

WRITTEN STATEMENT
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HOUSE FOREIGN AFFAIRS COMMITTEE
“Iran and Syria: End Game and How Do We Get There”
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Chairman Ros-Lehtinen, Ranking Member Berman, Distinguished
Members of the Committee: thank you for inviting me to appear before you today
to discuss the Department of State’s goals with regard to Iran and Syria and the
strategy we are implementing to achieve them.

I would like to begin by dedicating this testimony to Philo Dibble, Deputy
Assistant Secretary for Near East Affairs, who passed away unexpectedly two
weeks ago. Philo was an exceptionally well-respected career member of the
Foreign Service who devoted most of his career to the Middle East. For the past
year, he dedicated his deep regional expertise and knowledge to advancing our
policy on Iran. The loss of his wisdom and leadership is a profound one for the
Department and for our country.

The regimes in power in Iran and Syria pose distinct yet related threats to
global and regional security. For both countries, we are determined to support
Iranian and Syrian citizens as they strive to hold their governments accountable for
their brutal and repressive actions against their own people. We also seek to

eliminate their destabilizing influence on their neighbors and the rest of the world. In the case of Iran, that means addressing the continued threat posed by the Iranian regime's nuclear ambitions, its support for international terrorism, its destabilizing activities in the region, and its human rights abuses at home. For Syria, we support a peaceful transition to a government by consent of the governed -- a government based on the rule of law without privilege or penalty on the basis of sect, ethnicity or gender. Regarding Iran, the world today is unified to an unprecedented degree in its concern that a nuclear-armed Iran would undermine the stability of the Gulf region, the broader Middle East, and the global economy. In defiance of U.N. Security Council and IAEA Board of Governors resolutions, Iran has continued to expand its sensitive nuclear activities, and refuses to cooperate with the IAEA, raising strong, legitimate concerns about the purpose of the nuclear program. Beyond the nuclear issue, Iran continues its longstanding support to terrorist organizations such as Hizballah, Hamas, and Palestine Islamic Jihad (PIJ), as well as by its support to newer proxy militia groups in Iraq.

But, these efforts belie a regime that is actually far more vulnerable and weakened than it would like to project. 2011 has been a harsh wake-up for the Islamic Republic of Iran. Iran's government has failed in its efforts to co-opt uprisings in the Arab world and claim its 1979 revolution as inspiration. No popular movement in the region has looked to Iran as a model for change; the only

entity that turned to Iran was another autocratic regime in Syria trying desperately to hang on to power. Iran has further undermined its standing among Muslims and further strained its bilateral relations in the region by helping the failing regime of Bashar al-Asad to brutally crack down against Syrian citizens. Misreading the stark warning message from the Arab Awakening, Iran's government continues to arrest, imprison, and persecute Iranians who dare to ask for accountability and transparency from their government, as well as just and fair treatment for ethnic and religious minorities.

To address the continued threat posed by the Iranian regime's nuclear ambitions, its support for international terrorism, its destabilizing activities in the region, and its human rights abuses at home, the U.S. has led a sustained and broad international campaign to exact steep costs for the regime and to complicate its ability to pursue these policies. Iran today faces tough economic sanctions and broad diplomatic pressure, and though it aspires to regional and even global leadership, its current policies have made it an outcast among nations.

At the same time, we and our allies remain wholly committed to supporting the Iranian and Syrian people and their demands for freedom, justice, and democracy. We are using a wide range of diplomatic tools, including capacity-building programs for civil society and the very visible steps Ambassador Robert

Ford has taken to demonstrate support for the Syrian people, to ensure that the voices of Iranian and Syrian citizens are heard and to demonstrate our solidarity with them. Our message to Iran and Syria is clear: the path you are taking is unsustainable, isolating, and too costly to continue.

American policy regarding Iran remains unambiguous. First and foremost, we must prevent Iran from acquiring nuclear weapons. Its illicit nuclear activity is one of the greatest global concerns we face, and we will continue to increase the pressure until the Iranian regime engages the international community with seriousness and sincerity and resolves its concerns. But pressure is not an end unto itself. It may provide the impetus to Iranian action, but does not prescribe the measures that are necessary to build international confidence in Iranian nuclear intent. To that end, we have offered to meet with Iran and have proposed confidence-building and transparency arrangements that offered practical incentives. Unfortunately, Iran has failed time and again to reciprocate and to take advantage of these opportunities. As a consequence, more than ever, world pressure is mounting on Iran. Last year, the United States led a successful effort in the UN Security Council to adopt Resolution 1929, which led to the toughest multilateral sanctions regime Iran has ever faced. The resolution strengthened previous UN resolutions and provided a platform upon which the European Union, Norway, Australia, Canada, South Korea, Switzerland, and Japan implemented

strict domestic measures to bolster the measures of UNSCR 1929.

