

**Testimony by  
Ambassador Jeffrey Feltman, Principal Deputy Assistant Secretary of State  
for the Bureau of Near Eastern Affairs**

**And**

**Patricia McNerney, Principal Deputy Assistant Secretary of State for the  
Bureau of International Security and Nonproliferation  
U.S. Department of State**

**Before the  
Senate Committee on Homeland Security and Governmental Affairs  
Subcommittee on Federal Financial Management, Government Information,  
Federal Services, and International Security  
April 24, 2008**

### **U.S. Policy on Iran**

Chairman Carper, Senator Coburn and distinguished Members of the Committee, thank you for inviting us here today to discuss U.S. policy on Iran. Iran presents a profound threat to U.S. national security interests. The radical regime in Tehran threatens regional and international security through its pursuit of technologies that could give it the capability to produce nuclear weapons, its support for terrorist groups and militants in Iraq, Afghanistan, Syria, Lebanon, and the Palestinian territories, its destabilizing regional activities, and its lack of respect for human rights and civil society.

From its location at the crossroads of the Middle East and South Asia, a nuclear-armed Iran would threaten countries on three continents, and potentially even the U.S. homeland directly sometime late next decade. A nuclear-armed Iran would also intimidate moderate states in the region and embolden Iran's support for Hizballah, certain Iraqi Shia militants, the Taliban, and Palestinian terrorist and rejectionist groups. The international community's failure to prevent Iran's acquisition of such weapons would additionally imperil the international nonproliferation regime by casting into doubt our collective ability and commitment to prevent the spread of weapons of mass destruction and spurring Iran's neighbors and others to develop nuclear weapons. Meanwhile, the influence of former and current Islamic Revolutionary Guard Corps (IRGC) members in Iranian society has grown over the past five years. The IRGC, the military vanguard of the Iranian revolution, is a key actor in Iran's ballistic missile program and in Iranian support for terrorism. IRGC affiliates in national security related agencies have sought greater control of Iranian strategic policy, while the IRGC



and IRGC-owned companies have acquired millions of dollars in government contracts. Iran's disregard for international law and ongoing support for terrorism highlight the necessity of continuing pressure to undercut the Iranian regime's ambitions and to limit its destabilizing activities throughout the region.

In recognition of these threats, our goal is to convince Iran to forever abandon its nuclear weapons ambitions and urge Tehran to become a better neighbor in the region. To respond to the range of challenges presented by Iran, the Administration has stressed the use of all tools and options available, including multilateral and bilateral diplomacy, financial and economic measures, counterproliferation actions such as interdictions, and, as a final resort, the threat and use of military force.

We are committed to a diplomatic solution to pressure the Iranian regime to change its behavior on the nuclear issue. The U.S. diplomatic strategy toward Iran consists of a dual-track approach in concert with the other permanent members of the UN Security Council – China, France, Russia, and the United Kingdom– plus Germany (the P5+1). These tracks are mutually reinforcing and complementary. The first is the escalation of pressure on the Iranian regime to help prompt a revision of their strategic nuclear calculus, specifically, a decision to abandon once and for all any long-term nuclear weapons ambitions. Without a change in the regime's strategic course, the U.S. and our partners will work together to consider additional measures. Also to help prompt such a strategic shift, the second track of our policy is represented by our standing offer of a generous package of incentives that cover the gamut of political, economic, technological, and social benefits that would accrue to the Iranian people were the regime to resolve international concerns with its nuclear activities. As part of this offer, Secretary Rice announced in May 2006 that, should Iran create the necessary conditions for negotiations by meeting its UNSC obligation to suspend all uranium enrichment-related and other proliferation-sensitive activities, she would be willing to meet with her Iranian counterpart any place, at any time, to discuss any issue.

Since May, 2006, we have presented Iran with an increasingly stark choice between two paths: confrontation and isolation; or, cooperation and reward. Critical elements of this strategy include:

- Multilateral pressure via escalating sanctions at the UNSC and implemented through national legal authorities;



- Unilateral sanctions, including U.S. designations of Iranian banks and other entities involved in Iran's proliferation-related activities and support for terrorism;
- Support for the ongoing IAEA investigation of Iran's nuclear activities;
- The P5+1 incentives package and Secretary Rice's promise of wide-ranging talks should Iran suspend its enrichment-related and reprocessing activities; and,
- Outreach to the Iranian people through exchange programs, Farsi-language broadcasting, and support for civil society.

