

Stenographic Transcript
Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON THE IMPACTS
OF THE JOINT COMPREHENSIVE PLAN OF ACTION
(JCPOA) ON U.S. INTERESTS AND THE MILITARY
BALANCE IN THE MIDDLE EAST

Wednesday, July 29, 2015

Washington, D.C.

ALDERSON REPORTING COMPANY
1155 CONNECTICUT AVENUE, N.W.
SUITE 200
WASHINGTON, D.C. 20036
(202) 289-2260

1 HEARING TO RECEIVE TESTIMONY ON THE IMPACTS OF THE JOINT
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8 U.S. Senate
9 Committee on Armed Services
10 Washington, D.C.
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12 The committee met, pursuant to notice, at 9:47 a.m.,
13 in Room SD-G50, Dirksen Senate Office Building, Hon. John
14 McCain, chairman of the committee, presiding.

15 Members Present: Senators McCain [presiding], Inhofe,
16 Sessions, Wicker, Ayotte, Fischer, Cotton, Rounds, Ernst,
17 Tillis, Sullivan, Lee, Graham, Cruz, Reed, Nelson,
18 McCaskill, Manchin, Shaheen, Gillibrand, Blumenthal,
19 Donnelly, Hirono, Kaine, King, and Heinrich.
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1 OPENING STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR
2 FROM ARIZONA

3 Chairman McCain: Since the time is here and our two
4 witnesses that we requested to appear are here, I will go
5 ahead and begin with my opening statement. As I have
6 mentioned --

7 [Applause.]

8 Chairman McCain: Hey.

9 [Laughter.]

10 Senator Reed: That was for your opening statement,
11 John.

12 [Laughter.]

13 Senator Reed: There is such anticipation.

14 [Pause.]

15 Chairman McCain: Good morning. The committee meets
16 today to begin a series of oversight hearings on the Joint
17 Comprehensive Plan of Action, which the United States and
18 other major powers have signed with Iran.

19 We welcome our distinguished witnesses and thank them
20 for joining us today. We appreciate Senators Kerry and
21 Secretary Moniz and Secretary Lew being here. I would, for
22 the record, I did not request the presence of Secretary
23 Kerry or Moniz or Secretary Lew. I am glad they are here,
24 at their desire to do so, since this focus of today's
25 hearing, as befits the role of this committee, is on the

1 strategic and military implications of the Iran agreement.

2 What we want to know, among other things, is how this
3 agreement will affect regional security, proliferation, and
4 the balance of power in the Middle East; what impact it may
5 have on Iran's malign activities and hegemonic ambitions in
6 the region; what it means for perceptions of American
7 credibility and resolve among our allies and partners; and
8 what the consequences are for U.S. defense policy, military
9 planning, and force structure.

10 When we consider these broader strategic consequences
11 of the agreement, the second-order effects, what is already
12 a bad deal only looks that much worse. To this committee,
13 perhaps of most concern about the agreement itself pertains
14 to the verification and monitoring mechanisms.

15 As has been publicly reported, the inspections of
16 Iran's facilities will be conducted by the International
17 Atomic Energy Agency, or IAEA. There will be no Americans
18 allowed on the ground, and the details of how these
19 monitoring activities will occur in certain important
20 instances are contained in a separate agreement between the
21 IAEA and Iran, which the U.S. Government and the Congress
22 have not seen.

23 Furthermore, the mechanism to resolve the longstanding
24 international concerns about the possible military
25 dimensions of Iran's nuclear program is contained in

1 another side agreement between Iran and the IAEA, which the
2 U.S. Government and the Congress have also not seen. To be
3 sure, much is known about Iran's past weaponization
4 activities, but we can never know what we do not know,
5 which is why the Director of the IAEA has said that
6 effective verification depends on resolution of the PMD
7 issue. How that will occur we do not know.

8 This presents a major problem. All of us will soon
9 vote on the Iran agreement, and the merits of this
10 agreement hinges on its verifiability. And yet we cannot
11 even read key documents pertaining to these verification
12 measures, and our own Government is not even a party to
13 those agreements. I find that deeply troubling.

14 What is more troubling are the broader military
15 implications of this agreement. Iran is not just an arms
16 control challenge. It is a geopolitical challenge.

17 For years, many of us have urged the administration to
18 adopt a broader strategy to counter Iran's malign
19 activities in the Middle East. Unfortunately, that has not
20 happened. Instead, we have watched with alarm as Iran's
21 military and intelligence operatives have stepped up their
22 destabilizing activities and increased their influence and
23 control in places like Syria, Iraq, Lebanon, Yemen,
24 Bahrain, and Gaza.

25 Iran has done all of this under the full pressure of a

1 sanctions. Now Iran will soon receive a windfall of
2 sanctions relief, estimated at roughly \$60 billion or
3 possibly as much as twice that. Yes, a good amount of that
4 money will surely go to Iran's domestic priorities. But it
5 is only fair to assume that billions of dollars that will
6 flow to Iran's Revolutionary Guards Corps and the Quds
7 Force, money that will likely be used to boost arms
8 supplies to Iran's terrorist proxies, to sow chaos and
9 instability across the region, and to double-down on Bashar
10 Assad right when he needs it most.

11 This will present a host of new challenges for the
12 Department of Defense. What is worse, not only could this
13 agreement strengthen Iran's malign activities in the
14 region, it is also likely to enhance Iran's acquisition of
15 conventional military capabilities.

16 For nearly a decade, an international arms embargo has
17 significantly hurt Iran's ability to build up and modernize
18 its aging military. Throughout the nuclear negotiations,
19 the administration insisted that its diplomacy was limited
20 exclusively to the nuclear file. Indeed, just a few weeks
21 ago, General Dempsey told this committee that, "Under no
22 circumstances should we relieve pressure on Iran relative
23 to ballistic missile capabilities and arms trafficking."

24 And yet, thanks to last-minute concessions by the
25 administration, that is exactly what this agreement would

1 do. At Year 5, the international arms embargo will
2 disappear, and Iran will be free to acquire advanced
3 military capabilities, such as fighter aircraft, attack
4 helicopters, warships, and anti-access weapons.

5 At Year 8, international restrictions on Iran's
6 ballistic missile programs will disappear, and Iran will be
7 free to acquire through entirely licit means the necessary
8 technology and materiel for ever more sophisticated
9 ballistic missiles, including ICBMs.

10 And in all of this, Iran will not only have billions
11 of dollars with which to go on a shopping spree in the
12 international arms market, but it is also sure to find
13 plenty of States that are eager to sell those weapons,
14 especially Russia and China. In this way, the Iran
15 agreement not only paves Iran's path to a nuclear
16 capability, it will further -- it will further Iran's
17 emergence as a dominant military power in the Middle East.

18 This has direct and dangerous implications for U.S.
19 armed forces. The ultimate guarantee that Iran will not
20 get a nuclear weapon is not a 109-page document. It is the
21 capability of the U.S. military to do what is necessary if
22 all else fails. And yet this agreement would enable Iran
23 to construct the kind of advanced military arsenal that
24 could make our military option far costlier to employ.

25 Instead of enhancing our deterrence of Iran, this

1 agreement seems to enhance Iran's deterrence of us. In
2 short, if this agreement fails, the U.S. service members
3 are called upon to take action against Iran. Their lives
4 could be at greater risk because of this agreement.

5 And that is perhaps the most troubling aspect of all
6 about this agreement, what it means for America's
7 credibility in the Middle East. Since 1979, Republican and
8 Democratic administrations have sought to contain the
9 Islamic Republic of Iran and prevent it from acquiring a
10 nuclear weapons capabilities.

11 Our allies and partners have entrusted much of their
12 own security to the United States because they have
13 believed that our commitment were credible. In this way,
14 America's role in the region has been to suppress security
15 competition between states with long histories of mistrust
16 and to prevent that competition from breaking into open
17 war.

18 I fear this agreement will further undermine our
19 ability and willingness to play that vital stabilizing
20 role. Our allies and partners in the Middle East have
21 increasingly come to believe that America is withdrawing
22 from the region and doing so at a time when Iran is
23 aggressively seeking to advance its hegemonic ambitions.

24 Now we have reached an agreement that will not only
25 legitimize the Islamic Republic as a threshold nuclear

1 state with an industrial enrichment capability, but will
2 also unshackle its regime and its long-held pursuit of
3 conventional military power and may actually consolidate
4 the Islamic Republic's control in Iran for years to come.

5 After turning three decades of U.S. foreign policy on
6 its head, is it any wonder that this agreement may lead our
7 allies and partners to question America's commitment to
8 their security? As that happens, these states are
9 increasingly likely to take matters into their own hands,
10 and indeed, we already see evidence of that.

11 These fateful decisions may well manifest themselves
12 in growing regional security competition, new arms races,
13 nuclear proliferation, and possibly conflict, all of which
14 would demand more, not less U.S. leadership and presence in
15 the region. It would be ironic, but not historically
16 unprecedented that a diplomatic agreement intended to
17 decrease risk of conflict actually increased those risks
18 instead.

19 All of us hope that will not be the case now, but it
20 is the job of the Defense Department to be ready when our
21 highest hopes fail us, and I fear there is much work to do.

22 I welcome the witnesses.

23 Senator Reed?

24

25

1 STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE
2 ISLAND

3 Senator Reed: Thank you very much, Mr. Chairman.

4 And good morning, Secretary Kerry, Secretary Moniz,
5 Secretary Lew, Secretary Carter, General Dempsey.

6 Your appearance before the committee comes a little
7 more than 2 weeks after the world woke up to the news that
8 after 20 months of negotiations, the P5+1 and Iran agreed
9 on the terms of the Joint Comprehensive Plan of Action.
10 The agreement, no matter your position on it, is historic
11 and, if implemented scrupulously, could serve as a
12 strategic inflection point in the world's relations with
13 Iran for international nonproliferation efforts and for the
14 political and security dynamics in the Middle East.

15 And I commend the President and his negotiating team,
16 from Cabinet officials to our Nation's scientists, for
17 their persistence and hard work.

18 In the weeks ahead, Congress has a solemn obligation
19 to carefully review the details of this historic agreement
20 and to independently, independently validate that the
21 agreement will meet our common goal of stopping Iran from
22 acquiring a nuclear weapon. Today's hearing is part of
23 that obligation, and I look forward to your testimony.

24 Secretary Kerry, you were the key architect of this
25 agreement, and your willingness to take on what I am sure

1 feels like a thankless endeavor is to be commended. I hope
2 you will help us understand why it is your assessment that
3 this agreement is a good deal and how you intend to direct
4 our diplomats in the field to work with our partners in the
5 region to address Iran's destabilizing activities in the
6 region.

7 Secretary Moniz, you played an important role in
8 negotiations, and you, too, have been a strong advocate for
9 the Comprehensive Plan of Action throughout. During your
10 testimony, I hope you will help us understand what gives
11 you confidence in the technical safeguards built into this
12 agreement, particularly with regard to, one, the cutting
13 off of Iran's pathways to a nuclear weapon; two, the
14 cradle-to-grave access and portability of the supply chain;
15 three, the dedicated procurement channel to manage all
16 purchases of nuclear supply groups' trigger lists and dual-
17 use items; and four, the IAEA additional protocol for
18 enhanced inspections and its design for detecting elements
19 of a covert weapons program; and finally, the limitation on
20 Iran's enrichment program.

21 Secretary Carter, you are a unique Secretary of
22 Defense, with a Ph.D. in physics, and having spent so much
23 of your career on nuclear weapons, I look forward to your
24 technical insights to these elements, as well as those of
25 Secretary Moniz.

1 Both Secretary Carter and General Dempsey, while
2 neither of you were a party to the negotiations, you have
3 both recently traveled to the Middle East to speak with
4 your counterparts about the agreement's potential
5 implications for regional security. During your meetings,
6 you undoubtedly heard the assessments of our partners and
7 our allies on a range of issues, including how Iran may use
8 sanctions relief to pursue its regional ambitions, expand
9 its support to terrorist proxies, and invest more heavily
10 in its military.

11 These are serious concerns and ones which I share.
12 Our partners in Israel see Iran as a significant and
13 ongoing threat to their national security interests. While
14 Prime Minister Netanyahu is unlikely to ever endorse this
15 historic deal, it is incumbent upon the United States to
16 deepen further our cooperation on military and intelligence
17 matters with Israel and to better understand the concerns
18 of the Israelis.

19 It is also critical that our partners and allies in
20 the Middle East know that the United States will not
21 abandon the region in the wake of this nuclear agreement
22 and that we will continue to stand alongside them as we
23 confront common state and nonstate threats. The May 2015
24 joint statement following the U.S. and Gulf Cooperation
25 Council, or GCC, meetings at Camp David provided a road map

1 for how the administration intends to proceed. It also
2 makes clear that the Department of Defense will be at the
3 forefront of these efforts.

4 Critics of the Vienna agreement point to perceived
5 flaws related to Iran's ballistic missile capability and
6 its support of terrorist proxies across the region. The
7 Camp David joint statement outlines our commitment to
8 enhancing the ballistic missile defense capabilities of the
9 GCC and improving their interoperability to increase
10 collective defense in order to counter Iran's support of
11 terrorist proxies.

12 The joint statement indicates that we will be
13 increasing our training and exercise engagements with GCC
14 special operations forces elements so as to better enable
15 our partners to confront Iran's asymmetric capabilities.
16 These are important efforts that I look forward to hearing
17 about today.

18 I want to make one final point. These negotiations
19 focused on denying Iran a pathway to a nuclear weapon. A
20 nuclear Iran would be a more formidable force in the
21 region. And as it has repeatedly demonstrated, not a force
22 for peace and stability, but one that supports terror and
23 seeks to impose its will throughout the Middle East.

24 Moreover, a nuclear Iran would likely prompt a nuclear
25 arms race in the region that through action or design could

1 lead to catastrophe. None of us would condone or ignore
2 Iran's support of terror or other destabilizing activities
3 in the region, but the focus of these negotiations were
4 properly focused on nuclear weapons.

