

WRITTEN STATEMENT
HENRY T. WOOSTER
ACTING DEPUTY ASSISTANT SECRETARY OF STATE FOR
NEAR EASTERN AFFAIRS

SUBCOMMITTEE ON NATIONAL SECURITY, HOMELAND DEFENSE,
AND FOREIGN OPERATIONS,
HOUSE OVERSIGHT AND GOVERNMENT REFORM COMMITTEE
“Iran Policy Since January 2009”
November 15, 2011

Chairman Chaffetz, Ranking Member Tierney, Distinguished Members of the Subcommittee: thank you for inviting me to appear before you today to discuss the Administration’s policy toward Iran and the progress we have made since President Obama took office in January 2009. I am pleased to be here with Deputy Assistant Secretary of Defense Colin Kahl and OFAC Director Adam Szubin, two key players in the interagency team combating threats posed by Iran. We all share this Congress’ determination to apply unprecedented pressure on the regime to change its behavior. Today, I will discuss this Administration’s efforts to hold Iran accountable for its nuclear program, its continued human rights abuses, and its destabilizing regional influence.

The United States continues to lead an international campaign to exact costs for the regime and to complicate its ability to pursue these policies. Since 2009, the United States, along with our P5+1 partners and the international community, has established the toughest multilateral sanctions Iran has ever faced. These sanctions, together with diplomatic pressure, have made the Iranian regime a pariah among governments. These sanctions have raised the cost, the time, and the energy required for Iran to pursue its current course, and they have provided a platform upon which other countries and the EU have implemented their own measures.

The 2010 passage of the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) was key to our efforts to impose additional sanctions on a growing list of individuals and entities responsible for Iran’s expanding scope of unauthorized activities. CISADA codified new tools and authorities that expanded the scope of our domestic sanctions, allowing us to more effectively target Iran’s energy and financial sectors, and Iranian officials and entities

responsible for human rights abuses. With your support, we have worked with our interagency colleagues to ensure CISADA's effect is felt far and wide.

As a result of CISADA, the State Department sanctioned 10 foreign companies for doing business with Iran's energy sector, and CISADA's "special rule" has worked as intended, giving us the leverage to persuade multinational energy firms like Shell, Statoil, ENI, Total, and INPEX to withdraw from Iran's energy sector. Under threat of sanctions, these companies provided assurances that they would not undertake sanctionable activities in Iran's energy sector in the future.

Other successes under CISADA include the fact that major energy traders from key countries such as Russia's Lukoil; India's Reliance; Switzerland's Vitol, Glencore, and Trafigura; Kuwait's Independent Petroleum Group; Turkey's Tupras; France's Total; and Royal Dutch Shell have stopped sales of refined petroleum products to Iran. The EU has also enacted -- for the first time -- sanctions on energy investment in Iran. These actions have forced Iran to redirect its production facilities and sacrifice some lucrative petrochemical export production to instead manufacture refined petroleum for domestic consumption. Investment and technical assistance in Iran's upstream oil and gas sector have also dropped dramatically, thanks to CISADA and similar measures adopted by other countries. After the German company Linde stopped doing business with Iran, Iran lost its sole supplier of gas liquefaction technology, resulting in abandonment of its liquefied natural gas projects. South Korea's GS Engineering and Construction cancelled a \$1.2 billion gas processing project in Iran; British Petroleum shut down production at a North Sea platform co-owned with the Iranian Oil Company; and Trans-Adriatic Pipeline (TAP) partners announced that the pipeline, once constructed, would not transport natural gas from Iran.

CISADA also provided the Administration with the authority to cut off foreign financial institutions that facilitate the activity of individuals and entities subjected to sanctions in connection with Iran's proliferation or support to terrorism. The result, as Treasury Under Secretary David Cohen testified last month, is that Iran is becoming financially isolated as the number and quality of foreign banks willing to transact with designated Iranian financial institutions has dropped precipitously. Iran has difficulty attracting foreign investment, paying for imports, or receiving payment for exports; foreign financial institutions are concluding that the Iranian market is not worth the reputational risk of association with the regime's deceptive practices. This isolation, in turn, has exacerbated persistent economic weaknesses due to the Iranian government's mismanagement

of its economy. This Administration is examining new measures that will subject any bank or financial institution considering targeted activity to further sanctions and international condemnation.

In addition to CISADA, we have used Executive Orders to designate entities that support or facilitate terrorist or proliferation activity. Last month, we designated five individuals under E.O. 13224 for their involvement in the Iranian plot to assassinate the Saudi Ambassador to the United States. The European Union and Canada followed our lead and designated the same five people. Also under 13224, we designated Mahan Air, a commercial Iranian airline, for providing support to the Islamic Revolutionary Guard Corps-Qods Force and Hizballah. Under E.O. 13382, we designated Tidewater Middle East Company, an IRGC-owned port operating company, and the nationally owned Iran Air for facilitating proliferation activities.