While we believe we are having an impact, we have yet to achieve our specific objective of persuading Iran to step off its current nuclear course. However, Iran's past behavior shows that it can be responsive to international pressure.

### **Multilateral Approach**

Multilateral diplomacy is the predominant element of our strategy. Since aspects of Iran's covert nuclear program were first disclosed publicly in August 2002, the international community has agreed to three rounds of increasingly punitive Chapter VII UNSC sanctions on Iran, demonstrating international resolve that Iran must meet its nuclear nonproliferation obligations.

Following the August 2002 revelations, the IAEA undertook an extensive investigation into Iran's nuclear program. This investigation uncovered numerous violations of Iran's IAEA Safeguards Agreement, including nuclear facilities and activities Iran had failed to declare to the IAEA, as well as Iranian procurement of sensitive nuclear items and materials from illicit nuclear supply networks. These serious violations led the IAEA Board of Governors in September 2005 to find Iran in noncompliance with its Safeguards Agreement and, subsequently, to report the issue to the United Nations Security Council in February 2006.

The Board's actions in February led to the UN Security Council adopting a Presidential Statement in March 2006 and Resolution 1696 in July 2006. Both called on Iran to suspend its proliferation sensitive nuclear activities (relating to uranium enrichment-related, reprocessing, and heavy water-related production) and cooperate fully with the IAEA; the latter warned of the imposition of sanctions absent Iran's suspension. Iran's decision not to heed Resolution 1696 led to the

UN Security Council adopting Resolution 1737 (December 2006), which imposed the first set of Chapter VII sanctions on Iran. Unfortunately, Iran continued to ignore the demands of the Council. In response, the Council adopted Resolution 1747 (March 2007) and Resolution 1803 (March 2008), imposing two more rounds of sanctions on Iran.

These sanctions, *inter alia*:

- Require Iran to suspend its proliferation sensitive nuclear activities, including enrichment of uranium, and cooperate fully with the IAEA;
- Prohibit the transfer of nuclear, missile, and dual use items to Iran, except for when used in light water reactors or needed for IAEA technical cooperation;
- Prohibit Iran from exporting such technologies or any arms;
- Freeze the assets of 40 individuals and 35 entities associated with Iranian proliferation or destabilizing regional activities (including the Atomic Energy Organization of Iran, Bank Sepah, and several Iranian front companies);
- Require vigilance and restraint with respect to the travel of 35 individuals, and ban the travel of 5 others;
- Call on states not to export to Iran certain heavy arms or to make new commitments for public support for business in Iran;
- Call for vigilance with respect to the activities of all banks domiciled in Iran, particularly with regard to Bank Melli and Saderat; and,
- Call for states to inspect cargoes borne by Iran Air Cargo and the Islamic Republic of Iran Shipping Lines (IRISL) if there are indications that they are carrying proscribed cargo for Iran.

The true effects of multilateral sanctions, especially on a regime's decision-making, are difficult to gauge. However, at a minimum, these sanctions are limiting Iran's access to sensitive technologies and goods, with the possible impact of slowing Iran's nuclear and missile development. These sanctions are also impairing Iran's ability to access the international financial system, fund its weapons programs and terrorist activities, and secure investment for strategic sectors, as many states and firms no longer wish to associate themselves with the Iranian regime. They keep Iran on the defensive, forcing it to find new finance and trade partners and replace funding channels it has lost – often through more costly and circuitous mechanisms.



The sanctions have a psychological impact, as well. Iran has demonstrated its desire to assume the economic and political role it believes it deserves in the region, and to be seen as a legitimate player in the international community. But the series of UN resolutions has shown the world – and Iran – that the international community will not allow an irresponsible actor such as Iran to expand its power unchecked.

The United States is working with international partners – particularly the nations of the European Union – to adopt complementary sanctions in order to increase the pressure on Iran. We have also urged other international partners to review what additional measures they could impose on Iran following the adoption of UNSCRs 1737, 1747, and 1803.

The United States continues to take a leadership role within multilateral nonproliferation institutions. In addition to the IAEA, we have worked with our international partners in the Nuclear Suppliers Group, Missile Technology Control Regime, and the Australia Group to sensitize them to the risks inherent in technology trade with Iran and, following the adoption of UNSCRs 1737, 1747, and 1803 that banned much of this trade, how to avoid Iranian attempts to acquire banned sensitive items through diversion or illicit practices.