5 The history of arms control makes this point. As Fred
6 Kaplan, a noted national security expert pointed out, the
7 United States-Soviet strategic arms treaties signed
8 throughout the Cold War didn't require the Soviet Union to
9 disavow Communism and its support of Third World
10 insurgencies or institute Jeffersonian democracy. But the
11 deals were still very useful. They capped and in later
12 years reversed the nuclear arms race, and they provided a
13 forum for diplomacy, a cooling off of the distrust and
14 hatred at a time when no other issue could have done so.

15 I look forward to the panel's responses as we continue
16 to understand this agreement and evaluate the capacity to
17 cut off all pathways to a nuclear device and provide long-
18 term warning of violations so that an appropriate response
19 can take place.

20 Thank you.

21 Chairman McCain: Thank the witnesses for being here
22 today. And Secretary Carter, could we begin with you?

23

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25

1 STATEMENT OF HON. ASHTON B. CARTER, SECRETARY OF
2 DEFENSE

3 Secretary Carter: Yes, Mr. Chairman. Thank you.

4 And with your leave, I think that you preferred, and
5 that is fine with us, if only I and General Dempsey make
6 opening statements as the other witnesses --

7 Chairman McCain: I hope that is agreeable to the
8 other witnesses?

9 Secretary Carter: It is. It is, I believe.

10 Chairman McCain: Thank you.

11 Secretary Carter: Thank you, Mr. Chairman.

12 Thank you, Ranking Member Reed. Thank you, all the
13 members of the committee, for giving me the opportunity to
14 testify this morning on our defense strategy toward this
15 critical region in the wake, as the -- as Senator Reed
16 noted of my travels to the region last week, the chairman's
17 also, and of course, very importantly, 2 weeks after the
18 conclusion of the Joint Comprehensive Plan of Action.

19 I am pleased to be joined by my fellow Cabinet
20 members, who can talk in detail about that agreement
21 reached in Vienna. That deal is an important step, one
22 brought about by the leadership of President Obama, the
23 persistent diplomacy of Secretaries Kerry, Moniz, and
24 others, crippling sanctions that Secretary Lew led and that
25 Congress helped put in place.

1 It is a good deal because it prevents Iran from
2 getting a nuclear weapon in a comprehensive and verifiable
3 way. Once implemented, it will, therefore, remove a
4 critical element of risk and uncertainty, one element of
5 risk and uncertainty. But a critical element of risk and
6 uncertainty from the region.

7 For those reasons and those my colleagues have
8 provided in testimony before other congressional
9 committees, I urge you to support it. I also urge you to
10 support the broader elements of the defense strategy in the
11 Middle East I will describe, including and especially by
12 supporting a stable and reformed defense budget to
13 implement it.

14 The successful negotiation of this deal is one part of
15 our broader foreign and defense policy. As the most
16 influential power in the world, we have responsibilities
17 all over the globe. The Middle East remains important to
18 America's national interests, and as a result, the
19 Department of Defense is committed to confronting the
20 region's two principal security challenges, Iran and ISIL.

21 The department's strategic approach to protecting our
22 interests and confronting those challenges will remain
23 unchanged. We will continue to maintain a strong military
24 posture to deter aggression, to bolster the security of our
25 friends and allies in the region, especially Israel, to

1 ensure freedom of navigation in the Gulf, to check Iran's
2 malign influence, and to degrade and ultimately defeat
3 ISIL.

4 We are also continuing to advance our military
5 capabilities that provide all options as the President has
6 directed should Iran walk away from its commitments under
7 this deal. Last week, I was in the Middle East, and I had
8 the opportunity to visit with some of our men and women in
9 uniform who are carrying out this strategy. I know how
10 much all of you care for them, and like me, you are proud
11 of their impressive work.

12 And I will tell you this morning what I told them. We
13 are continuing full speed ahead, standing with our friends,
14 standing up to ISIL, and standing against Iran's malign
15 activity.

16 On ISIL, as I testified earlier this month, we have
17 the right strategy in place, built on nine synchronized
18 lines of effort, to achieve ISIL's lasting defeat. But we
19 continue to strengthen execution. Today, in Iraq and other
20 places, we are working with partners on the ground and in
21 global coalition to enable capable and motivated ground
22 forces to win back Iraq's sovereignty and peace on its own
23 territory.

24 I saw several parts of that effort last week and spoke
25 with some of our partners on the ground. We are headed in

1 the right direction in this counter ISIL effort. We have
2 made some progress, but we need to make more.

3 On Iran, this new deal, when implemented, will place
4 significant limitations on Iran that will effectively cut
5 off its pathways to the fissile material for a nuclear
6 bomb. But it is also important to note that it places no
7 limitations -- let me repeat that -- no limitations on what
8 the Department of Defense can and will do to pursue our
9 defense strategy in the region.

10 It places no limits on our forces, our partnerships
11 and alliances, our intensive and ongoing security
12 cooperation, or on our development and fielding of new
13 military capabilities, capabilities we will continue to
14 advance.

15 If Iran were to commit aggression, our robust force
16 posture ensures we can rapidly surge an overwhelming array
17 of forces into the region, leveraging our most advanced
18 capabilities, married with sophisticated munitions that put
19 no target out of reach.

20 Iran and its proxies will still present security
21 challenges. Iran supports the Assad regime in Syria, backs
22 Hezbollah in Lebanon whose fighting positions, by the way,
23 I observed firsthand during a visit to Israel's northern
24 border last week with the Israeli defense minister, and is
25 contributing to disorder in Yemen. And Iran still directs

1 hostility and violence to our closest ally in the region,
2 Israel.

3 In the face of that malign activity, we will continue
4 to meet our commitments to our friends and allies in the
5 region, especially Israel, and continue to build on and
6 enhance our cooperation in meaningful ways. I made that
7 clear last week in Israel, Saudi Arabia, Jordan, and Iraq.

8 I also made clear that we will continue to maintain
9 our robust regional force posture, ashore and afloat, which
10 includes tens of thousands of American personnel on our
11 most sophisticated ground, maritime, and air and ballistic
12 missile defense assets.

13 Our friends understand, despite our differences with
14 some of them about the merits of this deal, that we have an
15 enduring commitment to deterrence and to regional security.
16 I am proud to say that our defense partnerships in the
17 region have never been stronger. And as I made clear in
18 Israel and as we agreed at Camp David with our Gulf
19 partners, as Senator Reed indicated, we are committed to
20 making them even stronger and more capable against a range
21 of threats.

22 The United States will maintain its ironclad
23 commitment to Israel's qualitative military edge, or QME.
24 We will keep providing Israel with advanced capabilities.
25 For example, next year Israel will be our first and only

1 friend in the region flying the F-35 Joint Strike Fighter.

2 We continue to work with Israel on ballistic missile
3 defense systems -- in fact, three of them -- the Iron Dome,
4 David's Sling, and the Arrow system for missiles of
5 progressively increasing range.

6 And we are working multilaterally and bilaterally to
7 improve the capability and capacity of our Gulf partners
8 also. At the GCC summit at Camp David, hosted by the
9 President in May, and last week with Saudi leaders, I
10 stressed a number of functional areas that will be critical
11 to enabling Gulf countries to play a stronger regional
12 role, including maritime forces; ground forces, including
13 especially special operations and counterterrorism forces;
14 air and ballistic missile defense forces; and cyber
15 protection.

16 We also conduct over 50 military exercises a year with
17 our regional partners. And we have offered sophisticated
18 defense equipment, including the THAAD ballistic missile
19 defense system and long-range precision strike capabilities
20 to some of our Gulf partners.

21 In conclusion, this is a good deal because it removes
22 a continued source of threat and uncertainty in a
23 comprehensive and verifiable way by preventing Iran from
24 getting a nuclear weapon. It is a deal that takes no
25 option away from a future President. This is an important

1 achievement and a deal that deserves your support.

2 Meanwhile, the United States, the Department of
3 Defense, and the men and women of the finest fighting force
4 the world has ever known, with your support, will continue
5 to be committed to the defense of America's interests,
6 friends, and allies, to counter ISIL and Iran's malign
7 influence, and to uphold the President's commitment that
8 Iran will not obtain a nuclear weapon should it walk away
9 from this deal.

10 Thank you.

11 [The prepared statement of Secretary Carter follows:]

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1 Chairman McCain: Thank you, Mr. Secretary.
2 General Dempsey?
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1 STATEMENT OF GENERAL MARTIN E. DEMPSEY, USA,
2 CHAIRMAN, JOINT CHIEFS OF STAFF

3 General Dempsey: Thank you, Chairman, Ranking Member
4 Reed, and the members of this committee, for the
5 opportunity to address your questions regarding the
6 military implications of the negotiated deal with Iran.

7 Given our discussion before this body just a few weeks
8 ago, I will keep my comments brief.

9 As I have stated previously, I was consulted on the
10 military implications during the course of the negotiations
11 and provided my best military advice appropriately. If
12 followed, the deal addresses one critical and the most
13 dangerous point of friction with the Iranian regime. But
14 as I have stated repeatedly, there are at least five other
15 malign activities which give us and our regional partners
16 concern.

17 These run the gamut from ballistic missile technology
18 to weapons trafficking, to the use of surrogates and
19 proxies, to naval mines and undersea activity, and last,
20 but not least, to malicious activity in cyberspace. The
21 negotiated deal does not alleviate our concerns in those
22 five areas. The negotiated deal does not change the
23 military options at our disposal.

24 And in our ongoing efforts to counter the Iranian
25 regime's malign activities, we will continue to engage our

1 partners in the region to reassure them and to address
2 these areas. Ultimately, time and Iranian behavior will
3 determine if the nuclear agreement is effective and
4 sustainable. In the interim, I will continue to provide my
5 best military advice and present military options.

6 With that, I stand subject to your questions.

7 [The prepared statement of General Dempsey follows:]

8 [COMMITTEE INSERT]

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1 Chairman McCain: I mention to my colleagues we have a
2 vote on right now, and usually we bounce back and forth,
3 but I think that this is important enough for us to recess
4 for until the completion of the second vote. I understand
5 there is two, that one is ending right now and the other is
6 beginning.

7 So I would ask the indulgence of our witnesses, and I
8 apologize if they -- if we could recess for approximately
9 10 minutes while we are able to complete these two votes.
10 I think this hearing is important enough not to have us
11 bounce back and forth because I think all members would
12 like to hear the complete testimony.

13 So, again, my apologies. We will stand down for 10 --
14 10 minutes.

15 [Recess.]

16 Chairman McCain: The committee will reconvene, and I
17 want to thank the witnesses for their patience. I am sure
18 they understand that from time to time, we are required to
19 vote.

20 So I want to thank the witnesses for being here.

21 And General Dempsey, your statement has been
22 completed. And is there any other statements that would
23 like to be made? Then we will begin with questions, and we
24 will have 5 minutes.

25 Secretary Carter, the issue has arisen that there is

1 side agreements that have been made between the IAEA and
2 Iran that apparently the Congress has not been made privy
3 to, and could I ask that since these IAEA agreements, side
4 agreements have to do with the weapons programs of the
5 Iranians and the inspection and verification of those
6 programs, will we in Congress receive the information
7 concerning those side agreements in order to make a
8 judgment as to the degree of verification?

9 Secretary Carter: Chairman, I think it is important
10 that the content of those agreements and the manner in
11 which they provide for verification of the nuclear
12 undertakings Iran is making in this agreement and the
13 procedures of the IAEA be known to the Congress. I can't
14 speak for the actual specific documents themselves. I am
15 sure Secretary Moniz or Secretary Kerry can.

16 But it is an important part of the verification of the
17 agreement, and obviously, verification is an important part
18 of any -- any agreement. Let me ask Secretary Moniz if he
19 wants to add anything on the specifics of the IAEA?

20 Secretary Moniz: Well, thank you, Ash.

21 I could certainly add that the -- first of all, to be
22 honest, sir, I would not call them side agreements in the
23 sense that the agreement in the JCPOA is that Iran must
24 cooperate for the IAEA to complete its process on PMD.
25 Then the IAEA, as is standard, negotiates a safeguards

1 confidential document with the country to define the
2 protocols that will --

3 Chairman McCain: Those protocols -- those protocols
4 are very important, Mr. Secretary. Are we going to be
5 aware of those protocols? Because we know that with any
6 agreement with a country such as Iran, the devil is in the
7 details.

8 Secretary Moniz: All I can say is that -- well, first
9 of all, I personally have not seen those documents.

10 Chairman McCain: Which is astounding, to be honest
11 with you. That is --

12 Secretary Moniz: Well --

13 Chairman McCain: -- absolutely astounding that you
14 have not seen the documents that are about the requirement
15 for verification.

16 Secretary Moniz: All I can say is that the agreement
17 requires their cooperation with the IAEA, and this is the
18 standard practice of the IAEA, whose independence is very
19 critical to all of us.

20 Chairman McCain: What is critical to all of us, Mr.
21 Secretary, that we have verification of the -- and
22 inspections of Iranian activities because they have a clear
23 record of cheating.

24 Secretary Moniz: We agree.

25 Chairman McCain: So, so we agree, all of us, I

1 believe, that we should see those instruments of
2 verification. Otherwise, how can we make a judgment as to
3 these -- this agreement can be enforced and verify with a
4 country that has a long record of cheating?

5 Secretary Moniz: The IAEA will, of course, then take
6 the information that Iran must provide by October 15th and
7 complete their report. And at that time, I think we will
8 understand the IAEA's confidence in their -- in their
9 verification measures.

10 Chairman McCain: So we are --

11 Secretary Moniz: Building up, I might say, a very
12 long history of this.

13 Secretary Kerry: Mr. Chairman? Mr. Chairman?

14 Chairman McCain: So we are then dependent on the
15 confidence of the IAEA, not the actual viewing of the
16 agreement and verification. I don't think many of us would
17 agree with that process.