The international private sector has responded swiftly to these actions, taking steps to ensure they have no part in dealing with these entities. Several of the world's largest shipping container firms, such as Maersk, Hapag Lloyd, and NYK Lines, have stopped calling at Bandar Abbas' Shahid Rejaie terminal and have stopped, or intend to stop, all shipments of Iran-bound cargo. Reputable shipping insurers and reinsurers such as Lloyd's of London no longer insure Iranian shipping. Iran Air is also paying the price; most major fuel providers have terminated some or all of their Iran Air contracts, including British Petroleum, Royal Dutch Shell, Total, OMV, and Q8.

As these examples demonstrate, our domestic measures are dissuading foreign companies from doing business in Iran, and this is inflicting financial, logistical, and economic pain on key sectors that support its proliferation efforts. Companies from other sectors have even voluntarily opted out of the Iranian market, including automotive firms Daimler, Toyota, and Kia, as well as Germany's ThyssenKrupp. Caterpillar decided to prohibit its non-U.S. subsidiaries from exporting to Iran. The Swiss engineering firm ABB Ltd.; the Italian defense, aerospace, energy and transportation firm Finmeccanica; and the Irish industrial company Ingersoll-Rand Plc have all chosen to end their business with Iran. As the list of designated individuals and entities continues to grow, so does the cost, time, and energy required for Iran to pursue its current policies.

Iran has felt the effect of these actions, as Iranian President Ahmadinejad recently admitted in a speech to the parliament when he said, "[W]hich government can work under so much pressure?Every day, all our banking and

trade activities and our agreements are being monitored and blocked. This is the heaviest economic onslaught on a nation in history.” The result of our strategy is an Iran that is finding dwindling options for doing business internationally. But pressure is not an end unto itself, and this Administration remains committed to engagement with Iran through the P5+1 framework, and with other nations to address the threats posed by Iran. Two months ago, the P5+1 countries met to publicly reiterate our longstanding concerns about Iran's installation of centrifuges, its increasing production of 20% enriched uranium, and the possible military dimension of Iran's program. We issued a strong and unified statement. It made clear that the P5+1 would be willing to meet 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 measures and ever-increasing isolation.

World pressure is demonstrating to Iran that its non-compliant behavior has consequences. Last year, the United States led a successful effort in the UN Security Council to adopt Resolution 1929, the Council's sixth resolution on Iran, and the fourth to impose legally binding Chapter VII sanctions on Iran. Resolution 1929 expanded the breadth and reach of existing UN sanctions and added new categories. Following the adoption of Resolution 1929, the European Union, Norway, Australia, Canada, South Korea, Switzerland, and Japan imposed additional measures to bolster those imposed by the resolution.

The latest IAEA Director General's report on Iran's nuclear program deepens our already grave concerns. Its findings confirm Iran undertook activities related to developing a nuclear weapons program prior to 2003 and indicates some of those activities remain ongoing. We are consulting with allies on a response at the November 17-18 IAEA Board of Governors meeting and identifying new unilateral measures that will stymie Iran's ability to pursue a nuclear weapons program.

At the same time, we use domestic and multilateral measures to call attention to and curb the regime's behavior on another issue, human rights. With a long track record of human rights abuses, Tehran hit a new low with its systematic campaign of violence and intimidation against the massive demonstrations by Iranians in 2009, when they were protesting against fraud and manipulation in their presidential election. The regime and its forces beat back thousands of protesters, arrested hundreds, and killed dozens more. They detained – and continue to detain – prominent opposition figures; tortured, raped, and killed prisoners; and

conducted more than 100 show trials. Despite the government's best efforts to censor its population, many courageous Iranians found ways to share with the rest of the world their horrific stories of being attacked, silenced, and tortured.

Using CISADA and E.O. 13553, we designated 11 individuals and three entities for committing serious human rights violations on or after June 12, 2009. We continue to compile evidence to designate other violators responsible for or complicit in human rights abuses. In July, we and the UK, with the support of Canada, imposed visa restrictions on Iranian government officials and other individuals who participated in human rights abuses. The officials subject to this visa ban include government ministers, military and law enforcement officers, and judiciary and prison officials. Our sanctions led to additional human rights designations from the EU, and we welcomed its announcement last month of more than two dozen additional sanctions, which include travel bans.

The United States has co-sponsored for the past eight years the Canadian-led UN resolution that calls Iran to account for its continuing human rights abuses. Last year, this resolution passed the UN General Assembly by the largest margin to date. We are working with our partners to highlight Iran's abuses at this year's General Assembly, building on the work of the new Special Rapporteur on Iran, Ahmed Shaheed. We took a leading role at the UN Human Rights Council in March to create his position, the first country-specific human rights rapporteur since the Council's creation. His first interim report last month catalogued a number of violations that heightened the international community's concerns that Iran is expanding its methods to oppress freedom of expression, assembly, and association; violates due process rights; persecutes religious and ethnic minorities; discriminates against women and lesbian, gay, bisexual, and transgender persons; and tortures prisoners and dissidents.