Major banks such as Commerzbank, Credit Suisse and HSBC have decided that the risk of doing business in Iran is too great and have ended or limited their business with Iran. The effects of Iran's growing international stigma may, in the end, be as substantial as the direct economic impact of any sanction. Losing the ability for a single Iranian bank such as Bank Sepah to conduct business overseas is painful to Iran. Having major international financial institutions refuse to do business with Iran because of the legitimate business risks that such trade present may be worse.

### **Unilateral Sanctions Implementation and Designations**

U.S. national sanctions implementation and designations are a critical component of such an approach. In addition to the U.S. comprehensive economic embargo on Iran, we have strengthened our existing measures through the designation of specific Iranian individuals and entities through both Executive Order 13382 (Counterproliferation) and Executive Order 13224 (Counterterrorism).

On 25 October 2007, in one of the most aggressive demonstrations of these authorities, the Departments of State and Treasury announced the designation of dozens of entities and individuals. Of particular significance was the designation



of Iran's Islamic Revolutionary Guard Corps (IRGC), the Ministry of Defense and Armed Forces Logistics (MODAFI), Bank Melli, and Bank Mellat for their support for Iranian proliferation, and the IRGC-Qods Force and Bank Saderat under E.O 13224 for their support for terrorism. Most recently, the U.S. Financial Crimes Enforcement Network (FinCEN) issued an advisory with respect to Iranian deceptive financial practices, cautioning financial institutions to take into account the risks inherent in dealings with Iran as a result of these practices and U.S. and international prohibitions on dealings with designated entities.

Such sanctions augment the current trade and investment ban in place with respect to Iran by subjecting various Iranian persons to blocking. By targeting these individuals and entities, as well as demonstrating the extent of U.S. concerns with Iran and the Iranian regime's status as an international bad actor, we will deepen the regime's international isolation and increase the pressure being placed on the regime. U.S. designations also have reverberating effects in the international financial system, as many major international banks have taken action against these entities and individuals on their own accord, following our example.

In addition, we have pursued an aggressive diplomatic campaign, talking to CEOs and senior government officials, to discourage investment in Iran's petroleum sector. We firmly believe that now is not the time for "business as usual" with Iran, and actively monitor any reported investment in Iran's oil and gas sector. We review such cases in light of the Iran Sanctions Act, which provides for the imposition of sanctions on persons making certain investments in Iran's oil and gas sector.

Overall, we have seen positive effects from this comprehensive strategy. Around the world, firms and banks are pulling back from investment in or deals with Iran, or are adjusting their costs in order to address the risk premium attached to such business. There are exceptions, and Iran's status as a major oil and natural gas supplier as well as its lucrative domestic market will always be tempting to states and international businesses. However, we will continue to undertake domestic actions as appropriate and necessary to protect the U.S. financial system and to convince our partners to do the same.

### **Support for the IAEA's investigation**

The United States continues to support the work of the IAEA in its ongoing investigation in Iran. As the main international institution with responsibility for



verifying the non-diversion of nuclear material and providing credible assurance of the absence of undeclared nuclear activities, the IAEA's work in Iran is essential.

We have demonstrated our strong support by working with others to include authorities in the relevant UNSC and IAEA Board resolutions that further empower the IAEA in Iran. Through our pre-existing supply of monetary and technological support (i.e., helping develop safeguards technology) for the IAEA, we have further enhanced the Agency's ability to undertake this investigation in as effective and professional a manner as possible. The United States also provides training to IAEA inspectors every year in order to enhance the Agency's overall safeguards capabilities.

Through the execution of its mandate for international nuclear safeguards, IAEA inspectors have uncovered and investigated illicit Iranian nuclear activities and violations of the IAEA Safeguards Agreement. Most recently, on 22 February 2008, the IAEA reported that it had received from multiple member states extensive documentation that detailed Iran's past attempts to develop a nuclear warhead. The IAEA elaborated on this report during a technical briefing on 25 February that showed IAEA member states some examples of this documentation and other materials. In so doing, the IAEA heightened international attention on Iran's nuclear program and sharpened the focus of the international community on the urgency of preventing Iran from acquiring a nuclear weapons capability.

Press reports have indicated that many states are sharing more and more information with the IAEA to further its investigation; we look forward to the IAEA's continued efforts to uncover the true extent of Iran's nuclear weapons-related work and ambitions. We will continue to lead strong international consensus that Iran must make a full disclosure of any nuclear weapons-related work and allow the IAEA to verify that it has stopped. Anything short of a demand for full disclosure would undermine not only our efforts to provide international verification that Iran is not developing or preserving a nuclear weapons option, but also would undermine the integrity of the IAEA safeguards regime worldwide.