18 General Dempsey, you told the committee just a few
19 weeks ago, "Under no circumstances should we relieve
20 pressure on Iran relative to ballistic missile capabilities
21 and arms trafficking." Now we are seeing after 5 years a
22 relief of sanctions on conventional arms and, of course, 8
23 years ballistic missiles.

24 How does that comport with the terms of this agreement
25 with the statement that you made before the committee?

1 General Dempsey: Well, it won't surprise you,
2 Chairman, to know that my recommendation was to keep
3 pressure on Iran on the other malign activities for as long
4 as possible, and that recommendation was made. And then it
5 entered into the negotiating process.

6 I will say I think that time works for us as well as
7 Iran in this regard, and so with the agreement made, and
8 having had the opportunity to give my advice, I support it.

9 Chairman McCain: Do you, Secretary Carter, believe
10 that -- that Iran will change its behavior as a result, if
11 this agreement is finalized? And have you seen any
12 indication of that?

13 Secretary Carter: I have not, Mr. Chairman. And
14 speaking just from my own judgment, I don't foresee that or
15 have any reason to foresee that. That is why it is
16 important that the agreement be verifiable. That is why it
17 is important that Iran not have a nuclear weapon, and that
18 is also why it is important that we keep doing everything
19 that we need to do.

20 Defend our friends and allies, remain strong in the
21 Gulf, freedom of navigation, ballistic missile defense, all
22 the things we are doing. We need to keep doing those
23 things, and the agreement doesn't limit us in any way.

24 Obviously, if Iran changes its behavior, that would be
25 a welcome thing. But I see no reason to foresee that,

1 Chairman, personally.

2 Chairman McCain: I see no reason to foresee it, and I
3 see them now with about \$50 billion or \$60 billion with
4 which to pursue those malign activities, and I have seen
5 Secretary Lew's testimony and others that don't worry, they
6 will be using it for domestic purposes. They are doing it
7 now with the assets that they have. One can only imagine
8 what they might be doing with 50 billion or 60 billion
9 additional dollars.

10 Look, I just would like to say again I know that the
11 witnesses have very busy schedules, and I am grateful that
12 you sought to testify before the committee today in order
13 to help us understand this issue. And I thank you.

14 Senator Reed?

15 Senator Reed: Thank you very much, Mr. Chairman.

16 Secretary Carter, you indicated in your statement that
17 the United States has not given up any of its military
18 options with respect to the region and to the Iranians.
19 And I would presume also it has not given up any of its
20 military intelligence and national intelligence operations
21 with respect to Iran.

22 And those intelligence operations, I would presume,
23 would be focused in great detail on potential violations of
24 this treaty. Is that your sense, too?

25 Secretary Carter: Yes. Without going into detail

1 here, certainly we have intelligence activities focused on
2 the Iranian nuclear program. But we have on everything
3 else they are doing, malign activity, Quds Force, ballistic
4 missiles, arms transfers, the whole -- the whole thing. It
5 is a very important intelligence effort.

6 Senator Reed: And Secretary Moniz, I understand that
7 General Clapper yesterday indicated that he is confident, I
8 think is a reasonable explanation, of the intelligence
9 community's ability to detect any significant violation of
10 the treaties with or without direct contact with IAEA. Is
11 that a fair judgment in your mind?

12 Secretary Moniz: Yes. In fact, he and I, Clapper,
13 CIA Deputy Director Cohen, National Geospatial Intelligence
14 Agency head Cardillo all made statements. Clapper in
15 particular said that we would have far greater insight into
16 the Iranian program with the agreement. And I would add
17 that far greater insight will persist essentially forever.

18 Senator Reed: General Dempsey, in your military
19 assessment, what is more effective in delaying or stopping
20 the Iranian nuclear program at this time or in the near
21 future, a military strike or this P5+1 agreement?

22 General Dempsey: Well, first, Senator, I would like
23 to point out that the military options remain.

24 Senator Reed: Right.

25 General Dempsey: Secondly, I think that a negotiated

1 settlement provides a more durable and reduces near-term
2 risk, which buys time to work with regional partners to
3 address the other malign activities. But there are about
4 five military implications. You have invited me here today
5 to talk about the military implications, if you would allow
6 me?

7 Senator Reed: Please.

8 General Dempsey: I mean, the first is it does reduce
9 the risk of a near-term conflict with Iran over their
10 nuclear program. Secondly, another military implication is
11 we have to sustain those options. They have to be
12 preserved into the future.

13 Third, there is clearly the opportunity for Iran to
14 use some of the revenue that they gain for malign purposes,
15 and that bears watching and collaboration with our regional
16 partners, including Israel.

17 Fourth, this will require us to strengthen our
18 relationships and our collaboration in that part of the
19 world. Then derivative of that is, fifth, we will have to
20 -- we should maintain and will maintain our forward
21 presence.

22 Those are the military implications.

23 Senator Reed: The GCC in terms of the military
24 expenditures, roughly double what the Iranians spend and
25 has a capacity of even going much higher, given their

1 revenues. Is that a fair assessment?

2 General Dempsey: Yeah, double is probably the
3 average. Certain countries far more than that.

4 Senator Reed: And one of the factors that we are
5 going to have to work with our allies in the region is
6 making sure that they are -- those resources are focused
7 and can deter or defeat any aggression or proxy aggression
8 by the Iranians, and that is the whole point, I think, of
9 the collaboration that you are undertaking?

10 General Dempsey: We have got a series of initiatives,
11 both with the Israelis and the GCC, to better position
12 ourselves to address those other malign activities.

13 Senator Reed: And so, we have a situation develop
14 where the resources are available. We are trying to
15 reorganize in collaboration with the regional partners so
16 they are much more effective to respond. So, essentially,
17 we are not ignoring these hostile threats by the Iranians
18 on the ground through proxy or anything else. Indeed, we
19 are, in a sense, amping up our activities.

20 Is that fair?

21 General Dempsey: Well, what I would say, Senator, is
22 you know my responsibility is to articulate risk and
23 provide options to our elected leaders in how to mitigate
24 them. And this does cause us to have to increase our
25 military. We have to pay more attention to the malign

1 activities.

2 Senator Reed: Thank you very much, Mr. Chairman.

3 Thank you, gentlemen.

4 Chairman McCain: Senator Inhofe?

5 Senator Inhofe: Thank you, Mr. Chairman.

6 Right now in the middle of one of the largest bills of
7 the year, and I am the sponsor. Therefore, I haven't been
8 in on all this fun. So I read this morning to see what
9 happened yesterday, Secretary Kerry. This is in the, I
10 guess, the Washington Post.

11 President Obama promised that his nuclear deal with
12 Iran would not be based on trust, but rather unprecedented
13 verification. Now it turns out Obama's verification regime
14 is based on trust after all. Trust in two secret side
15 agreements negotiated exclusively between Iran and the
16 International Atomic Energy Agency that apparently no one,
17 including the Obama administration, has seen.

18 And it goes on to say, "It turns out that only two
19 parties, the IAEA and Iran, get to actually see it.
20 However -- " Well, and then further, in the U.S. News and
21 World Report, it says, "By law, the administration is
22 required to provide Congress with the contents of the
23 nuclear deal and all related matters and annexes."

24 Secretary Kerry, do you agree with that analysis of
25 the law, what your requirement is?

1 Secretary Kerry: Senator, let me just say to clarify
2 on the earlier part of the question, Congress will be fully
3 briefed on this -- on this agreement in a classified
4 session. And indeed, one of our key negotiators, the day-
5 to-day lead negotiator, Wendy Sherman, was briefed on it.
6 And Ernie Moniz was likewise briefed on it. So we are
7 aware of what the basics of it are.

8 It is standard procedure. I mean, there are 189
9 countries that have an agreement with the IAEA that are
10 signed up to the NPT. Not that many have agreements.

11 Senator Inhofe: Okay, but my question is, are we
12 entitled to all the related materials and indexes?

13 Secretary Kerry: Correct. But, yes, those that are
14 part of the agreement, per se. This is, by reference, and
15 we -- no country has access to the confidential agreements
16 directly of the IAEA and a country.

17 Senator Inhofe: Well, I can't -- I don't mean to
18 interrupt you, but my time is limited here. I can't
19 imagine that this wouldn't be a part of what we all would
20 be briefed on.

21 Now yesterday, when Congressman Poe asked the
22 question, he said the secret deal. Secretary Rice said
23 that she has seen the deal with the IAEA, and she is going
24 to share it with Congress. Now that is the question, if
25 you have seen it since --

1 Secretary Kerry: No, but --

2 Senator Inhofe: Did you see it at the same time or
3 prior to the time that Secretary Rice saw it?

4 Secretary Kerry: Senator, National Security Adviser
5 Rice has not seen it.

6 Senator Inhofe: Well, she said she did yesterday.

7 Secretary Kerry: No, she has been briefed on it.

8 Senator Inhofe: Well, she did.

9 Secretary Kerry: I gave her exact quote to
10 Congressman Poe, and the exact quote is that she has seen
11 -- she has been briefed on it. She hasn't actually seen
12 the agreement.

13 Senator Inhofe: Okay. I will give you her quote and
14 make sure it is in the record here. It says, "She said she
15 did. She did see it. She did evaluate it. She said she
16 did 6 days ago." That is 7 days ago now. She said 6 days
17 ago she had seen it and reviewed it and that Congress will
18 get to see it in a classified session.

19 Secretary Kerry: Well, Congressman, you are quoting -
20 - Senator, you are quoting Congressman Poe.

21 Senator Inhofe: Who is quoting her. This is in
22 quotation marks.

23 Secretary Kerry: And I corrected him with her direct
24 quote, which we took from public record. Her quote says
25 that she has been briefed. She has not seen it.

1 Senator Inhofe: I have not seen that because I don't
2 think that she did correct that. That was specific on
3 something that happened 6 days before. As a matter of
4 fact, that was in The Hill magazine.

5 Secretary Kerry: The White House press -- the White
6 House press briefing directly --

7 Senator Inhofe: The Hill magazine was -- had
8 something about that, and that was prior to the time. It
9 was 7 days ago today, Secretary Kerry, that we had a
10 confidential, classified briefing, right? I was there.
11 You were there. Most of the people at this table were
12 there.

13 And I would say this. In a classified session, you
14 can't say what was said, but was that addressed at all?

15 Secretary Kerry: It was.

16 Senator Inhofe: Was that addressed at all?

17 Secretary Kerry: It was addressed. It was. A
18 question came up about it, and the answer was given that,
19 of course, Congress will be briefed with respect to the
20 contents. And of course, you need to be briefed.
21 Everybody needs to be briefed.

22 Senator Inhofe: My point is, Mr. Secretary, that that
23 was a classified session where we were in a position to be
24 briefed at that time, and we weren't.

25 Secretary Kerry: I don't think we had the full

1 material to brief. I didn't have it, anyway. But we are
2 prepared, and I think Wendy Sherman is going to be briefing
3 very shortly on that, Senator.

4 But what we did provide, what we can provide is the
5 actual road map that the IAEA put out, and the IAEA has
6 issued a full road map of what their expectations are.

7 Senator Inhofe: I understand that. But I am talking
8 about the deal, the secret documents. That is what I am
9 referring to.

10 Secretary Kerry: Well, it is not -- it is a
11 confidential agreement. It is being -- it is being
12 postured as this great sort of --

13 Senator Inhofe: I think --

14 Secretary Kerry: It is a confidential agreement,
15 which is the standard procedure of the IAEA, and we have
16 lived with the IAEA, Senator. We have relied on the IAEA
17 for years and years.

18 Senator Inhofe: Okay.

19 Secretary Kerry: And historically, the IAEA always
20 creates what is called a comprehensive safeguards
21 agreement, a CSA, which they negotiate with a country, and
22 we don't get that exact -- it is not shared with the world.
23 And there are reasons that it is confidential that have to
24 do with what you can get out of that country, but we do get
25 briefed on it.

1 We are aware of it. Secretary Moniz has actually made
2 some recommendations to the IAEA for them to actually
3 tighten it up a bit. I think, Secretary Moniz, you might
4 -- you have certainly got confidence in it, in what you
5 have heard --

6 Senator Inhofe: Mr. Secretary, my time has expired.
7 But I would say to the chairman, it is incomprehensible
8 that we didn't have full access to that, and I think most
9 of the people agree with that.

10 But my time expired. Thank you.

11 Chairman McCain: Senator Nelson?

12 Senator Nelson: Thank you.

13 Gentlemen all, thank you for your public service.

14 Mr. Secretary Lew, I want to go down a different road.
15 We have heard so many different commentaries about how much
16 of a windfall the sanctions relief would be for Iran. We
17 have heard \$100 billion, \$150 billion. The chairman is
18 speaking of \$50 billion or \$60 billion.

19 You tell me if this is correct. That basically,
20 sanctions relief of what has been withheld is about \$100
21 billion, but in that \$100 billion, there are contractual
22 obligations of Iran to pay some \$50 billion. And
23 therefore, the net that would approximately come to Iran
24 would be about \$50 billion.

25 Is that somewhere in the ballpark? That is correct?

1 Secretary Lew: Senator, that is roughly correct. I
2 am happy to walk down the numbers, to the best of my
3 knowledge.

4 Senator Nelson: You don't need to. I am trying to
5 get concepts here.

6 Secretary Lew: Well, the one thing I would add is
7 there is between \$50 billion and \$60 billion that is
8 accessible. But that money is not sitting in U.S. banks.

9 Senator Nelson: That is where I wanted to go. That
10 money is sitting in foreign banks, is it not?

11 Secretary Lew: It is sitting around the world in
12 countries like China and India and many other countries.

13 Senator Nelson: China, India, Japan, even Taiwan, and
14 UAE, those banks?

15 Secretary Lew: Correct.

16 Senator Nelson: Therefore, if we denied the lifting
17 of economic sanctions, that money is in the hands of
18 foreign banks. What, in your professional opinion, is the
19 likelihood that that money would be released --

20 Secretary Lew: Well, just to be clear, Senator --

21 Senator Nelson: -- to Iran?

22 Secretary Lew: It is Iran's money that is tied up
23 because of sanctions. So they have sold oil. The money
24 has gone into these foreign accounts, and it is sitting
25 there. If this agreement, this deal were to be rejected,

1 the question is what do those other banks do?

