran. Their goal is to support different parts of Iranian society by promoting basic human rights and religious freedoms; building civil society; improving justice, accessibility and the rule of law; and promoting a deeper understanding of our culture, values, and ideas.

Given Iran's restricted political climate, progress toward our goals has been predictably difficult. But we are moving forward, and many brave men and women are helping promote basic civil rights and the necessity of political dialogue. In the long-term, we hope that a more open political climate that



encourages, rather represses, dialogue, will stimulate a change in the behavior of the Iranian Government.

### **ENGAGING THE IRANIAN PEOPLE**

State Department officials are also reaching out to the Iranian people to convey our policies. Secretary Rice and I have given interviews on Persian language media highlighting the Iranian people's aspirations for increased respect for human rights and civil liberties, as well as a more democratic, open government.

With the recently appropriated funds, the United States has resumed official educational and cultural exchange programs between the United States and Iran, which the U.S. Government suspended at the time of the Iranian Revolution in 1979. In late 2006, a group of medical professionals were the first Iranians to visit the United States as part of this reinvigorated effort. Their non-political visit brought them in contact with medical professionals from the Centers for Disease Control, Harvard Medical School, and other major medical institutions. Several professional, athletic, and cultural exchanges are planned for 2007, with the goal of building greater understanding between the people of the United States and of Iran. Additionally, we are encouraging American athletes, artists, religious leaders and

others to visit Iran, as well, to help promote greater mutual understanding. It is our hope that increased exchanges will provide the Iranian people with a clearer and more accurate understanding of American society, culture and democratic values.

For FY 2008, the President has requested over \$100 million in Iran funding, including roughly \$20 million for VOA's Persian service and \$8.1 million for Radio Farda, as well as \$5.5 for consular affairs, and \$75 million in economic support funds to civil society and human rights projects in Iran. We appreciate the Committee's continued support of efforts in these areas which are a vital component of our comprehensive Iran strategy.

## **CONCLUSION**

The United States is committed to pursuing a diplomatic solution to the challenges posed by Iran and we are making every effort to improve U.S.-Iranian relations. But that cannot happen without a change in the Iranian regime's actions and policies.

Secretary Rice offered the Iranian Government an extraordinary opportunity, in June 2006, when she pledged to engage in direct talks alongside Russian, China, and our European partners if Iran verifiably

suspends enrichment and cooperates with the IAEA. This offer remains on the table, and we will continue to make clear to the Iranian regime that the best way to ensure its security is by complying with, not ignoring its international nuclear obligations and by seeking peace through negotiations with the U.S. and our partners. As the President has stated, we look forward to the day when the Iranian people live in freedom and America and Iran can be good friends and close partners in the cause of peace.