The efforts made by the Congress, by all of you, have also effectively sharpened American sanctions, particularly against Iran's energy sector and the regime's human rights abuses. When President Obama signed into law the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA, which amended the Iran Sanctions Act of 1996) in early July, 2010, the Administration and the Congress sent an unmistakable signal of American resolve and purpose, expanding significantly the scope of our domestic sanctions and maximizing the impact of new multilateral measures. Since then, the Administration has imposed sanctions on a growing list of individuals and entities responsible for Iran's expanding scope of unauthorized activities, and these sanctions are raising the cost, time, and energy required for Iran to pursue its current policies.

In September 2010, Secretary Clinton imposed the first sanctions any administration had ever imposed under the Iran Sanctions Act. To date, the State Department has sanctioned 10 foreign companies for doing business with Iran's energy sector. Further, CISADA's "special rule" has worked exactly as intended: it gave us the flexibility and leverage to persuade multinational energy firms Shell, Statoil, ENI, Total and INPEX to withdraw from all significant activity in Iran.

The companies also provided clear assurances that they would not undertake any sanctionable activities in Iran's energy sector in the future, and in doing so, forfeited billions of dollars of investments. In addition, Repsol abandoned negotiations over several phases of the South Pars gas field.

Other successes under CISADA include the fact that major energy traders like Russia's Lukoil, India's Reliance, Switzerland's Vitol, Glencore, and Trafigura, Kuwait's Independent Petroleum Group (IPG), Turkey's Tupras, France's Total, and Royal Dutch Shell have stopped sales of refined petroleum products to Iran. Iran has had to redirect production facilities from valuable petrochemical export production in order to manufacture refined petroleum for domestic sale. Furthermore, Reliance, India's largest private refiner, announced in 2010 it would not import Iranian crude.

Investment in Iran's upstream oil and gas sector has dropped dramatically, forcing Iran to abandon liquefied natural gas projects for lack of foreign investment and technical expertise, after Germany's Linde, the only supplier of gas liquefaction technology to Iran, stopped all business with it. South Korea's GS Engineering and Construction cancelled a \$1.2 billion gas processing project in Iran. Outside of Iran, British Petroleum chose to shut down production from a

North Sea platform co-owned with the Iranian Oil Company, to ensure compliance with EU sanctions. Trans-Adriatic Pipeline (TAP) partners announced that the pipeline, once constructed, would not be used to transport gas from Iran.

Iran's national airline, Iran Air, is also paying the price for having its aircraft misused for proliferation purposes, and providing services to the IRGC. Most major fuel providers have terminated some or all of their Iran Air contracts, including British Petroleum, Royal Dutch Shell, Total, OMV, and Q8. Iran Air is finding it difficult to find sources to replace these suppliers, not to mention places to land.

Iran is increasingly isolated from the international financial system, as Under Secretary of Treasury Cohen's testimony describes in detail. Virtually all of the world's first-tier banks have concluded that the Iranian market is not worth the reputational risk posed by deceptive Iranian practices. They understand the consequences of both willfully and inadvertently facilitating an illicit transaction, and have severely curtailed their interactions with Iranian banks. The Administration is looking very closely at further measures that will drive home the message that any bank doing business with banks that do business with terrorists puts its own reputation at risk of international sanction and condemnation.

Iran's shipping is also under international pressure. Large shipping companies such as Hong Kong-based NYK are withdrawing from the Iranian market, and reputable insurers and reinsurers such as Lloyd's of London, no longer insure Iranian shipping. Iran's shipping line IRISL, has been exposed for its complicity in the shipment of goods in violation of Security Council resolutions, as noted by the UN's Iran Sanctions Committee. IRISL has been sanctioned by the United States, the EU, Japan, South Korea, and others. Difficulty in repaying loans and maintaining insurance coverage has led to the detention of at least seven IRISL ships. Major shipbuilding companies are refusing to build ships for IRISL. As a direct result of the international pressure we helped build, IRISL ships have a harder time finding ports of call, particularly in Europe.

Other major companies have voluntarily opted out of the Iranian market, including automotive firms Daimler (German), Toyota (Japanese), and Kia (South Korea), as well as Germany's ThyssenKrupp. Caterpillar prohibited its non-U.S. subsidiaries from exporting to Iran. Switzerland's ABB Ltd., Ingersoll-Rand Plc, and Huntsman Corp. have ended business with Iran.

