

Statement of
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“Iranian Terror Operations on American Soil”

Chairman Meehan, Ranking Member Speier, Chairman McCaul, Ranking Member Keating, and distinguished members of the subcommittees, thank you for inviting me to testify about the Iranian government’s alleged plans to assassinate the Saudi ambassador to the United States on American soil. This event comes at a critical time in U.S.-Iranian relations, and it is imperative that the United States not overreact but respond rationally and effectively. In this testimony, I will discuss how the United States can best respond to Iran in order to protect and defend our national security and our interests in the Middle East and across the globe in this age of terrorism, tyrants, and weapons of mass destruction.

First, I would begin by congratulating our agents at the FBI and Drug Enforcement Administration. This case is a victory for law enforcement and a testament to the hard work done every day by the men and women at these two agencies to keep our country safe from terrorists with a global reach.

As you all know, in recent years, Iran has repeatedly worked against the interests of the United States and the international community. In addition to this most recent plot—Iran’s boldest but also most poorly executed effort to harm the United States and its allies—Iran is a known sponsor of terrorism and has pursued an illicit nuclear program in defiance of the international community. For example, just last spring, the Treasury Department announced it had uncovered evidence that Iran was funneling money and recruits to al Qaeda in Afghanistan and Pakistan. Additionally, Iran’s decision to enrich uranium to 20 percent—far more than the 3.5 percent necessary to produce nuclear energy—as well as its decision to store this fuel in an underground bunker suggests that its nuclear program is not designed solely for peaceful purposes. In short, the planned assassination of the Saudi ambassador is merely the latest example of hostile behavior by Iran.

The question now facing the United States is how best to respond. Over the past two weeks, it has been gratifying to hear warnings from both sides of the aisle about the perils of reckless military action. Political leaders from Sen. John McCain (R-AZ), ranking member of the Senate Armed Services Committee, to Sen. Diane Feinstein (D-CA), chairman of the Senate Intelligence Committee, to Sen. Joe Lieberman (I-CT), chairman of the Senate Homeland Security and Governmental Affairs Committee, have urged restraint.

In the past, unthinking military action by the United States has strengthened Iran’s hand. Iran is perhaps the clearest winner from our mindless, needless, senseless invasion and occupation of Iraq. The war allowed Iran to capitalize on the overwhelming anti-

American sentiment generated throughout the Arab and Muslim world by our invasion of Iraq under false pretenses.

Moreover, because Iran owns one of the strongest militaries in the Middle East, any conflict with Iran would likely be drawn out and costly in both blood and treasure, even greater than the wars in Iraq and Afghanistan.

On the surface, the Iranian plot to conduct a terrorist attack on American soil may give the illusion of a strengthened, emboldened Iran. In reality, the opposite is true. Iran has been tremendously weakened over the past two years by the Obama administration's successful efforts to muster international support for increased sanctions against the country. The Iranian government is divided, widely viewed as illegitimate by its people, and isolated internationally. Moreover, Iran's economy is in shambles and its nuclear program has stalled, partly as a result of the sanctions.

The clumsy and, frankly, bizarre plot to assassinate the Saudi ambassador is a symptom of Iran's desperation. It shows a country resorting to asymmetrical methods because it has been weakened economically and militarily and divided politically.

While the United States should not take any options off the table in responding to Iranian aggression, a military strike would likely be counterproductive. Iran is plagued by internal unrest, and an American attack would no doubt unify the country.

Instead, the United States should further focus its energy on the initiatives that have so successfully defrayed Iranian power and influence over the past two years:

1. Assembling a unified international coalition that condemns Iranian bad behavior, imposes sanctions, and isolates the country internationally
2. And as Admiral Mullen recently noted, reaching out to engage the Iranian government in order to deny Iran's leaders their most effective method of uniting their people: the specter of an "evil America."

A weakened Iran

Sanctions

Numerous nations and multinational entities have imposed sanctions against Iran including the United Nations, the EU, Canada, Australia, South Korea, Japan, Switzerland, India, Israel and the US. The sanctions have had significant adverse effects on the Iranian nuclear program as well as the Iranian economy. More specifically, the sanctions have resulted in many oil companies withdrawing from Iran as well as a decline in oil production and reduced access to technologies needed to improve their efficiency. Additionally, many international companies have been reluctant to do business with Iran for fear of losing access to larger Western markets.

Last June, the UN Security Council adopted its toughest set of sanctions yet and the US, EU, Australia, Japan, South Korea, and Norway followed up with sanctions of their own. The goal is to restrict Iran's access to the global financial system, especially major banks. There are provisions in the resolution that prohibit any financial services—meaning banking, insurance, re-insurance—to Iran if there is reason to believe that those services could assist Iran's nuclear missile firms. The implementation of the financial provisions contained within the Security Council resolution has been very powerful—more so than people expected. The sanctions have had particularly tangible effects on Iran's oil industry and associated sectors.

Economic turmoil

Iran's economy has stagnated in recent months, partly because of the country's growing isolation from the world economy, partly as a result of dipping oil prices, and partly because of the government's statist policies that limit private enterprise. The Islamic Republic is beset by high levels of inflation (17.3 percent) and unemployment (13.5 percent) and low levels of foreign investment.

Iran cut energy and food subsidies in 2010 which resulted in a four-fold rise in the price of petrol and reduced subsidies for bread. Subsidy cuts threaten strikes and civil unrest (in 2007 protestors set dozens of fuel stations on fire after the system for fuel rationing was implemented). Frustration over a lack of economic opportunities—especially jobs for young people—is widespread among the population.