The Special Rapporteur's report is merely the latest evidence that the Iranian government is engaged in a systemic campaign to violate its citizens' universal rights. This repulsive and violent behavior reaffirms that Iran violates its citizens' universal rights and needs to be further isolated from the international community. The United States continues to take a firm stand against Iran's human rights abuses, as we recently did in collaboration with world leaders, religious groups, and NGOs to protest the possible execution of Pastor Nadarkhani for his religious beliefs. But more than that, we will continue to equip Iranian civil society with capacity-building programs, training, media access, and exchanges to help the people strengthen their calls for accountability, transparency, and rule of law.

The State Department already provides 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. While we respect the Iranian opposition's desire to operate without financial or other material support from the United States, we are committed to using diplomatic tools to assist those who want our assistance in speaking out and defending fundamental rights and freedoms. The United States stands in solidarity with those opposed to 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.

In Iraq, Iran directly supports extremist groups that target our troops, and there is concern that our military withdrawal at the end of the year will allow Iran to expand its anti-American influence in Iraq. However, we also know that Iranian efforts to project a negative influence into Iraq, either directly or through local proxies, is rejected by most Iraqis. Iraqis vigorously defend their sovereignty and remain deeply distrustful of Iran following the Iran-Iraq war in the 1980s. According to a recent opinion survey, 60% of all Iraqis hold a negative view of Iran, and only 16% having a positive view. Iraq's leaders have likewise shown they reject Iranian attempts to influence their domestic politics.

Prime Minister Maliki has said he will not tolerate the violent activities of militant groups in Iraq, including those who are backed by Iran. These militant groups outside of the law and have killed thousands of innocent Iraqis. The Iraqi Security Forces are the legitimate defenders of Iraqi security and stability, and have shown the capability to conduct operations against these groups. In 2010, with U.S. encouragement, Iraqi leaders formed an inclusive and representative government on Iraqi terms, resisting Iranian pressure to form a narrow Shia-dominated government. And while it is natural for two neighboring countries to seek constructive and peaceful ties, Iraq's growing relations with EU countries and regional players like Turkey are positive indicators of the Iraqis' desire to diversify their foreign relations. Iraqi Foreign Minister Hoshyar Zebari highlighted the Iraqis' commitment to independence in a joint press conference with the Iranian Foreign Minister on October 31, when in reference to the U.S. troop withdrawal he stressed that "no other party can fill the vacuum in Iraq, except the people of Iraq and the government of Iraq." To ensure this happens, we are working with Iraqi security forces to increase their professional capabilities beyond 2011 through our Office of Security Cooperation as well as our Police Development Programs. President Obama reaffirmed our shared vision for a strong and enduring strategic partnership with Iraq in his conversation with Prime Minister Maliki October 21,

and Prime Minister Maliki expressed his commitment to this partnership, as outlined under our Strategic Framework Agreement. Prime Minister Maliki will come to Washington in December to cement our new relationship with Iraq leading into 2012, a relationship based on mutual interests and mutual respect. Through the Strategic Framework Agreement, we will continue to help Iraq establish credible public institutions that reinforce its right to determine its political destiny and resist unwanted, undue outside influence from countries like Iran.

Since 2009, this Administration has used an increasing variety of tools, expanded its partnerships, and coordinated numerous international efforts to deter Iran from developing nuclear weapons, continuing its human rights abuses, and supporting regional instability.

Sanctions are having an effect. Iran is increasingly on the wrong side of history, at home and in the region. We will continue to work with this Congress and our international partners as we implement both tracks of our dual-track policy, shine a spotlight on Iran's violation of universal rights, and prevent Iran from developing nuclear weapons. It is ultimately in Iran's interest to come clean on all of these fronts and to rejoin the international community as a responsible member. Until then, it only faces growing isolation and condemnation.

Henry T. Wooster



Henry T. Wooster is Acting Deputy Assistant Secretary for Iran at the U.S. Department of State. He became Director of the Office of Iranian Affairs in October 2010. His immediate previous assignment was Deputy Director, Office of Provincial Affairs, Embassy Baghdad. Previous Washington assignments have included Special Assistant to the Deputy Secretary of State; Deputy Director of the Office of Iranian Affairs; Office of Russian Affairs; and the Bureau of International Narcotics and Law Enforcement. Overseas assignments include Iraq, Russia, the U.S. Mission to NATO/Brussels, Haiti, Georgia, and secondment to OSCE and UN field missions. Before joining the Foreign Service, Mr. Wooster was an Army officer. He spent a portion of his youth in Iran. Languages include basic Persian, Syriac-Aramaic, Russian and French. Mr. Wooster received a B.A. from Amherst College and a M.A. from Yale University. He and his wife Laura Dallman have four children.