The result of our strategy is an Iran that is isolated economically and finding dwindling options for doing business internationally. But, importantly, Iran is

facing these problems because of *targeted* sanctions and the voluntary decision by international firms to exit the Iranian market. Our sanctions approach continues to seek to undermine Iran's ability to engage in illicit conduct, with measures against Iran's energy sector removing an invaluable source of funding that Iran could apply to that conduct. In spite of the high price of Iranian crude on world markets, Iran's aggregate economy also seems to be weakening. These effects will increase as sanctions implementation continues to improve, especially if the recent decline in the price of crude oil continues.

These efforts are directed toward achieving our goals of persuading Iran to comply with its international obligations to prove the exclusively peaceful nature of its nuclear program and to engage constructively with the P5+1. On September 21, I participated in a meeting of the P5+1 countries in New York, where we and our partners, including Russia and China, reiterated longstanding and grave concerns about Iran's installation of centrifuges at the formerly-covert enrichment plant at Qom, about its stepped up production of 20% enriched uranium, and about the possible military dimension of Iran's program (a concern notably shared by the IAEA). We also reconfirmed the dual-track strategy of engagement and pressure. It was a strong and unified statement. It concluded that the P5+1 would be willing to hold another meeting with Iran, but only "if Iran is prepared to engage more seriously in concrete discussions aimed at resolving international concerns about

its nuclear program.” If, however, Iran simply seeks to buy time to make further progress in its nuclear program, it will face ever-stronger pressures and ever-increasing international isolation.

We will continue to work with Congress as we implement both tracks of the dual-track policy. We believe that, in the short term, further improvements in international implementation, based on our current authorities, offer the best way to increase pressure on Iran. As Congress considers additional authorities, we would like to work with you to ensure that any additional steps we take will strengthen the international consensus and global pressure against Iran's nuclear program. The most effective sanctions are those taken by a large portion of the international community, which requires close coordination with friends and allies, as well as a targeted approach. Convincing them to take action will require us to carefully calibrate our outreach to the individual circumstances of specific countries and sectors. It will also require flexibility to find creative and proactive tools to convince Iran that it cannot continue to pursue its nuclear ambitions.

Sanctions are doing more than raising the cost of continuing illicit nuclear activity; they are finally shining a spotlight on some of the individuals and entities perpetrating egregious human rights abuses against Iranian citizens. Using CISADA, we have designated 11 individuals and three entities for human rights

violations, and we continue to compile more information and evidence that will allow us to identify more murderers, torturers, and religious persecutors. We have taken a firm stand on the Iranian regime's violations of human rights, including the repression of religious minorities as exemplified by the death sentence handed down by Iranian courts against Pastor Youcef Nadarkhani simply for following his own chosen religion had it not been for the immediate condemnation from world leaders, religious groups, and NGOs. At the same time, we are offering capacity-building training programs, media access, and exchanges to help Iranian civil society strengthen their calls for accountability, transparency, and rule of law. The Iranian opposition's desire to operate without financial or other support from the United States is clear. We are committed to using available and effective diplomatic tools to assist those who want our assistance in speaking out and defending fundamental rights and freedoms. The United States will always support the Iranian people's efforts to stop government-sanctioned harassment, detention, torture, imprisonment, and execution of anyone who dares express ideological, religious, or political differences from the regime's repressive, totalitarian vision.

We engage regularly with like-minded countries to develop shared approaches to increase the pressure for a change in the Iranian government's behavior. In July, the United States and United Kingdom, with the support of

Canada, imposed visa restrictions on Iranian government officials and other individuals who were responsible for or participated in human rights abuses, including government ministers, military and law enforcement officers, and judiciary and prison officials. We welcome the European Union's announcement this week of more than two dozen additional travel bans. There is absolutely no cause for allowing petty tyrants to trot around the globe while suffering and repression continues unabated inside Iran. International pressure and condemnation on this point is growing: We worked with Canada to pass a UN General Assembly resolution last year condemning Iran's human rights abuses. This condemnation attracted a larger margin than any similar resolution in the past eight years. It may seem small, but every pro-regime vote we strip away on resolutions like this is one fewer fig leaf for the Iranian regime to hide behind as they murder and torture their own people, and we will continue to press measures large and small at every opportunity.

We were leaders in an effort in the UN Human Rights Council in March to create a Special Rapporteur on Iran, the first country-specific human rights rapporteur since the Council's creation. Special Rapporteur Ahmed Shaheed, a former foreign minister of the Maldives and respected human rights advocate, will serve as an independent and credible voice to highlight human rights violations by the government of Iran. All of these multilateral efforts reinforce our strong

domestic actions that prove that Iran's attempts to undermine universal rights and deceive the world only further isolate it from the global community.