2 I don't think they will feel bound to hold that money
3 the way they have held it in an escrow away from Iran, and
4 I think without a nuclear agreement, some of that money
5 will start going back to Iran if there is no agreement, if
6 this agreement is rejected.

7 Senator Nelson: So, to recapitulate then, if we were
8 to reject it, the money is likely to flow because it is in
9 the hands of foreign banks that would not be compelled to
10 adhere to the United States wishes at that point. Is that
11 correct?

12 Secretary Lew: Right. We do, obviously, have
13 sanctions that we could impose in other ways, but this
14 money is not sitting in U.S. banks. We can't lock it up
15 directly. We need the cooperation of other governments,
16 other central banks, other banks in order to keep this
17 money from Iran.

18 And just to add one more detail, I think the notion
19 that somehow a \$50 billion, \$60 billion check gets written
20 is wrong. They can't spend all this money. This is the
21 foreign reserve that they need to settle their foreign
22 transactions.

23 They are already using -- doing transactions in some
24 of these countries that are permitted, using their foreign
25 reserves as exchange. They still will need to buy things

1 overseas. So they can't just spend all this money, or
2 their ability to conduct international commerce goes away.

3 And as I have said before, they have hundreds of
4 billions of dollars of competing domestic needs. So while
5 I can't say that not a penny will go to malign purposes. I
6 have never said that. I think the magnitude of resources
7 available is highly exaggerated by the notion of thinking
8 that it is some \$50 billion transfer.

9 Senator Nelson: Mr. Secretary Moniz, can you explain
10 to the committee the insight that you, we -- the United
11 States Government -- will have as a result of this
12 agreement on their uranium centrifuge program, number one,
13 and, number two, on their plutonium program as a result of
14 the agreement stating there has to be modifications and/or
15 dismantlement of the plutonium reactor?

16 Secretary Moniz: Yes, Senator. On the uranium
17 centrifuges, we will have -- well, the IAEA will have daily
18 access and the use of advanced technologies to make sure
19 that all of the idle ones are locked up and used only as
20 replacements for broken ones. And they will confirm that
21 they are broken.

22 In addition, for 20 years, we will have containment
23 and surveillance of all manufacturing of key centrifuge
24 parts. So it is, as General Clapper said, we have
25 tremendously enhanced insight into their program.

1 On the plutonium, we will take -- they will be
2 required to take out the core part of the reactor, fill it
3 with concrete. And then with international collaboration,
4 and we will be part of that, we will make sure that the
5 replacement reactor is the one that reduces plutonium
6 production by about a factor of 10. So it is way below the
7 amount needed for a weapon.

8 But secondly, they have also agreed that belt and
9 suspenders, that the spent fuel for life, which is where
10 the plutonium resides, will be sent out of the country. So
11 we have very, very good containment there.

12 Senator Nelson: Thank you, Mr. Chairman.

13 Chairman McCain: Senator Sessions?

14 Senator Sessions: Thank you, Mr. Chairman.

15 And thank all of you.

16 I have been a member of and chair now the Strategic
17 Subcommittee. I worked with Senator Donnelly and Senator
18 Nelson over the years. It has been the unified view of the
19 world's developed nations that Iran not have a nuclear
20 weapon. It is a grave threat to peace in the world.

21 Secretary Kissinger, sitting where you are, said a few
22 months that if Iran gets a nuclear weapon, he named Turkey,
23 Saudi Arabia, Egypt would get nuclear weapons.
24 Proliferation dangers are very real, and that is why the
25 whole world and even the U.N. has been firm on this.

1 So I am very worried about where we are, and I believe
2 the initial error was the commencement of negotiations in
3 2009 after President Bush had pulled back from that because
4 of the behavior of Iran. And experts in the region warned
5 us that the Iranians are exceedingly patient, that talking
6 can be a trap.

7 And the deeper you get into this talk, the less able
8 you are to take corrective action and to alter the
9 situation as we see it. So now we are at the end. The
10 Iranians see long term, and I am afraid that we have
11 endangered the goal that we had it pretty well a unanimous
12 nation, world behind.

13 Secretary Carter, do you believe that Iran represents
14 the world's foremost sponsor of terrorism?

15 Secretary Carter: Let us see, state sponsor, probably
16 so. I -- there are, unfortunately, it is such a
17 kaleidoscope these days that there are lots of sources of
18 terror. But I think for state sponsorship, that is
19 probably accurate.

20 Senator Sessions: I think that is consensus.
21 Secretary Kerry testified yes to that question yesterday in
22 the House.

23 Secretary Carter: Right.

24 Senator Sessions: And I wish it weren't so.

25 Secretary Carter: Me, too.

1 Senator Sessions: And there is a goal and dream that
2 somehow Iran could be brought in from the cold and we can
3 work with them, but I believe that it was former adviser to
4 President Reagan, Bud MacFarlane, who said revolutionaries
5 don't go back on the revolution. And you believe that the
6 Supreme Leader Khamenei remains committed to the
7 revolutionary goals of the Iranian revolution?

8 Secretary Carter: I only read what he says, which
9 suggests that he does.

10 Senator Sessions: I think he does. I don't think he
11 has any intention to abandon that. Hasn't he -- he was
12 recently at an event and led a rally in which chants
13 punctuated the rally, "Death to America. Death to Israel."
14 Do you believe that those reflect his views?

15 Secretary Carter: Again, I am not an expert, but
16 certainly I can read the newspaper. Certainly seems so,
17 and that is the reason to be so concerned about Iran,
18 Iran's malign activities, support for terrorism, and
19 especially to make sure they don't get a nuclear weapon, as
20 which is key.

21 Senator Sessions: I think that is the only conclusion
22 we can reach. I think he means what he says. We can think
23 it is strange and unserious and not serious, but it is
24 serious. It represents the radical ideological agenda of
25 this regime, which makes it a pariah regime, which makes

1 this a danger to the entire world.

2 And negotiating an agreement that allows them to
3 obtain missiles is also dangerous, even if it is 5 years or
4 8 years out. Iranians are very patient.

5 Now you were asked earlier about this, and you said,
6 "The reason we want to stop Iran from having an ICBM
7 program is that the "I" in ICBM stands for
8 "intercontinental," which means having the capability to
9 fly from Iran to the United States, and we don't want
10 that."

11 I think that was a very clear policy decision of the
12 United States. But doesn't this agreement allow after at
13 least 8 years -- and they have been known to cheat -- to
14 purchase on the open market items that would help assist
15 them in building an ICBM system capable of reaching the
16 United States?

17 Secretary Carter: Well, I am, and I think we all need
18 to be very concerned about their ballistic missile
19 activities with or without this agreement. That is why
20 ballistic missile defense is so important, including
21 ballistic missile defense of the United States.

22 I spoke earlier about ballistic missile defense of
23 Israel, which we also worked very hard with Israel on.

24 Senator Sessions: Well, I think the administration
25 and you have supported missile defense for the United

1 States.

2 Secretary Carter: And also -- I think we have, too.

3 Senator Sessions: And you say they shouldn't have
4 this capability, and we should stop it. And this
5 agreement, does it not, allows them to purchase anything
6 they need on the world market after the date in the
7 agreement?

8 Secretary Kerry: No, Senator. Could I answer that?
9 It actually does not.

10 The 8 years represent the best that we were obviously
11 able to negotiate with 3 countries of the 7, who said there
12 should be nothing. But we were comfortable accepting the
13 idea of the 8, which, by the way, still leaves us those 8
14 years with Chapter 7 enforcement with respect to that. But
15 we were comfortable because we have a number of other tools
16 already available to us, Senator, which we can apply to be
17 able to prosecute their efforts with respect to missiles.

18 Specifically, we have the Missile Technology Control
19 Regime. We have executive order of the President of the
20 United States, which allows him to sanction anybody who is
21 providing any materials whatsoever for missile
22 construction. We have the Proliferation Security
23 Initiative with 100 countries, which allows us to block the
24 transfer of materials for weapons construction.

25 We have the Iran, North Korea, Syria Nonproliferation

1 Act. We have additional two executive orders. So we have
2 huge tools available to us way into the future --

3 Senator Sessions: It seems to me that last agreement,
4 this agreement would trump that.

5 Secretary Kerry: No, there is no trumping of
6 anything. These are all existing. We also have --

7 Senator Sessions: I don't know what the language is
8 in the agreement for if it is not -- has no meaning,
9 Senator Kerry.

10 Secretary Kerry: Senator, these are additional
11 agreements that we have outside of this agreement, which
12 allow us to continue to protect us with respect to missile
13 development. We also have additional U.N. sanctions that
14 prohibit the flow of weapons to Hezbollah, prohibit the
15 flow of weapons to Iraqi Shia, prohibit the flow of weapons
16 to Houthi, prohibit the flow of weapons to --

17 Senator Sessions: Well, they are flowing now, are
18 they not?

19 Secretary Kerry: Indeed, because they haven't been
20 enforced, which is precisely what the administration has
21 decided we need to do more effectively. And that is why in
22 3 days, I am meeting with the whole GCC in Doha to lay out
23 the very specifics of the proposal for how we are going to
24 push back against Iran.

25 But I would leave you with one thought, Senator. You

1 have adequately and appropriately pointed to the rhetoric
2 of the leader and to the things they are doing. Simple
3 question. If that is what they want to do, are you better
4 off preventing them from having a nuclear weapon, or do you
5 want to go right back to where we were when they had 19,000
6 centrifuges, 12,000 kilograms of material, enough for 10 to
7 12 bombs.

8 They have already mastered the fuel cycle. So don't
9 be looking 15 years down the road. Right now, they have
10 this ability. And we are stopping that. We are taking
11 that away from them and providing a lifetime --

12 Chairman McCain: The Senator's time has expired.

13 Secretary Kerry: -- inspection.

14 Chairman McCain: How did that North Korean one deal
15 work out for you?

16 Senator McCaskill?

17 Secretary Kerry: Well, Senator, I can give you the
18 complete differentiation.

19 Chairman McCain: Senator McCaskill is -- your time is
20 expired. Senator McCaskill?

21 Secretary Kerry: It didn't work out for me. I didn't
22 cut the deal.

23 Senator McCaskill: General Dempsey, is there anything
24 in this agreement that would constrain our ability to take
25 any military action that our country thought was necessary

1 against Iran?

2 General Dempsey: No, Senator.

3 Senator McCaskill: Secretary Lew, I am concerned
4 about the alternative to the deal. And one of the things I
5 don't think has been covered enough in all of the testimony
6 that has occurred, and I think all of us are following all
7 of this very closely. I got the point that Senator Nelson
8 was trying to make that the money is not in our control,
9 and it appears, looking at it, if all the other countries
10 walk away from us, if we reject this deal, that they are
11 going to get the money one way or another.

12 Either they are going to get the money because they
13 are entitled to it if we do the deal, or they are going to
14 get the money because we can't control it. But I don't
15 know that that is completely accurate.

16 And I think it is important because this is not about
17 is this a good deal? This is also about what happens if we
18 don't do this deal? And I think it is important to talk
19 about whether the power the United States would have if
20 this deal was rejected to, in fact, force our will on these
21 countries that hold this money.

22 We have a lot of tools at our disposal, as the major
23 economic power that we are. A lot of these are our NATO
24 allies. Obviously, Japan. So I think it is fair that we
25 shouldn't just say if we walk away from this deal, they are

1 going to get all the money, and they are going -- I think
2 it is fair to try to really drill down, and you try to give
3 us a picture.

4 Let us assume, I know none of you want to assume that
5 this deal is rejected. But let us assume it is. At that
6 moment, what power do we have as a country to keep this
7 money from flowing to Iran and its nefarious activities?

8 Secretary Lew: Senator, that is a very fair question.
9 And obviously, nobody can give you an entirely precise
10 answer because there is perfectly legal ways for them to
11 use some of this money now.

12 For example, if they buy Chinese goods, they can pay
13 with their reserves that are held in China. So they could
14 make the decision that they are going to acquire the things
15 they need to acquire through the countries where they have
16 reserves and chip away at those reserves.

17 The question of what our unilateral sanctions can do
18 versus multilateral sanctions is a complicated one. We
19 have powerful, powerful unilateral tools. The United
20 States is the world's banking center. The dollar is the
21 reserve currency. Transactions that go through U.S.
22 financial institutions are within our grasp.

23 But that doesn't give us the ability to reach out to
24 all foreign banks and to all foreign transactions. And I
25 think that it is at our own peril if we have a sanctions

1 regime where we are enforcing unilateral sanctions that the
2 rest of the world is rejecting, which is very different
3 from what has been going on over these last few years.

4 We have worked bilaterally with countries around the
5 world to do things against their own economic interest
6 because they agreed with us on the imperative of stopping
7 Iran from getting a nuclear weapon.

8 If they see us walk away from an agreement that they
9 believe would stop Iran from getting a nuclear weapon, I
10 think the degree of cooperation we get goes down
11 considerably. It is not black and white. It is not we go
12 from being able to do everything to doing nothing. But
13 what has made the sanctions regime so effective these last
14 few years is the fact that we have had the international
15 cooperation.

16 India and China have been buying less oil from Iran
17 than would have been good for their economy. How do you
18 enforce bilaterally with countries around the world doing
19 things against their interest just by saying we insist?

20 So there are things we can do. There are certainly
21 ways that --

22 Senator McCaskill: I think it --

23 Secretary Lew: But it gets much harder.

24 Senator McCaskill: And I appreciate that answer. But
25 I really think it would be helpful for those of us who are

1 really trying to analyze both scenarios if you all would
2 try, to your best ability, put in writing what you
3 envision, what would be our best effort at keeping Iran
4 isolated if, in fact, this deal is rejected.