### **Open Door to Negotiations**

At the same time we are seeking to maintain and enhance the pressure on Iran's leadership, we continue to offer Iran the opportunity to resolve international concerns about its behavior through negotiations. Each UN Security Council resolution reaffirms the generous 2006 P5+1 offer and commitment to a negotiated



solution. Secretary Rice has frequently made clear her commitment to the path of negotiations by offering to sit down with her Iranian counterparts “any time, any place” in good-faith negotiations should Iran undertake the essential confidence-building measure of suspension. We hope that Iran will make the right strategic choice to enable such negotiations to begin. Should Iran suspend its enrichment of uranium and other proliferation sensitive activities, the P5+1, which includes the United States, will engage with Tehran on the package of incentives covers an extensive range of disciplines and fields including:

- Light water reactor assistance;
- Nuclear energy cooperation;
- Nuclear fuel guarantees;
- Economic engagement, including through membership in the World Trade Organization;
- Regional security cooperation; and,
- Technological sharing in telecommunications, agriculture, and civil aviation.

This combination of incentives would give the Iranian regime what it claims it wants – nuclear energy – faster, safer, and cheaper than the path it is pursuing now.

We have also been careful to target our pressure-based approach to the Iranian regime’s leaders and illicit activities. International sanctions have yet to be applied to the Iranian economy writ large, though the effects of Iran’s continued intransigence will likely begin to impinge on the general Iranian economy as time wears on. The refusal of the regime’s leadership to abide by its international nuclear obligations and, indeed, its decision to push forward aggressively with its enrichment and heavy water programs will unfortunately affect Iran’s citizens in a negative fashion, if for no other reason than because of the tremendous cost of the program. That money could be spent on projects that would help the Iranian people. Let it be clear, however, that the Administration’s support for the Iranian people is not empty rhetoric, but rather a directing principle in our approach to Iran.

We have also engaged in negotiations with Iran on the specific issue of Iraq. Unfortunately, as Ambassador Ryan Crocker and General David Petraeus’ recent testimony made clear, Iran’s continued provision of lethal support to Iraqi extremists casts considerable doubt on its protestations that it wants stability in Iraq and is serious about negotiations with the United States. Iran has had many opportunities to negotiate, whether with the EU-3 or, more recently, directly with



the United States. Unfortunately, Iran's track record as a negotiating partner is not a good one, and while we remain hopeful that Iran will finally choose to restore international confidence through negotiation we must be clear: Iran will come under increasing pressure, and higher costs, by continuing to disregard the will of the international community.

### **Iran's Destabilizing Actions Abroad**

Looking beyond Iran's nuclear aspirations and the specific steps the U.S. is taking with its international partners in the UN Security Council and the IAEA, the regime's aggressive foreign policy and hegemonic posturing constitute an increasing threat to regional security and U.S. interests. Iran is the world's most active state sponsor of terrorism; it provides financial and lethal support to Hizballah, HAMAS, Palestinian Islamic Jihad, as well as to certain Iraqi militant groups and the Taliban. The role that the Islamic Revolutionary Guard Corps-Qods Force plays in supporting foreign militants is extremely problematic.

As the international community is engaged in efforts to promote dialogue between the Israeli and Palestinian Prime Ministers, Iran is providing support to those who deny Israel's right to exist and whose unrelenting terrorist attacks on Israeli citizens threaten to sabotage these negotiations and – with them – the aspirations of the Palestinian people

We condemn Iran's lethal support for Iraqi militant groups – and as General Petraeus and Ambassador Crocker recently testified – we are taking steps to counter these destructive activities in Iraq. President Bush noted on 10 April that the regime in Iran has a choice to make: it can choose to live in peace with its neighbors, enjoying strong economic, religious and cultural ties, or it can continue to arm, fund and train illegal militant groups, which are terrorizing the Iraqi people and turning them against Iran. If Iran makes the right choice, America will encourage a peaceful relationship between Iran and Iraq. If Iran continues down the current path, Iran's leaders should know that we will take active measures to protect our interests, and our troops, and our Iraqi partners. As recent events demonstrate, Iran's support for extremist militias that undermine the government of Iraq, intimidate the local population, and engage in unlawful acts may be backfiring; the Iraqi people are turning away from Iran. They are worried that Iran does not support a democratic, stable government in Iraq, but rather wants to keep Iraq weakened, fractured, and destabilized. If this is not Iran's goal in Iraq, it will have to prove it to the Iraqi people by curtailing its support to extremist militias and supporting the legitimate government.