In my new role as Under Secretary for Political Affairs, I look forward to working closely and transparently with members of Congress to prevent Iran from acquiring nuclear weapons, curtail its support for terrorism, make it more difficult for Iran to interfere in the region, and deter the regime from committing human rights abuses against its own people.

In Syria, the regime has responded to the international community's calls for Asad to step aside with hollow promises of reform, conspiracy theories and escalating violence. In its effort to cling to power, the regime is executing a deliberate and bloody strategy of channeling peaceful protest into armed insurrection. Its brutal actions have resulted in over 2,900 deaths and many more thousands of cases of assault, arbitrary detention and torture since the unrest began in March, according to the UN High Commissioner for Human Rights. The regime is also stoking the fears of Syria's minority communities with blatant propaganda about foreign conspiracies and domestic terrorism while cynically claiming that it is their only protection from sectarian violence. Make no mistake: the regime is responsible for the cycle of violence and sectarianism. The Syrian people are

resisting it, but the regime is working diligently to fulfill its own prophesy of inter-communal violence.

While the protests in Syria have thus far been overwhelmingly peaceful, military defectors and civilians under siege are beginning to take up arms as they are faced with increasingly brutal repression and are denied the political space to organize and make their voices heard. And while there have indeed been some cases of attacks on security forces, the vast majority of those killed are unarmed civilians, including those tortured and killed while in government custody.

Nevertheless, we urge the opposition to continue to reject violence. To do otherwise would play into the regime's propaganda and, frankly, make its job of brutal repression easier. The regime knows how to handle armed insurrection, but not peaceful protest and civil disobedience.

Iran continues to lend a bloody hand to the Asad regime, its closest ally, by providing material and technical support to the regime's campaign against the Syrian people. There can be no doubt that acquiescence to instruments of repression inside Iran, like the Basij and IRGC, also gives aid and comfort to abusers and repressors outside. Cynically capitalizing on the Syrian government's

growing alienation from its Arab neighbors, Iran is seeking to increase its influence in Syria and help Asad remain in power at any cost. Aside from flimsy calls for unspecified “reforms,” Iran’s government has done nothing to pressure the regime to stop the violence or respond to the legitimate demands of the Syrian people. Instead, Iranian support is a pillar of Asad’s edifice of terror and repression.

Our message to the Syrian people and the political opposition is one of unity. We maintain that the voices of all factions of Syria’s diverse society must be heard and respected. The establishment of the Syrian National Council, a coalition of secularists, Christians, Islamists and Kurds from both inside and outside Syria who have joined together to form a united front against the Asad regime, is a positive step. We do not endorse any specific opposition group –the Syrian people must decide who can legitimately represent them. But we encourage the opposition to maintain unity, articulate a clear and common vision, develop a concrete and credible transition plan for Syria, and reach out directly to minority communities in Syria and abroad.

Since the beginning of the Syrian unrest, the Administration has pursued targeted financial measures to increase pressure on the Syrian regime and its enablers. We have specifically targeted those responsible for human rights abuses, senior officials of the Syrian government, and the regime’s corrupt business

cronies. On August 18, President Obama signed a new Executive Order that blocks the property of the Syrian government, bans U.S. persons from new investments in or exporting services to Syria, and bans U.S. imports of, and other transactions or dealings in, Syrian-origin petroleum or petroleum products. These are some of the strongest sanctions the U.S. government has imposed against any country in the world. In addition, European sanctions banning the purchase of Syrian petroleum products—the regime's most important source of foreign exchange—and placing restrictions on the Syrian Commercial Bank have had an arguably greater impact given the larger volume of Syrian trade with Europe. We will continue to work with the international community, to urge them to take additional measures to strangle the regime's cash flow and urge President Asad to step aside. Additional measures we are seeking include asset freezes and travel bans on regime officials and regime enablers, working with Syria's neighbors to prevent the smuggling of cash and goods across borders, and thwarting regime efforts to circumvent U.S and EU oil sanctions.

Meanwhile, Ambassador Ford has been doing an exceptional job in providing Washington policy makers with a clear perspective of what is happening in Syria. He has boldly delivered strong messages to the Syrian regime and met repeatedly with opposition figures and civil society. This Administration's principled stand against Asad's brutality, and the Ambassador's own actions to

show solidarity with the Syrian people, have led to attacks and intimidation by the regime against Embassy Damascus and Ambassador Ford himself. In this way, his active presence in Syria shows our resolve to pressure the Syrian regime to end its senseless killing, demonstrates our solidarity with the Syrian people, and helps to shine an international spotlight on the gross abuses of the Asad regime.