5 Because I don't think it is fair for us just to assume
6 that we have no power if this deal is rejected because,
7 clearly, we still are going to have a lot of power.

8 I am almost out of time. This is an important
9 question, I think, for Secretary Moniz. And I know this is
10 a hard question to give an exact answer to. But do you
11 believe that if we walk away from this deal, Iran has a
12 nuclear weapon by Christmas?

13 Secretary Moniz: Well, I can't really answer that
14 question. What I can say is --

15 Senator McCaskill: Do your best. I think it is
16 important for us to know how close they are.

17 Secretary Moniz: They -- well. They are a nuclear
18 threshold state today. They could certainly generate the
19 nuclear materials within months, which is before Christmas.
20 And what is then the unknown is the degree to which they
21 have completed, which we can't discuss right now, other
22 weaponization requirements.

23 That is what, of course, the IAEA, in building up its
24 dossier over many years, which it now needs to complete,
25 have certainly identified, labeled Iran as having had a

1 structured program of activities relevant to nuclear
2 weapons in the past. So it is a threshold state, and that
3 is the risk we face. The deal will walk them back from
4 that threshold and give us permanently more insight into
5 their -- into any weapons program they might choose to
6 pursue.

7 Senator McCaskill: Thank you, Mr. Chairman.

8 Chairman McCain: Senator Wicker?

9 Senator Wicker: They are a nuclear threshold state,
10 and they have denied all along that they had any intention
11 of doing so up and to the present time. I think that is
12 instructive.

13 I think Senator McCaskill may be onto something here
14 with regard to all of the options before us. My friend
15 Senator Reed asked a question about are we better off with
16 a negotiated settlement or a military strike, as if those
17 are the only two alternatives. Of course, we know that
18 those are not the only two alternatives.

19 I wish our European friends, our Western allies had
20 not been so eager to leave the sanctions regime, but they
21 were. The United States could go it alone. And as the
22 Secretary pointed out, we do have unilateral tools that
23 would be effective.

24 So, you know, continue trying to get a good deal,
25 continued unilateral tools on the part of the United

1 States, making people choose between banking with America
2 and banking with Iran. Those tools are there.

3 Let me say to you, General Dempsey, I appreciate your
4 service, and I appreciate the many times you have come
5 before this committee. We have disagreed and agreed from
6 time to time. It would seem to me that your brief nine-
7 sentence opening statement to this committee today amounts
8 to damning this agreement with faint praise, I have to say.

9 You mentioned that there are six areas in which Iran
10 is a bad actor, and you say five -- five of these malign
11 activities give us real concern, and you list them. But
12 then you end and give us these words of assurance.

13 "Ultimately, time and Iranian behavior will determine
14 if the nuclear agreement is effective and sustainable."
15 That, sir, does not give me a confidence level, and I just
16 have to tell you that, based upon your very brief and I
17 think tepid endorsement of this agreement.

18 With regard to the conventional arms embargo, as late
19 as the spring, we weren't hearing about this. General
20 Dempsey, when did you become aware that there would be this
21 huge relief from the conventional arms embargo, and isn't
22 it a fact that it caught you by surprise?

23 General Dempsey: Well, first, Senator, I would ask
24 you not to characterize my statement as tepid nor
25 enthusiastic, but rather pragmatic. And I have said from

1 the start that relieving the risk of a nuclear conflict
2 with Iran diplomatically is superior to trying to do that
3 militarily, but I will sustain the military options in case
4 that becomes necessary.

5 As to your question about timing, I was consulted or
6 asked for my advice episodically when military implications
7 became part of the conversation. And probably about a week
8 or two before the agreement was finalized, I gave my final
9 recommendation regarding sanctions.

10 Senator Wicker: Well, late -- that is very late in
11 the agreement, and I would just say it seems to me that the
12 advice that we have been getting on the other side of this
13 agreement down through the months and over time, this --
14 this massive retreat from conventional arms embargos is
15 something new and something very troubling.

16 Let me just say, Mr. Chairman, in the minute I have
17 left that the assessment of the facts and the assessment of
18 the effect this agreement will have by neighbors in the
19 region I think is so instructive, should be so instructive
20 to this Congress. And I don't blame my friends on the
21 Democratic side of the aisle for having concerns also.

22 It is striking that from right to left, every ideology
23 within the country of Israel is opposed to this agreement.
24 It is striking that the Arab neighbors, the Saudis and
25 others, are alarmed at this deal.

1 And I would submit to the record, Mr. Chairman, in the
2 closing seconds an op-ed by Ari Shavit, senior
3 correspondent for left of center Israeli newspaper Haaretz,
4 in which he says, "The Iranian negotiating team succeeded
5 in destroying completely the sanctions mechanism." He
6 points out that, "The United States, European Union,
7 Britain, France, Russia, and China recognize again and
8 again Iran's right to develop advanced centrifuges, which
9 could be 5 to 10 times bigger than the capacity of the old
10 ones."

11 "This means," Mr. Shavit concludes, "that the
12 international community is not only enabling, but actually
13 ensuring the establishment of a new Iranian nuclear
14 program, which will be immeasurably more powerful and
15 dangerous than its predecessor."

16 I submit this article for the record, Mr. Chairman --
17 Chairman McCain: Without objection.

18 [The information referred to follows:]

19 [COMMITTEE INSERT]

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1 Senator Wicker: -- with a great deal of concern.

2 Thank you, sir.

3 Chairman McCain: Senator Shaheen?

4 Senator Shaheen: Thank you, Mr. Chairman.

5 And thank you all very much, both for your efforts on
6 this negotiation and for being here today.

7 Secretary Carter, you were in the Middle East last
8 week. Can you tell us what you heard from our allies in
9 the Middle East about how they felt about this agreement,
10 specifically Saudi Arabia and Israel? Obviously, we have
11 heard what Prime Minister Netanyahu has had to say.

12 Secretary Carter: Sure. Sure, Senator.

13 Beginning with Israel, Prime Minister Netanyahu was
14 very clear, as he has been clear publicly in his opposition
15 to the deal. We discussed that, but then we discussed many
16 other things as well.

17 Hezbollah's activity up on the border with Lebanon.
18 In fact, I visited there. Our missile defense activities,
19 our cybersecurity cooperation, our intelligence
20 cooperation, lots of other regional issues. And so, we
21 discussed many topics, but he was very clear.

22 Senator Shaheen: And excuse me for interrupting, but
23 would you agree with Senator Wicker's characterization that
24 the Israelis were united in their opposition to the
25 agreement from left to right?

1 Secretary Carter: I only spoke about this to the
2 prime minister, of course, who is the leader of their
3 country. He was, as he has been publicly, very, very
4 clear.

5 Senator Shaheen: And what did you hear from some of
6 our Arab allies in the Middle East?

7 Secretary Carter: I spoke to the king of Saudi
8 Arabia, who repeated to me a statement he had issued a few
9 days before supporting the agreement. He referenced that
10 -- again, I don't think this is violating any confidence --
11 that the verification and, as he put it, snapback
12 provisions were particularly important to him. So he
13 referenced those things.

14 And then, again, we went on to talk about other things
15 that are more related to the defense agenda, including the
16 -- his air force's munitions, cyber concerns that Saudi
17 Arabia has, and something that we started to discuss at the
18 GCC, namely Saudi Arabia's role in countering ISIL, which
19 is a whole other subject there.

20 Senator Shaheen: And did you hear from any of our
21 other Arab allies in the Middle East that they support the
22 agreement?

23 Secretary Carter: I spoke to the Jordanians about it.
24 Again, this wasn't a major topic with them. We had a lot
25 of other things to talk about.

1 But did not express any opposition. I don't recall
2 exactly what they said.

3 Senator Shaheen: Okay.

4 Secretary Carter: It wasn't really the subject of our
5 meeting there. Those are the three places that I met with.

6 Senator Shaheen: Thank you.

7 General Dempsey, is there a military option, short of
8 invasion, that would roll back Iran's nuclear program more
9 substantially over the next 10 years than the JCPOA does,
10 in your opinion?

11 General Dempsey: Well, I would have to make
12 assumptions about how often we would be compelled to
13 conduct airstrikes or stand up munitions. But the military
14 options that exist would disrupt the program by several
15 years, but there is nothing to say we couldn't repeat it if
16 necessary.

17 Senator Shaheen: And do you have -- is there any
18 intelligence information to suggest what Iran's response
19 would be, should we engage in an airstrike against them?

20 General Dempsey: Yes, I wouldn't say it rises to the
21 level of intelligence. But the analysis suggests that they
22 would counter our presence in the region at every
23 opportunity and use these other malign activities that they
24 have available to them.

25 Senator Shaheen: Thank you.

1 Secretary Moniz, there has been a lot of discussion
2 about the 24-day delay, and you have testified in the
3 Foreign Relations Committee that to the extent to which we
4 would be able to detect nuclear activity -- so uranium --
5 in an extended period beyond the 24-day delay.

6 What if the activity does not include nuclear
7 material, to what extent are you -- do you believe we could
8 detect other activity other than uranium-related or
9 nuclear-related activity?

10 Secretary Moniz: Well, Senator, first of all, permit
11 me to reinforce the fact that having the 24-day period is
12 itself new in the sense that there has never been any time
13 limit in terms of access to undeclared sites. Again, to
14 repeat, on nuclear materials, we have very, very sensitive
15 capabilities, and historically, those have been proved.
16 And we can add more in classified context.

17 With regard to non-nuclear materials, it gets more
18 difficult. However, when one has nuclear weapon
19 specialized activities, such as explosively driven neutron
20 initiators, we would not be without tools to detect
21 activities in that kind of a time period.

22 But clearly, as one gets farther and farther away
23 into, let us say, just conventional explosives testing,
24 which is something militaries do normally, then it is a
25 question of intelligence putting together the context for

1 suspicious activities. But nuclear material, in the end,
2 you need to do nuclear materials to get to the weapon, and
3 that is where we have extraordinary techniques.

4 Mr. Chairman, if I may add one more comment? If you
5 permit, just to go back to Senator Wicker's comment on
6 advanced centrifuges, I don't know that particular article
7 you quoted. But it appears to have forgotten to mention
8 that their most advanced machines, which are 5X their
9 current machines, they are already operating at full
10 cascade level, two different machines.

11 And those are going to be dismantled before this --
12 before this is implemented.

13 Thank you.

14 Senator Shaheen: Thank you, Mr. Chairman.

15 Chairman McCain: I am informed that Senator Ernst is
16 required to preside over the vital proceedings on the floor
17 of the United States Senate, which is critical to her
18 presence. So I would ask the indulgence of my colleagues
19 to allow her to proceed.

20 Senator Ernst: Yes, thank you, Mr. Chair, and thank
21 you, colleagues.

22 Gentlemen, thank you for being here today.

23 This will be one of the most significant votes that we
24 take as members of Congress, moving forward. So I believe
25 it is imperative that we get this right.

1 Not long ago, the United States discovered that we had
2 had a data breach at OPM. Simple. Data, personnel records
3 had been tapped into. So that just is laying the
4 groundwork of where I am going next.

5 Secretary Carter and Secretary Moniz, I am very
6 concerned regarding the Government's ability to detect,
7 deter, and defeat cyber attacks on our Government,
8 particularly by China, Russia, and Iran. With respect to
9 Iran in particular, according to Director of National
10 Intelligence James Clapper, Iran has conducted cyber
11 attacks on U.S. Government officials involved in nuclear
12 nonproliferation, hacking which compromised the Marine
13 Corps intranet, Sands Las Vegas Casino, and attacks against
14 U.S. banks.

15 In relation to the Iran deal, these attacks, along
16 with recent successful attacks against OPM, leads me to
17 have less than full confidence in our own cyber
18 capabilities, let alone the cyber capabilities of the IAEA.
19 It is vital IAEA has a lock-tight ability to protect its
20 equipment and technology, vital to ensuring effective
21 monitoring of Iranian facilities under this agreement
22 against cyber attacks.

23 Just simple "yes" or "no," Secretary Carter. Are you
24 concerned regarding Iran's ability to impact the
25 effectiveness of IAEA monitoring equipment through cyber?

1 Secretary Carter: I am sorry. I can't give you a
2 "yes" or "no" answer to that. I am very concerned about
3 Iranian cyber activity, and you named three countries. I
4 could go on with the ones.

5 This is a big problem. And sadly, I share the lack of
6 confidence you have in the adequacy of our defenses. In
7 the Defense Department, you would think with all that we
8 have paid attention to protecting our own networks, that we
9 would be secure. But we are not, and we know that.

10 And it is not just Iran, but it is others as well.
11 And that is why we are trying to make investments in that
12 area and pull up our socks in the cyber area.

13 Senator Ernst: So --

14 Secretary Carter: But I can't reassure you on the
15 cyber front.

16 Senator Ernst: I am very concerned about this.
17 Secretary Moniz, yes or no, do you share a concern that
18 this could be vulnerable?

19 Secretary Moniz: Oh, I absolutely share a concern.
20 But the IAEA does have some robust technologies in terms of
21 --

22 Senator Ernst: They are much more advanced than the
23 United States?

24 Secretary Moniz: I didn't say that, no. Look, cyber
25 is tough. General Dempsey also mentioned cyber is

1 something that keeps us up all the time, and we have to
2 develop our capabilities.

3 Senator Ernst: Fantastic. I have no confidence that
4 we would not be able to know if there were tampering
5 involvement going on as we try and monitor these activities
6 or as IAEA tries to monitor these activities.

7 Secretary Moniz: The IAEA, Senator, is, of course,
8 quite aware of this, and they do have measures.

9 Senator Ernst: And I hope that they improve those
10 measures. I do believe that we are vulnerable, as we have
11 seen with our own infrastructure.