Iran faces a similar choice in Lebanon. Iranian influence in Lebanon is also of great concern, where Iran continues to rearm and financially bolster Hizballah, which is seeking to create a state within a state in Lebanon. The United States condemns Iran, Syria, and Hizballah for undermining the legitimate institutions of the Government of Lebanon. Moreover, through its ongoing efforts to supply Hizballah with rockets and other weapons, the Iranian regime has systematically violated its obligations under UN Security Council Resolutions 1559 and 1701. In turn, Hizballah, enabled also by Syria and Iran, continues to support other terrorist groups, including certain Shia militant groups in Iraq and Palestinian Islamic Jihad.

And Iran even plays a similar game in Afghanistan. Iran's Qods Force provides lethal assistance to the Taliban, threatening Afghan, Coalition, and NATO forces operating under UN mandate in Afghanistan. The Qods Force has arranged a number of shipments of small arms and associated ammunition, rocket propelled grenades, mortar rounds, 107mm rockets, and explosives – including armor piercing explosively formed projectiles. Recoveries of interdicted weaponry, ordnance, and EFPs in Afghanistan indicate the Taliban has Iranian weaponry. Weapons transfers to these groups violate Iran's Chapter VII obligation under UN Security Council Resolution 1747 not to export arms. Iran has also 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. We hope that Iran's deep and long-standing support to international terrorist groups, combined with its refusal to abide by multiple UNSC resolutions, encourages other nations to join with us to put pressure on this regime to change the reckless course on which it is embarked.

### **Empowering Iranian Civil Society and Engaging the Iranian People**

Before concluding, it is important to discuss briefly the Iranian regime's repressive treatment of its own people. The regime's record of human rights abuse remains abysmal, and has only grown worse over the past year. The regime regularly commits torture and other forms of inhumane treatment on its own people, and restricts the basic freedoms of expression, press, religion, and assembly to discourage political opposition. The regime has purged liberal university professors; threatened, imprisoned, and tortured dissidents, journalists, labor leaders and women's rights activists. The regime denies its people freedom of expression and press by cracking down on bloggers, closing independent newspapers, censoring internet use and blocking satellite dish ownership—all in an effort to control their access to information. The regime also harasses and detains



ethnic and religious minorities, particularly the Baha'is. The regime's decision to disqualify hundreds of candidates from participating in its recent parliamentary elections due to their ideology prevented the Iranian people from holding free and fair elections. The Iranian people deserve better from their leaders. We work with the international community to express our common concerns about the mistreatment of the Iranian people by their government.

With funding from Congress, the State Department is supporting a wide variety of programs in a long-term effort to strengthen independent voices in Iran. We fund projects to provide greater access to unbiased information, provide information about U.S. policy and American society and values, strengthen Iran's civil society, increase awareness of human rights, and promote rule of law.

Our public diplomacy efforts on Iran aim to deepen mutual understanding between the people of the United States and the people of Iran. Since we resumed our traditional people-to-people exchanges with Iran in FY 2006 more than 150 Iranian academics, professionals, athletes and members of the artistic community have participated in programs on cultural, medical, legal, humanitarian, and education-related issues. We are also reaching out to web-savvy Iranians through the Department of State's Persian language website.

Separately, our Iran programming focuses on helping Iranians who are working to secure their basic rights and hold their government accountable. We do not support any one group or faction in Iran or overseas, but instead provide opportunities for members of Iranian civil society to learn and connect with their counterparts world-wide. The names of grantees are kept confidential to ensure the safety of participants. Support from Congress has allowed us to fund 26 different organizations based in the United States and Europe who work to advance peaceful, democratic progress in Iran.

In addition to the State Department's efforts, Congressional support to the Broadcasting Board of Governors (BBG) has allowed VOA Persian television and Radio Farda to expand their programming in Iran. VOA Persian Television now broadcasts 24 hours a day, up from only 8 hours per day in 2006, and boosted original Persian language programming from 2 to 6 hours daily. Radio Farda, also broadcasting 24 hours a day, improved its medium wave transmission, expanded its regional news coverage, and enhanced its website.

