

**U.S. Senate Committee on Foreign Relations**  
**Senator Richard G. Lugar**  
**Opening Statement for Hearing on Iran Policy Options**  
**March 3, 2009**

I thank the Chairman for holding this important hearing on U.S. policy towards Iran.

Two weeks ago, the International Atomic Energy Agency released a report on Iran. It reached four main conclusions. First, the report said that “there remain a number of outstanding issues which give rise to concerns [about] the existence of possible military dimensions to Iran’s nuclear program.” Second, Iran has refused to permit IAEA inspectors “access to additional locations related to the manufacturing of centrifuges, research and development on uranium enrichment, and uranium mining and milling.” Third, unless Iran implements transparency measures and the Additional Protocol, the IAEA “will not be in a position to provide credible assurance about the absence of undeclared nuclear material and activities in Iran.” Lastly, “Iran has not suspended its enrichment related activities or its work on heavy water-related projects.”

The exact status of Iran’s nuclear program and the degree of progress Iran has made toward a potential nuclear weapon have been debated extensively. But as the IAEA’s report underscores, Tehran clearly is not complying with the international non-proliferation regime. There is widespread agreement that Iran has not been truthful about its nuclear program or its missile development. Its decision to move ahead with uranium enrichment was condemned by the international community. Iran’s intransigence has triggered U.N. Security Council sanctions on three occasions.

In recent weeks Tehran announced the launching of its first domestically-produced satellite into space. Iran also has announced that the Russian-built nuclear power plant at Bushehr will undergo testing prior to beginning operations this year.

Despite these steps, the international community’s leverage with regard to Iran has increased significantly in recent months. The Iranian regime is under economic pressure due to falling oil prices and multilateral sanctions. Iran’s isolation has contributed to lagging investments in its oil and natural gas industries. The National Academy of Sciences speculates that this trend could lead to sharply lower Iranian energy exports by 2015. U.N. sanctions have also encouraged foreign governments and banks to curtail or end commercial ties to Iran.

It is clear that Tehran would like to split the international community, or at least delay concerted action. The task for American diplomats continues to be to solidify an international consensus in favor of a plan that presents the Iranian regime with a stark choice between the benefits of accepting verifiable limitations on its nuclear program and the detriments of proceeding along its current course.

Even as we pursue sanctions or other joint action, it is important that we continue to explore potential diplomatic openings with Iran. I strongly supported the Bush Administration’s decision to send Undersecretary of State Bill Burns to participate in negotiations hosted by our European allies with Iran’s chief nuclear negotiator – the so-called P-5 plus 1. I believe we must be open to some level of direct communications with Iran. Even if such efforts do not produce agreements, they may reduce risks of miscalculation, improve our ability to interpret what is going on in Iran, dispel anti-American rumors among the Iranian people, and strengthen our efforts to enlist the support of key nations in responding to Iranian threats.

Despite the Iranian government's provocative policies, the young and educated people of Iran are among the most pro-American populations in the Middle East. Most Iranians favor greater economic and social integration with the rest of the world, access to technological advancements, and a more open political system. Positive transformation in Iran is inhibited by the lack of accurate information reaching the Iranian people about what their government is doing and about the international community's efforts to resolve the current crisis.

The United States and other nations must work to broaden the information available to Iranians. Among other steps, the possibility of establishing a U.S. visa office or some similar diplomatic presence in Iran should be on the table. Such an outpost would facilitate more exchange and outreach with the Iranian people.

Regardless of its precise strategy on Iran, the Obama Administration must make execution of an Iran policy a priority. This will require focused diplomacy with European allies and other partners on constructing a multilateral program that intensifies the costs to Tehran if it resists transparency and continues its nuclear weapons activities.

I welcome our distinguished witnesses and look forward to their testimony.

###