12 And General Dempsey, we have heard some other
13 discussion today about the choices that the President has
14 with this agreement. Now 2 weeks ago, many of our news
15 outlets, USA Today, others had quoted President Obama as
16 the choice is the Iran nuclear deal or war. This seems to
17 be a military decision, and I understand that you advise
18 the President on these issues.

19 Is that what you have told the President is that we
20 either take this deal or we go to war?

21 General Dempsey: No. At no time did that come up in
22 our conversation, nor did I make that comment.

23 Senator Ernst: Who is advising the President then
24 that we must go to war if this deal is not signed?

25 General Dempsey: I can't answer that. I can tell you

1 that we have a range of options, and I always present them.

2 Senator Ernst: And I thank you for that. Because I
3 do think and I think it is imperative that everybody on
4 this panel understand that there are other options
5 available out there, and a multitude of options. We are
6 taught in the military about DIME, diplomatic options,
7 information operations, military operations, and economic
8 types of sanctions and opportunities that we might have.

9 So for the President to outright reject everything but
10 war is outrageous to me. And I do hope that you are able
11 to better advise him that he needs to be careful with his
12 language because that seems to be the rhetoric we are
13 hearing out there is that we either go to war or we accept
14 this deal, and I reject that premise.

15 General Dempsey: As long as we agree that the -- that
16 military strikes on a sovereign nation is an act of war.
17 But there are things between here and there.

18 Senator Ernst: Absolutely. I agree, General Dempsey.
19 Thank you, gentlemen, very much.

20 Thank you, Mr. Chair.

21 Chairman McCain: Senator Blumenthal?

22 Senator Blumenthal: Thanks, Mr. Chairman.

23 General Dempsey, you answered -- well, first of all,
24 let me thank everybody at this table for your service to
25 our Nation and the hard work and dedicated service that

1 produced this agreement. Whether we vote for it or not,
2 and I have made no decision for myself, I think the Nation
3 owes you its gratitude for the hard work that you have
4 done.

5 Is it fair to say, General Dempsey, that the breakout
6 time for Iran to produce enough fissile material for a
7 nuclear weapon will return to what it is now, about 2 to 3
8 months, after the 10-year period?

9 General Dempsey: I don't know that it is fair to say
10 that because I think that some of the additional protocols
11 and things which are out of my area of expertise could
12 inhibit them for a longer period of time.

13 Senator Blumenthal: Let us assume for the moment
14 that, in fact, the breakout time is reduced at the end of
15 that 10-year period to essentially what it is now. Will
16 the United States be in a stronger or weaker position
17 militarily if the military option is necessary for some
18 future President?

19 General Dempsey: The chairman earlier correctly
20 pointed out that Iran could procure some weapon systems
21 that could make our military option more difficult but will
22 not make it more impossible. And I think the answer to
23 your question, Senator, is depends how we use the time
24 between now and then, and we have got to plan with our
25 allies in the region to increase their capabilities over

1 that period of time.

2 So if we use the time wisely and we have the resources
3 necessary to do it, we should not assume we would be in a
4 weakened position.

5 Senator Blumenthal: Because the expectation has to be
6 that the Iranians will use that time to build their
7 conventional forces. At the very least, they will have
8 more revenue from various sources as the sanctions are
9 lifted, substantial revenue. Is that correct?

10 General Dempsey: Yes, but they are starting from an
11 extraordinarily weakened position conventionally. But in
12 the asymmetric arena, they are starting from a position of
13 relative capability.

14 Senator Blumenthal: Where I am going with this
15 question is what changes in military force structure do you
16 think the United States has to take, both to make sure that
17 our national security is assured and also that our allies'
18 is as well? What specific changes should the Armed
19 Services Committee be supporting in the near and longer
20 term?

21 General Dempsey: Well, I mean, that is almost a
22 separate hearing. But I would suggest to you that we
23 really need to have the kind of budget certainty that the
24 Secretary of Defense has articulated. And then, secondly,
25 that we should not at this point in time consider reducing

1 our force presence in the Middle East area of
2 responsibility.

3 Senator Blumenthal: Secretary Lew, let me turn to the
4 economic sanctions that could be available, which my
5 colleague from Iowa has mentioned. Can those be put back
6 in place? Can the United States alone, even without our
7 allies, use its finance system and its banks to implement a
8 severe sanctions system?

9 Secretary Lew: Senator, we certainly have very
10 significant tools that we have used unilaterally and we
11 could use again unilaterally. But what we have seen over
12 the last several years is the impact of multilateral
13 sanctions that have truly had a crushing impact on Iran's
14 economy.

15 It has brought them to the table. They have reached
16 the agreement that we are here discussing. I think the
17 notion that we can unilaterally equal or surpass that is
18 something that is inconsistent with what we have learned.

19 Senator Blumenthal: We may not be able to equal or
20 surpass it, but we can certainly make a significant and
21 also severely damaging effort if we choose to do so. Is
22 that right?

23 Secretary Lew: We can. And what I would say is,
24 importantly, that the snapback provisions that are in this
25 agreement, if Iran violates it, make it so that both the

1 U.S. and the international sanctions would be back in
2 place, which puts us in the strongest position.

3 Senator Blumenthal: The challenge will be to mobilize
4 our partners in that effort.

5 Secretary Lew: Well, actually, I don't think it is a
6 challenge. The way it was constructed, it is a very strong
7 snapback provision. The international sanctions snap back
8 in a way that we can work our will by exercising a veto if
9 there is a disagreement with us.

10 Senator Blumenthal: Secretary Kerry, did you have a
11 comment? I noticed that you seemed to be --

12 Secretary Kerry: Well, there is a surreality here. I
13 mean, and with all due respect, the Senator from Iowa is
14 not here. But the President of the United States is not
15 mandating war. He is not -- doesn't want to go war. It is
16 not his choice, and he is not advocating war.

17 What he is saying is that if you analyze the
18 alternatives here, and this is what I mean by surreality,
19 when you say could the United States continue some
20 sanctions? To what end? To negotiate? I mean, with whom?

21 Do you think the ayatollah is going to come back and
22 negotiate after he has already negotiated?

23 Chairman McCain: Secretary Kerry, the time has
24 expired. Please shorten your remarks.

25 Secretary Kerry: Could I just finish one thing,

1 Senator?

2 Chairman McCain: Yes.

3 Secretary Kerry: The reason that the President talks
4 about the possibility of war is Iran has already made it
5 clear that if this is rejected, they consider themselves
6 free to go back and enrich and to go back to where they
7 were with the 12,000 kilograms, 10 to 12 bombs, et cetera.

8 And the inevitable consequence of that will be a "What
9 are you going to do about it?" next step. We will have
10 lost the international support because the international
11 community is ready to enforce this deal. If we are not
12 unilaterally, they walk away.

13 So you have huge difficulty with the sanctions, and
14 you lose your capacity to have the support for the military
15 strike if there had to be one. It is not a choice the
16 President wants to make, but it is the inevitable
17 consequence of them moving to assert what they believe is
18 their right in the furtherance of their program.

19 Chairman McCain: Senator Ayotte?

20 Senator Ayotte: I want to thank the chairman. I want
21 to thank all the witnesses for being here.

22 I also want to take this opportunity. It is probably
23 going to be the last time that General Dempsey testifies
24 before the committee. I want to thank you for your
25 dedicated service and for the service of your family.

1 And I know, General, that when you appeared before the
2 committee on July 7th, I was actually the person who asked
3 you about there had been floated some views in the press at
4 that time that Iran was pushing for lifting of the
5 resolution on ballistic missiles and the resolution of
6 arms, which we now know are in the agreement at 5 years and
7 8 years.

8 Just to be clear, when you came before the committee
9 then, you said under no circumstances should we relieve
10 pressure on Iran on those issues. So was it your military
11 recommendation that we not agree to lifting of those
12 sanctions?

13 General Dempsey: Yes. And I used the phrase "as long
14 as possible," and then that was the point at which the
15 negotiation continued. But, yes, that was my military
16 advice.

17 Senator Ayotte: Thank you.

18 I also wanted to ask you about an issue I know Senator
19 Ernst had talked about in the Iranian cyber activity. And
20 a number of years ago, we saw that there was an
21 interruption of Iran's nuclear program through some other
22 cyber activity, I think was reported, called Stuxnet. And
23 that was reported in the press, I believe.

24 In this agreement, according to paragraph 10.2 of
25 Annex 3 of the deal, the United States is actually

1 obligated under this agreement to help strengthen Iran's
2 ability to protect against sabotage of its nuclear program.
3 It might be hard for Americans to believe that we would
4 agree to help Iran protect against sabotage of its nuclear
5 program in light of its prior intentions.

6 And General Dempsey, I wanted to ask your opinion on
7 that. Do you think it is a good idea for the United States
8 to help Iran actually protect its nuclear program against
9 sabotage?

10 General Dempsey: I hadn't thought about that,
11 Senator, and I would like to have the opportunity to do so.
12 I will say there is -- back to the cyber question that was
13 asked earlier. I think next week this committee and the
14 Senate will consider some cyber legislation that we have
15 been eager to see passed for some time so we can get
16 ourselves better protected.

17 Senator Ayotte: Well, when we know that Iran
18 continues malign activity on the cyber front, the idea that
19 we would agree to help them protect its nuclear program
20 against sabotage. And I assume, as I read this language,
21 that that would also obligate us to inform the Israelis --
22 inform Iran if the Israelis were undertaking any kind of
23 activities that might undermine its nuclear program, at
24 least if we are going to adhere to the plain language of
25 this agreement.

1 So I wanted to also ask about this idea. We have
2 heard a lot about sanctions, and sanctions, as I
3 understand, Iran has written the United Nations on July
4 20th about the sanctions regime. And one of the issues
5 that has concerned me about this agreement is that once the
6 sanctions, the long list of mainly congressionally mandated
7 sanctions that will be lifted under this agreement are
8 undertaken, if Iran, for example, engages in terrorist
9 activity, which it is known to do, separate from the
10 nuclear program, Iran seems to have taken the position in
11 its letter to the U.N.

12 And I have actually read the agreement, and I have
13 been concerned that the agreement provides the same that,
14 in fact, Iran says it is understood that reintroduction or
15 reimposition, including through extension of the sanctions
16 and restrictive measures, will constitute significant
17 nonperformance, which would relieve Iran from its
18 commitments in part or in whole.

19 So my question is, as I read this, I am deeply
20 concerned that if we want to reimpose the toughest
21 sanctions on issues related to their terrorist activities
22 and support for terrorism, which is another tool in the
23 toolbox, General, aside from our military options, that
24 Iran can then walk away from this agreement.

25 And if the answer is you disagree with this

1 characterization, please tell me where in the plain
2 language of this agreement am I wrong.

3 Secretary Lew: Senator, the language says we can't
4 reimpose the nuclear sanctions if Iran complies with the
5 nuclear agreement. We have never given away any of our
6 ability to use other sanctions regimes -- terrorism or
7 human rights or --

8 Senator Ayotte: But, Secretary Lew, with all due
9 respect, the nuclear sanctions are the toughest sanctions
10 that we would impose in other context, too, including on
11 crude oil, oil and gas, on --

12 Secretary Lew: Senator, we reserve the right, if
13 there is a financial institution that is engaging in
14 financing terrorism, to put sanctions back on that
15 institution. That is not a violation of the agreement. It
16 is not a nuclear sanction.

17 Senator Ayotte: But Iran seems to take a different
18 position.

19 Secretary Lew: Well, what Iran does believe is that
20 we can take the nuclear sanctions, put a different label on
21 them, and put them right into place. And what we would
22 have to do is make the case, as we have on many occasions,
23 that institutions should be sanctioned for their behavior
24 on terrorism and human rights and regional destabilization.

25 We will continue to do that. We will do it

1 vigilantly, and all of our sanctions that apply in that
2 area still stand.

3 Secretary Kerry: There is no restraint.

4 Chairman McCain: Senator Donnelly?

5 Senator Donnelly: Thank you, Mr. Chairman.

6 And General Dempsey, thank you also. Every time we
7 say good-bye to you, you come back in another week on
8 another panel. And I know it is not by choice, but we are
9 thrilled to have you here again.

10 Thank you very much for your service.

11 Mr. Secretary, Secretary of Energy, if a year from now
12 we have suspicions that something is going on at Parchin,
13 does the IAEA have access to go inside that building and
14 see it or not?

15 Secretary Moniz: Well, again, we certainly have,
16 through the initial protocol and this agreement, access
17 anywhere that there is suspicion of nuclear activity. The
18 protocols, again, I would have to see with the IAEA, but it
19 is certainly a different -- forward looking is very
20 different from resolving the possible military dimensions
21 of --

22 Senator Donnelly: We need to know forward looking on
23 this, on whether it is Parchin or other military
24 facilities, does the IAEA have access to go inside those
25 facilities?

1 Secretary Moniz: They certainly must have the access
2 granted to, again, resolve the issues that they need to
3 resolve. They must have integrity in the process.

4 Secretary Kerry: And if they do not, Senator, they
5 would be in material breach of the agreement.

6 Senator Donnelly: Okay. So this is different moving
7 forward than what has gone in the past?

8 Secretary Kerry: It is not only -- yes, it is
9 different. And there is a different mechanism to bring it
10 to a close for the 15 years. But even under the additional
11 protocol, speaking to Senator McCain's concern about North
12 Korea, the lesson of North Korea produced the additional
13 protocol, and now there is the additional protocol and the
14 modified code, which have huge new requirements for access.

15 Senator Donnelly: Secretary Lew and maybe Secretary
16 Kerry on this. One of the proposals that has been put
17 forward is to say no to this deal and then to tell the
18 other countries who are involved in regards to sanctions
19 that a viable alternative is to simply say to France,
20 Germany, Britain, and others, "Choose us or choose them as
21 you move forward economically," that, you know, if you are
22 going to continue to do business with Iran, then you can't
23 do business with us.