Domestic political unrest and the 2009 election

The Iranian ruling elite are widely viewed as corrupt by the populace, a dangerous situation given the Arab Spring protests that have deposed dictators across the Middle East.

The 2009 Presidential election ignited popular frustrations about government corruption and led to the Iranian Green Movement. The official election results had President Mahmoud Ahmadinejad winning with a large majority, but opposition candidates challenged that result as fraudulent. Street protests erupted as voter skepticism rose in response to Ahmadinejad's declared victory. Supporters of opposition candidate Mir Hussein Moussavi took to the street in protest over the election results, and other countries around the world including the US and Canada voiced concern over claims of voter irregularities and human rights abuses as the government put down the protests. The Ahmadinejad government was able to stay in power only by violently cracking down on its own people.

Intra-government tensions

The Iranian political elite are divided by internal strife between President Ahmadinejad and Supreme Leader Ayatollah Ali Khamenei. For months the ruling theocracy has been clashing with Ahmadinejad and his allies for attempting to challenge the near-absolute

authority of the cleric-ruled system that has controlled Iran since the 1979 revolution. Khamenei and his supporters are expected to continue their attempts to push the president further into the political margins by undermining his attempts to reach out to the United States and have begun assembling a caretaker cabinet in case Ahmadinejad resigns or has to be removed. This internal power struggle dilutes Iran's influence internationally and calls into question the long-term survivability of the regime.

The Arab Awakening

The Arab uprisings threaten Iran's strongest ally, Syria and its leader Bashar al-Assad. Syria is Tehran's only ally and its partner in backing and strengthening the terrorist groups Hezbollah and Hamas. If Assad loses control over Syria, new forms of less fundamentalist Muslim political expression may emerge into the greater Middle East, making the Iranian model less attractive. In Syria, the political balance between the minority Alawi Shia regime in Damascus and the Sunni majority has shifted irreversibly to Iran's disadvantage. Additionally, if Assad is toppled, Syria is likely to be ruled by a Sunni-dominated regime that will not be friendly with Iran.

Iran's nuclear program

Iran enriches its uranium to 20 percent purity, far more than is necessary for nuclear energy production, and stores this fuel in an underground bunker. These facts suggest that Iran's nuclear ambitions are not purely peaceful in nature.

Last spring, a U.N. report found that the international sanctions pushed through in 2010 by the Obama administration were significantly hindering the progress of Iran's nuclear program. An article last week in the *Washington Post* echoed these findings, noting that even in the wake of the Stuxnet virus Iran's nuclear program continues to be stymied by equipment shortages.

The U.S. response

Let me be clear: I do not believe that the United States should do nothing and simply wait for Iran to implode. An attempted terrorist attack on U.S. soil, no matter how clumsy, cannot be tolerated, and the United States should respond strongly and effectively. In responding, however, the United States should keep in mind what has made its efforts to contain Iran so effective over the past two years: international consensus.

The Obama administration should use the Iranian plot to convince our allies to recommit themselves to enforcing the current sanctions on Iran. This plot provides evidence of continued hostile Iranian behavior, evidence that should be used to bolster the international coalition against Iran.

Moreover, the United States should strengthen its own sanctions regime and press for stronger international sanctions that can garner the support of our allies in this coalition. The sanctions on Iran draw legitimacy from the fact that they have been approved by the

United Nations and even involve some of Iran's former allies, such as Russia and China. Maintaining the support of this robust coalition should be one of the primary goals of the U.S. response.

Simultaneously, the United States should continue its efforts to engage with the Iranian government. As Admiral Michael Mullen, the former Chairman of the Joint Chiefs of Staff, noted last month, "even in the darkest days of the Cold War, we had links to the Soviet Union. We are not talking to Iran, so we don't understand each other." Talking to Iran promotes stability in the U.S.-Iran relationship and, to the greatest extent possible, denies the Iranian government the ability to use the specter of "evil America" as a means of unifying the Iranian people.

Following the Iranian assassination plot against the Saudi ambassador, President Obama vowed for the "toughest sanctions" yet against the Islamic Republic. Thus far, the administration has frozen the U.S. assets of Iran's Mahan Air and barred U.S. firms from doing business with the airline. In a statement released by the treasury, Mahan Air is accused of closely coordinating with Iran's Quds Force, which allegedly was behind the planned assassination. This is a wise and measured response by the administration, and the United States should continue to press for sanctions on companies that aid Iran's nuclear or military ambitions.

The administration is also said to be "actively" considering sanctioning Iran's Bank Markazi, or central bank, limiting Iran's ability to sell its crude oil and thereby isolating it from the world economic system. The success of this endeavor will depend on garnering the support of other countries, a challenging but not impossible task given the potential that such restrictive sanctions on the central bank could harm ordinary Iranians and negatively affect the oil market. I applaud the overwhelming support in the Senate for this measure, with 90 senators calling for sanctions on the central bank this past August, including Senators Feinstein (D-CA) and Kirk (R-IL) in recent days.

Iranian aggression towards the United States cannot be tolerated. But it is important that the U.S. response to the Iranian plot furthers our long-term goals: deterring Iranian aggression and protecting U.S. national security. Doing so will require us to work multilaterally with our allies. Military action would be counterproductive.