Despite the October 4 veto of the UN Security Council draft resolution on Syria, we remain committed to pursuing multilateral sanctions at the Security Council. What happened last week in New York was nothing less than a slap in the face for the Syrian people and an abrogation of the Security Council's responsibility to maintain international peace and security and the duty every responsible nation shares to protect civilians under attack. Our most urgent objective is to ensure expeditious, unfettered, and sustained access for international human rights monitors and journalists to bear witness to events on the ground and prevent some of the regime's worst excesses against its people. To starve the Syrian regime of cash and make it clear that the regime's current path is not sustainable, we are working with our international partners, including our Arab allies, to block efforts by the Syrian regime to circumvent American and European sanctions. We have led the effort to hold two special sessions of the UN Human Rights Council on the situation in Syria. At the second special session, we worked closely with many of Syria's Arab neighbors, including Saudi Arabia, Kuwait,

Qatar and Jordan to ensure unified regional condemnation of the Syrian regime and to establish a Commission of Inquiry to investigate the on-going human rights violations. Additionally, we expect the Commission of Inquiry mandated by the UN Human Rights Council to be permitted to carry out its mission without restrictions. We believe that the introduction of more witnesses will play a critical role in proving to the world what is really happening in Syria and mobilize fence-sitting nations to join us in bringing greater pressure to bear on the regime.

Balancing sanctions with civil society support is a strategy that applies not only to our separate concerns regarding Iran and Syria, but also to our goal of countering their combined destabilizing activities across the region. For far too long, Iran and Syria have worked together to foment instability in neighboring countries and maintain weak states in which they can advance their agendas. Since the inception of the Islamic Republic, Iran's government has used instruments of the state to spread terror around the globe. It has long used Syria as a strategic and logistical connection to terrorist groups like Hizballah, while both countries exercise undue influence in Lebanon. These links have facilitated the movement of dangerous materials and illicit funds for the purpose of targeting U.S. and our allies' interests. The United States is breaking these links by levying sanctions that constrain both countries' attempts to proliferate weapons of mass destruction and to procure and transfer weapons, funds, and other resources to proxy terrorist

groups. We have imposed financial sanctions and travel restrictions for IRGC and Hamas members and related entities to limit their ability to conduct business. Most recently, on September 22, the Department designated Hamas operative Abu Ghazala, who also has links to Iran and al-Qa'ida. We are also closely engaged with our European and Gulf partners who share our concerns regarding Iran's motives in the region and are committed to mitigating its influence.

The Arab Awakening created a fissure not just between the governments in Iran and Syria and their own people, but also with their regional neighbors, where people are taking increasing ownership of their rights and rejecting repressive regimes. Opposition groups in Egypt, Bahrain, and Syria have openly repudiated Iran's hypocritical attempts to voice solidarity with their movements. Syria is rapidly losing former allies who refuse to tolerate the government's continued use of violence and repression. As their neighbors and strategic partners grow disillusioned with the atrocious actions of the Iranian and Syrian regimes and reject their indefensible behavior, our training programs and diplomats that support civil society are more important than ever. These avenues of engagement aim to increase the volume and ease with which the Iranian and Syrian people can demand their rights and freedoms. The State Department is providing grants to support and expand the use of counter-censorship tools, secure mobile communications, and other technologies to help activists and journalists get their

messages and videos past government obstacles. Diplomats like Ambassador Ford are also acting as human amplifiers on behalf of citizens who cannot speak freely without being targeted by their regimes. He and other State Department officials are working every day to document and draw attention to egregious behavior of the Iranian and Syrian governments, which in turn is helping us succeed in further isolating these countries.

Abandoned by increasing numbers of citizens, former regional allies, and world powers, the Iranian and Syrian governments continue their current behavior at ever-increasing risk of isolation. Our actions to counter their domestic, regional, and international belligerency are unmistakably escalating the cost of doing business as usual for both countries. Iran and Syria's leaders must stop attacking their populations, undermining regional stability, and threatening international security. Their domestic revolts and Arab Awakening backlash prove that their actions run counter to the aspirations and hopes of their people and their neighbors. They are out of legitimacy and excuses, and we will continue to strengthen existing measures and devise new partnerships and programs that empower their citizens to realize their vision for free, democratic, and responsible societies that no longer threaten U.S. interests and allies.