24 Do you see that as viable moving forward?

25 Secretary Lew: Senator, we do have powerful tools

1 that make it very dangerous for foreign business to violate
2 U.S. laws. And if they do business and violate our
3 sanctions, we will enforce.

4 Whether we can do that against the whole world
5 effectively without doing damage to our own economy is
6 something that we have to have serious considerations
7 about. It is one thing when we are taking action in
8 concert with the world. It is another thing if we are
9 standing on our own.

10 So the ability of a technical sanction to work is not
11 the same as it being effective or necessarily adding up to
12 what we would like to accomplish.

13 Senator Donnelly: Okay. Secretary Carter, have you
14 -- I know you are talking to the GCC countries. You have
15 been in the region there.

16 It seems to me that one of the challenges here is
17 confidence, confidence that they will be safe, that Israel
18 will be safe. That is what this comes from is making sure
19 that your child can be safe and sleep safe that night. And
20 that is what Mr. Netanyahu was trying to ensure, and that
21 is what we are trying to ensure.

22 So, as you look at it when you talk to our GCC friends
23 and others, is there any putting together of a plan that
24 says to Iran not one more inch? That as we move forward,
25 you will see from year to year to year that in Yemen not

1 one more inch, that against Hezbollah there will be massive
2 retaliation if there is actions, that we will stand with
3 the Sunni tribal leaders in Anbar to make sure that they
4 have success, and we will be viable and strong against
5 whatever, you know, efforts Iran has in Iraq.

6 To lay out the plan, let people know, let Iran know in
7 advance would help create, I think, a better sense of
8 confidence that there is a reason -- that there is a reason
9 to stand with us.

10 Secretary Carter: I think that is extremely
11 important, and that is what the GCC countries are looking
12 for in my conversations with them, namely the continued
13 commitment of the United States to help them protect
14 themselves so they can sleep well at night, maintain our
15 regional role, counter Iran's malign influence and
16 activities. At the same time, they recognize perfectly
17 well what has been said up here, which is an Iran with
18 nuclear weapons would be an enormous problem and are
19 supportive of an agreement that heads that off.

20 But at the same time, they want to make sure that we
21 are there. That is what the GCC countries were told at
22 Camp David by the President. My trip was in part to
23 solidify all of the things we are doing --

24 Senator Donnelly: I am just about out of time. So I
25 just want to finish by saying I think it is important to

1 publicly state a "not one inch more" policy. And then,
2 additionally, I am not at all comfortable with our people
3 who are still in Iran. They have to come home. I wish
4 they had come home as part of this agreement, and I know
5 you do, too.

6 But this cannot rest because we don't leave anybody
7 behind, and we don't intend to leave them behind either.

8 Thank you, Mr. Chairman.

9 Chairman McCain: Senator Fischer?

10 Senator Fischer: Thank you, Mr. Chairman.

11 Secretary Moniz, I would like to follow up a little
12 bit on what Senator Blumenthal was asking you about with
13 regards to the breakout time. What are some of the main
14 factors that you consider when you calculate that breakout
15 time?

16 Secretary Moniz: Well, the key factors are the
17 enrichment capacity and the stockpile of enriched uranium.
18 But there are many other factors as well which come in,
19 such as the rate at which additional capacity could be
20 built in during a breakout time. So all of this comes in
21 to our national laboratory evaluation.

22 Senator Fischer: That would include the number of
23 centrifuges as well. Is that correct?

24 Secretary Moniz: Correct.

25 Senator Fischer: After 15 years of this agreement,

1 what limits do you think will be in place on those things
2 that you just mentioned?

3 Secretary Moniz: Well, after 15 years, they will
4 probably expand their capacity after those restraints, and
5 that is why such a key element is the -- are the
6 verification measures that we put in place for all time,
7 basically.

8 Senator Fischer: So we are talking about tracking the
9 nuclear material to make sure it is not diverted from a
10 civilian program. Correct?

11 Secretary Moniz: And that is 25 years, right.

12 Senator Fischer: Correct. We are basically just
13 checking Iran's math. Correct?

14 Secretary Moniz: Checking the math? Well, no, we are
15 checking our math, if you like. So the idea is to follow
16 --

17 Senator Fischer: We are checking our math.

18 Secretary Moniz: And for 20 years, we follow all the
19 manufacturing. So it is the supply chain that we follow.
20 Making a -- and our intelligence people will tell you that
21 to actually reproduce the entire supply chain covertly
22 probably in multiple places would be very, very difficult
23 to conceal.

24 Senator Fischer: And we are just looking at, of
25 course, the declared facilities. Is that correct?

1 Secretary Moniz: No. We have -- we have, of course,
2 strong measures in the declared facilities. But key is the
3 undeclared facilities, which, by definition, ultimately
4 rests on the actions of our and our allies' and friends'
5 intelligence capacity.

6 Senator Fischer: And do you believe -- well, do you
7 have confidence in that capacity that we will be able to
8 locate any undeclared facilities and pressure Iran to allow
9 us to make sure that we have verification in those as well?

10 Secretary Moniz: Well, again, I would go back to the
11 statements of General Clapper and Cardillo and Cohen.
12 Again, Clapper said specifically that this will give us
13 much greater insight into what they are doing. That then
14 leads us, and other intelligence agencies that we work
15 with, to point IAEA in the right place, and now we have a
16 unique new tool of a finite time to get access to that
17 place, or they are in material breach.

18 Senator Fischer: Are you concerned at all on what I
19 view as the discrepancies between statements made by our
20 administration and compare those to what is being --
21 statements being made by the adviser to the supreme leader
22 when it comes to access to allowing the IAEA to look at the
23 military centers in Iran?

24 Where I think I believe I have heard our
25 administration say that we do have access to those. They

1 are declared facilities. But yet the adviser to the
2 supreme leader says the access of inspectors from the IAEA
3 or from any other body to Iran's military centers is
4 forbidden. Who is correct on that?

5 Secretary Moniz: Well, I think we are correct. First
6 of all, I just might point out that there were many
7 statements made before Lausanne, before Vienna, that you
8 could --

9 Senator Fischer: This one was made July 21st.

10 Secretary Moniz: Yes, but I am saying there were many
11 statements made before then, and you can check those
12 statements against the agreement. They don't square up all
13 the time, shall we say?

14 Senator Fischer: How are you --

15 Secretary Moniz: Now in terms of --

16 Senator Fischer: How are you going to reconcile that?

17 Secretary Moniz: In terms of the new -- those
18 statements were very clear. First of all, the aim is not
19 to go to military sites, and by the way, it is not us, it
20 is IAEA, of course. The aim is to go to where there is
21 there suspicious or suspicion of nuclear-relevant
22 activities.

23 If they are in a military site, doesn't matter. There
24 is still the IAEA access to those sites.

25 Senator Fischer: I only have a few seconds left, but

1 I would hope that you would reconcile those statements for
2 the public. You have stated that --

3 Secretary Moniz: We cannot control their statements.

4 Senator Fischer: You have stated that the 24-day
5 waiting period for international inspectors won't allow the
6 regime to conceal any illegal activity. But as I read the
7 agreement and many other people have pointed out, the
8 inspectors' request to visit those sites could be delayed
9 much longer than 24 days.

10 I know that you are not concerned about the 24-day
11 period. You believe that we would or the IAEA would be
12 able to handle that. But if you look at different parts in
13 Section Q of Annex 1 of the agreement, I think we have the
14 potential that we are looking at an 89-day delay. Do you
15 think that would be possible, and how confident are you
16 about us being able to inspect then?

17 Secretary Moniz: No, we certainly -- we certainly
18 cannot allow for that. I might say I did not say any
19 illegal activity. I focused specifically or especially on
20 activity with nuclear material as my real focus, number
21 one. And number two is the IAEA, at any sign of lack of
22 cooperation, they have to launch the process with their
23 request for access. Then comes the 24 days.

24 As I have mentioned also, there is in the unclassified
25 literature an example in Iran of a 6-month delay, an

1 attempt to conceal which did not work. They were caught
2 red-handed.

3 Senator Fischer: You said you wouldn't allow the 89
4 day. You just couldn't allow that. How many days after 24
5 days would you allow?

6 Secretary Moniz: No, none after 24 days. It is that
7 the process to launch the formal request for access from
8 IAEA has got to be prompt. That launches the 24-day clock,
9 and that is the end.

10 Senator Fischer: You would not allow anything past
11 that?

12 Secretary Moniz: I would not.

13 Senator Fischer: Thank you.

14 Secretary Moniz: Senator Gillibrand?

15 Senator Gillibrand: Thank you, Mr. Chairman.

16 And thank you all for joining us. Thank you for your
17 intense work on this. Obviously, we all care about the
18 national security of the United States and our allies.

19 Secretary Moniz, you and I had a very long
20 conversation about nuclear details, and what I would like
21 you to discuss with the committee specifically is the
22 nuclear capabilities that Iran has today are considerable,
23 and most experts have given it a 2- to 3-month timeframe to
24 have enough enriched uranium for one bomb.

25 I would like you to talk a little bit about their

1 nuclear expertise and, if left unchecked, how quickly can
2 they ramp up to greater production to more highly enriched
3 uranium if -- excluding this deal arrangement?

4 And then, after you have described that, I would like
5 you to describe what the ramp-up time would look like, post
6 8, 10, 15 years. Because what I understand from reading
7 the agreement is that you have spent a lot of time
8 identifying what can be changed and modified in the three
9 existing facilities so that they don't run a military risk.

10 And so, I would like that more fully described, and
11 obviously, and the last point I want you to address is my
12 constituents are very concerned about clandestine
13 operations. To the extent you can talk about this in this
14 setting, I would like you to address how you detect a
15 clandestine enrichment facility during the agreement.

16 Secretary Moniz: Quite a few questions, Senator. In
17 terms of their current capacity, well, they have again
18 demonstrated the capacity to enrich uranium. That is
19 clear. But I do want to emphasize that they have also
20 demonstrated they have enriched to 20 percent enrichment.

21 Twenty percent is the cut-off that the IAEA uses for
22 low-enriched and high-enriched uranium. But the point here
23 is that the amount of work needed to get to 20 percent is
24 nearly all the work you need to get to 90 percent, which
25 would be weapons grade.

1 So they have the capability, and as I have already
2 mentioned, they already have full cascades running of the
3 next generation five times more powerful. This agreement
4 will have those dismantled at the time of implementation.
5 So what is critical is we are rolling them back in every
6 dimension of their program for at least a considerable
7 period.

8 Now in terms of the breakout time, again, the
9 President was very clear and our P5+1 partners were very
10 clear that a quantitative criterion for the negotiation was
11 there had to be at least a 1-year breakout time in terms of
12 fissile material for at least 10 years. We have
13 accomplished that with this agreement. Our lab scientists
14 are fully behind this, as are those of other countries.

15 Then that will roll off and after 15 years at some
16 point, depending upon what they do, then we can revert, we
17 may revert to the current kinds of breakout times for
18 fissionable material. We still need to keep the lid on
19 weaponization activities and make sure those are not taken.
20 And that was a notable improvement from Lausanne to Vienna
21 for that.

22 Senator Gillibrand: Right. So the agreements says
23 they can't ever make the steps towards weaponization?

24 Secretary Moniz: They can't ever make those steps,
25 and that is the point where we will be much better off at

1 that time than today because we will still have enhanced
2 verification procedures that can point our and other
3 intelligence agencies to any violations.

4 Senator Gillibrand: And after modifications at Arak,
5 is there any way at that you can reverse those
6 modifications and make it a heavy water plutonium facility
7 again?

8 Secretary Moniz: The Arak reactor, in its redesign,
9 would provide us in this language a breakout time of years.

10 Senator Gillibrand: Right. So to unwind, it would be
11 significant?

12 Secretary Moniz: Because once it is online, they
13 would need years of operation to get enough plutonium to be
14 relevant, and the IAEA would detect their change of the
15 operation within 1 or 2 months.

16 Senator Gillibrand: And with regard to Fordo, what is
17 the assessment there? After modifications, if they wanted
18 to breach the agreement and try to get up and running
19 again, does that take a significant amount of time?

20 Secretary Moniz: Well, first of all, yes. Because,
21 first of all, most of the centrifuge and infrastructure
22 will not only be stripped out completely, but they will not
23 even be stored at Fordo. They must be taken up to Natanz.

24 Secondly, we will have a major international not only
25 IAEA daily presence, but an international presence -- the

1 Russians working with them on stable isotopes, new science
2 opportunities. If they kick everybody out, you know --

3 Senator Gillibrand: Right away?

4 Secretary Moniz: The alarm bells go off.

5 Senator Gillibrand: Secretary Carter, with my last
6 few seconds, do our military options become marginally
7 better or worse before or after the agreement?

8 Secretary Carter: If the agreement is implemented,
9 they become marginally better for the reason that under the
10 agreement, the facilities are -- we learn more about them.
11 Many of them are dismantled, and so in that sense, that
12 purely technical military sense, becomes somewhat easier.

13 Chairman McCain: Senator Cotton?

14 Senator Cotton: Thank you.

15 I want to discuss the two secret side deals between
16 the IAEA and Iran. I had to travel to Vienna last weekend
17 to discover the existence of these side deals. The
18 administration has now confirmed their existence. There is
19 still some lack of clarity about their content.

20 Secretary Kerry, have you read either of these two
21 side deals between the IAEA and Iran?

22 Secretary Kerry: No, I haven't read it.

23 Senator Cotton: Have you read any previous drafts?

24 Secretary Kerry: No, I haven't.

25 Senator Cotton: On any form -- paper, tablet,

1 computer?

2 Secretary Kerry: I have been briefed. I have been
3 briefed through our team that met with the IAEA.

4 Senator Cotton: Did anyone on your team read the text
5 of these agreements?

6 Secretary Kerry: I believe one person may have read
7 it at the -- at the facility but doesn't have it. They
8 don't possess it.

9 Senator Cotton: What is that person's name?

10 Secretary Kerry: It is possible. I don't know for
11 sure, but it is possible Wendy Sherman may have. But I
12 don't know that for sure.