The United States stands with the Iranian people in their struggle to advance democracy, freedom, and the basic civil rights of all citizens. We believe the



Iranian people have made clear their desire to live in a modern, tolerant society that is at peace with its neighbors and is a responsible member of the international community. We are confident that if given the opportunity to choose their leaders freely and fairly, the Iranian people would elect a government that invests in developments at home rather than supporting terrorism abroad; a government that would nurture a political system that respects all faiths, empowers all citizens, and places Iran in its rightful place in the community of nations; a government that would choose dialogue and responsible international behavior rather than seeking technologies that would give it the capability to produce nuclear weapons and foment regional instability through support for militant groups.

### **Looking Forward**

U.S. strategy on the Iranian nuclear issue has thus far called attention to the threat posed by Tehran and its nuclear program. We have also been successful in imposing targeted sanctions that are applying pressure to the regime and in highlighting the P5+1 package of June 2006. At the same time, Iran has failed to suspend its proliferation sensitive nuclear activities and has instead deepened its defiance through continued uranium enrichment, testing of an advanced centrifuge design, and construction of the Arak Heavy Water Research Reactor. We have achieved much, but still more needs to be done. While we work towards progress in overcoming Iranian intransigence on the nuclear issue, Iran persists – unabashedly – in its malign regional meddling and support for terrorist groups. Iran's actions must be seen in their entirety, and our policy reflects this.

The United States is committed to preventing Iran from acquiring nuclear weapons and encouraging Iran to take the necessary steps to instill international confidence in the exclusively peaceful nature of Iran's nuclear program. For the international community to have any confidence, however, it will require Iranian suspension of enrichment and proliferation-sensitive activities, good-faith negotiations, IAEA inspections, and resolution of all outstanding IAEA concerns, especially full disclosure by Iran of any nuclear weapons-related activities and full IAEA verification that all such activities have ceased. We are committed to accomplishing this objective through diplomacy, but note that in order to do so the international community must steadily increase the pressure on Iran. Should Iran come to doubt the international community's resolve in the face of its continued intransigence, Iran's leaders would be even more emboldened and prepared to adopt policies that present even greater risks to international peace and stability. With that in mind, no option can be taken off of the table in order to prevent Iran



from acquiring nuclear weapons. But we nevertheless remain committed to a diplomatic solution to the Iranian nuclear issue.

In the short term, the United States must continue to press for the swift and robust implementation of all UNSC-imposed sanctions on Iran. This includes complementary actions by multilateral groups such as the EU, and the continued vigilance of the IAEA Board of Governors and multilateral export control regimes.

### **Historical Precedents**

A firm yet flexible approach has proven useful in the past. For example, in the case of Libya, the United States, United Kingdom, and Libyan Government undertook negotiations in 2003 that resulted in Libya's December 2003 strategic decision to abandon its weapons of mass destruction programs. In exchange, the United States and United Kingdom offered re-engagement with the international economy and an end to Libya's pariah status, which at the time included UNSC/multilateral sanctions. This decision came as a result of Tripoli's examination of a complex calculus involving the benefits and consequences of continued pursuit of WMD. We seek to prompt just such a calculus in Tehran.

With regard to North Korea, much work remains to be done. However, the multilateral Six Party Talks process and ongoing disablement actions at Yongbyon demonstrate that diplomacy is making progress.

### **Conclusion**

The United States is committed to its pursuit of a diplomatic solution to the range of challenges posed by Iran. But there is much work to be done. Iran's possession of nuclear weapons is not a foregone conclusion nor has its march to acquire them been inexorable. However, we should also not underestimate the Iranian regime's commitment to its current course. Although Iran appears to have halted its development of nuclear weapons in late 2003, Iran continues to develop its fissile material production programs and ballistic missile capabilities and, as the NIE notes, at a minimum is keeping open the option to develop nuclear weapons.

Iran is increasingly feeling the strain imposed by sanctions regimes; but Iranian perseverance in the face of such pressure demonstrates the extent of Iran's commitment to preserve its options to develop a nuclear weapon. We must remain equally committed as a broader international community. We have presented Iran an option: the regime can continue down its current path toward isolation and



further sanctions, or it can choose to re-engage with the international community, opening up opportunities for better relations and a brighter future. The U.S. is making every effort to improve U.S.-Iranian relations, but that cannot happen without a change in the Iranian regime's policies. The challenges are daunting, but we are confident that patience and persistence – strengthened by the unity of the international community – will move us towards a resolution of these challenges.