13 Senator Cotton: Secretary Moniz, have you read the
14 text of these agreements?

15 Secretary Moniz: No, sir. I have not seen them.

16 Senator Cotton: Have you read any prior version?

17 Secretary Moniz: No, sir.

18 Senator Cotton: On any medium -- computer, tablet,
19 phone?

20 Secretary Moniz: No. No.

21 Senator Cotton: Has anyone on your team at the
22 Department of Energy?

23 Secretary Moniz: Not -- I am not sure. I don't know.
24 I think not, but I am not sure about that. I can ask in
25 terms of the technical team may have -- maybe somebody saw

1 something.

2 Senator Cotton: Please do and get back to us.

3 Secretary Moniz: Okay.

4 Senator Cotton: Secretary Kerry, besides potentially
5 Under Secretary Sherman, has, to your knowledge, anyone
6 else in the United States Government reviewed the text of
7 these agreements?

8 Secretary Kerry: Not that I am aware of. I don't
9 know. I don't think so.

10 Senator Cotton: If Under Secretary Sherman has read
11 the text of these agreements, even if they are not in her
12 possession, does that not undercut the claims of
13 confidentiality between the IAEA and Iran?

14 Secretary Kerry: I don't know whether she read a
15 summary or a draft, or I have no idea. I said I think, and
16 I am not sure. But I know she is briefing the Senate very
17 shortly, Senator. So she will be briefing in classified.

18 Senator Cotton: I have received several classified
19 briefings about the deal, and I look forward to another
20 one. But what Congress would like is the text of these
21 agreements, as required by U.S. law.

22 Certain published reports starting -- or most recently
23 with the Associated Press yesterday say that the content of
24 the side deal that discusses Parchin, the military base
25 where detonators for nuclear devices may have been tested,

1 will allow Iran to collect their own samples and submit
2 those samples to the IAEA, much like an NFL player taking
3 his own urine sample and sending it to Roger Goodell for a
4 drug test.

5 Can you confirm or deny that that is the content of
6 those side deals?

7 Secretary Kerry: I can't here in this session. But
8 what I can confirm is that Secretary Moniz, in his
9 discussions both with the IAEA and with the team, made
10 recommendations to them and I believe is satisfied that
11 this can -- whatever the process is, that the process will
12 be able to provide the answers we need.

13 I don't know, Secretary Moniz, if you want to add
14 anything to that?

15 Senator Cotton: Actually, no, I would like to stick
16 with you, Secretary Kerry. Why can't we confirm or deny
17 the content of these agreements in public? Why is this
18 classified? It is not a sensitive U.S. Government
19 document. The ayatollahs know what they agreed to.

20 Secretary Kerry: Because we respect the process of
21 the IAEA, and we don't have their authorization to reveal
22 what is a confidential agreement between them and another
23 country.

24 Senator Cotton: So the ayatollahs will know what they
25 agreed to, but not the American people?

1 Secretary Kerry: Well, the -- no, not exactly.
2 Because we will share with you in the classified briefing
3 what we understand the context to be. But they negotiated
4 the agreement with the IAEA.

5 The IAEA is an independent entity under the United
6 Nations, Senator, as I know you know. And under I don't
7 know even at this point what the law says about the United
8 States requiring something which another entity's laws
9 prohibit. So we have to see whether that is a conflict of
10 law or not.

11 Senator Cotton: Well, U.S. law requires any deal
12 between any party, not just the United States, to be
13 submitted to Congress before the 60-day clock begins to
14 tick. To the extent the IAEA, which I respect for the very
15 admirable work they do, which is often not supported by
16 their member states, says it is unprecedented, I would say
17 this deal is without precedent. And past precedence with
18 cooperative countries like South Korea or -- I am sorry,
19 South Africa cannot be cited.

20 I would like to move on to a second topic,
21 specifically Iran's support for terrorism. Could I have
22 Chart 1, please?

23 General Dempsey, this chart describes a particularly
24 powerful kind of roadside bomb known as an explosively
25 formed penetrator. Are you familiar with what it shows?

1 General Dempsey: I am, Senator.

2 Senator Cotton: Could you explain exactly what the
3 bottom diagram shows of how an explosively formed
4 penetrator works?

5 General Dempsey: A copper cone is melted at super
6 high temperatures and projected and essentially burns its
7 way through armor plate.

8 Senator Cotton: The copper disk travels at about
9 6,000 feet per second.

10 Could I have Chart 2, please? So we can see what
11 happens to a Humvee when a ball of fire travels at 6,000
12 feet per second.

13 General Dempsey, is that familiar to you?

14 General Dempsey: Yes, Senator, it is.

15 Senator Cotton: Do you know how many American troops
16 were killed by such explosively formed penetrators?

17 General Dempsey: That particular incident or in
18 general?

19 Senator Cotton: No, in general.

20 General Dempsey: Several hundred.

21 Senator Cotton: Was Iran a main supplier of these
22 explosively formed penetrators?

23 General Dempsey: Yes. Yes.

24 Senator Cotton: Was Qasem Soleimani and the Quds
25 Force and the Revolutionary Guard Corps the main

1 perpetrators in Iran?

2 General Dempsey: Yes.

3 Senator Cotton: Secretary Kerry, those entities and
4 Qasem Soleimani will ultimately receive sanctions relief
5 from this deal, not necessarily from the United States
6 Government, but from the United Nations and the European
7 Union. What should we say to the Gold Star moms and dads
8 of the over 500 American troops who were killed by an
9 Iranian ball of fire traveling 6,000 feet per second?

10 Secretary Kerry: Well, we should tell them,
11 obviously, first of all, how extraordinarily grateful we
12 are for the service of their loved ones. We should also
13 make it very, very clear that under the United States
14 initiative, Qasem Soleimani will never be relieved of any
15 sanctions.

16 We would also tell them and lay out to them what we
17 intend to do, which has not been done yet sufficiently, to
18 push back against Iran's behavior, that we have a number of
19 laws in place, requirements by which we will be able to
20 prevent Iran from transferring these weapons.

21 And we have already engaged, Senator, in very forward-
22 leaning initiatives to do that. We specifically turned
23 around a convoy recently in the last months that was
24 bringing weapons to Yemen, and we have been crystal clear,
25 and I will be even more clear when I meet with the Gulf

1 states, about our united efforts to hold them accountable
2 for these kinds of activities.

3 Senator Cotton: Thank you, all. My time has expired.

4 Chairman McCain: Senator Hirono?

5 Senator Hirono: Thank you, Mr. Chairman.

6 I would like to ask this question of all of the
7 witnesses. But I would like to start with Secretary Carter
8 and Chairman Dempsey.

9 In your assessment and without getting into specifics
10 which cannot be discussed in this open setting, is there
11 any military, military strategy or response that would
12 achieve the same goals as the agreement before us without
13 embroiling the United States and our allies in a
14 potentially devastating long-term war in the region?

15 And I would like a "yes" or "no" answer, given the
16 setting. Starting with Secretary Carter?

17 Secretary Carter: I am sorry to be difficult on that,
18 but I just need to understand the question a little bit
19 more. Do you mean if there is no deal, and Iran gets a
20 nuclear weapon?

21 Senator Hirono: If there no deal.

22 Secretary Carter: Then we have a serious issue.

23 Senator Hirono: Well, not even that --

24 Secretary Carter: We don't give up at that point, but
25 we would have to defend ourselves, our friends, and our

1 allies in the face of that reality. Is that responsive to
2 your question?

3 Senator Hirono: Well, the reality is that without
4 this agreement, Iran can produce a nuclear bomb in 2 to 3
5 months. So, without this agreement, is there any military
6 -- I will reiterate the question. Is there any military
7 strategy or response that would achieve the same goals as
8 this agreement? More yes? More no?

9 Secretary Carter: I am going to have to say that
10 there is a military response -- maybe this is responsive to
11 your question, Senator. There is a military option, which
12 I know you have been briefed on, which has the effect, as I
13 have said earlier, of setting back the Iranian nuclear
14 program.

15 It doesn't stop it forever, but it substantially sets
16 it back. We have talked about that publicly for quite a
17 while. We work on that. And so, if that is responsive to
18 your question, that exists.

19 Senator Hirono: But Mr. Secretary, the other part of
20 my question is, though, yes, we can have a military
21 response that would set them back, but would that military
22 response involve us in a -- basically a long-term war in
23 that region? Would that be a highly likely outcome in the
24 military?

25 Secretary Carter: Iran would surely respond to such

1 an attack. So in a hypothetical situation in which that
2 occurred, which this deal is intended to make unnecessary,
3 Iran could respond for sure.

4 Senator Hirono: Chairman Dempsey?

5 General Dempsey: One of my jobs, Senator, is never
6 let the Nation run out of options. So we would not run out
7 of options, but they would become increasingly costly, to
8 be sure.

9 Senator Hirono: And long term?

10 General Dempsey: And long term.

11 Senator Hirono: Yes. Secretary Kerry, would you care
12 to respond and the other members of the panel?

13 Secretary Kerry: Well, I think -- I think General
14 Dempsey answered the question earlier when he said that the
15 deal is far more durable and provides a more durable option
16 and longer term, a period of time where it would be much
17 more durable than the military option.

18 I mean, my -- look, I think it is pretty clear that if
19 Iran were to start enriching or move back to its program,
20 we have no inspectors. We have no sanctions that are
21 universal. The United States can have them, but we have
22 already seen sanctions don't get them to give up the
23 program.

24 So you are stuck with a situation of what will change
25 the dynamic of their program? And the fact is then you are

1 in, as Secretary Carter has said and as General Dempsey has
2 just said, they will respond. And then we will respond,
3 and then it is back and forth.

4 The question is, where does that end, and how does it
5 end? And does it accomplish the goal of getting rid of
6 their program? We don't believe so.

7 We believe this agreement accomplishes the goal and
8 provides us with the support on a continuing basis of the
9 international community.

10 Senator Hirono: Thank you.

11 Let me go on to another question because I am running
12 out of time. This is for Secretary Carter and, again,
13 Chairman Dempsey. Are you contemplating any changes in our
14 force posture, assuming this agreement goes into effect and
15 stays in effect?

16 Secretary Carter: Yes. It is a "yes" or "no" answer.
17 Yes, but if I could say more --

18 Senator Hirono: Well, this is not a "yes" or "no"
19 answer.

20 Secretary Carter: If I could say more, Senator, in
21 all seriousness?

22 Senator Hirono: Briefly.

23 Secretary Carter: Yes. We are doing a great deal in
24 the Gulf. That is what I was there talking to our Gulf
25 partners about. That is what we talked about at the GCC

1 summit a few months ago.

2 We are doing a great deal with Israel. I mentioned
3 missile defense, the F-35 qualitative military edge. So
4 this is a dynamic region with or without a deal, and one
5 that has Iran and other problems to boot. And so, we have
6 to and are doing a lot to strengthen our posture and our
7 alliances and partnerships in the region, and we will
8 continue to do so.

9 Senator Hirono: General Dempsey, would you like to
10 weigh in?

11 General Dempsey: With Israel, we are working on
12 ballistic missile defense, maritime security,
13 counterterrorism, and counter tunneling, which is a new and
14 emerging challenge for the state of Israel.

15 And with the GCC, it is ballistic missile defense,
16 special operating forces, maritime, counterterror, and
17 cyber.

18 Senator Hirono: Thank you. Thank you, Mr. Chairman.

19 Chairman McCain: I would like to tell the committee
20 that the witnesses have to leave at 12:45 p.m. So the
21 order will be Senator Rounds, Senator King, Senator Tillis,
22 Senator Sullivan, Lee, and Graham. And no one else. I am
23 sorry.

24 So, Senator Rounds?

25 Senator Rounds: Thank you, Mr. Chairman.

1 Gentlemen, thank you for your service.

2 Today, you have gone through 15 different
3 interrogators. I get to be number 16. One of the things
4 that happens when you are number 16 is a lot of the
5 questions that you have got have been asked. But it also
6 gives you an opportunity to try to analyze and see just
7 exactly what it is all about and what the real issues are,
8 and I would like to just begin with this.

9 It seems to me that one of the concerns that we have
10 is, is if we assume that we have a rogue nation who is a
11 threshold state today with regard to nuclear weapons, the
12 goal of this was to eliminate them from having nuclear
13 weapons or, in the second position, to delay the
14 implementation or their capabilities with regard to nuclear
15 weapons.

16 I would like to know from the panel, and it is very
17 simple, are we stopping them from getting nuclear weapons,
18 or are we delaying them for a period of 10 to 15 years from
19 getting nuclear weapons? In your opinion, General?

20 General Dempsey: Well, my opinion, sir, our
21 Government's policy has been they will not get a nuclear
22 weapon, and nothing we are talking about here today should
23 change that policy.

24 Senator Rounds: Mr. Moniz?

25 Secretary Moniz: I agree with General Dempsey, and in

1 terms of our capabilities to make sure that they are not
2 pursuing a nuclear weapon, this agreement will leave us
3 better off with the agreement than without the agreement
4 forever.

5 Senator Rounds: Mr. Carter, Secretary Carter?

6 Secretary Carter: I concur with those two.

7 Secretary Lew: Senator, I have worn many hats in this
8 administration. In each one, I have said Iran will not be
9 permitted to get a nuclear weapon. I believe that deeply.

10 Senator Rounds: Secretary Kerry?

11 Secretary Kerry: And I agree. The President's policy
12 is they won't get it. There is no -- if they were to try
13 to not implement this agreement or they implement, the
14 nation is not full. The other options are still available
15 to us. They will not get a weapon.

16 Secretary Moniz: So, if I may?

17 Senator Rounds: Yes.

18 Secretary Moniz: Just one note just to say that, in
19 addition, I think it is significant that the agreement
20 codifies with the P5+1 that Iran will never get a nuclear
21 weapon.

22 Senator Rounds: And yet here is my question then,
23 gentlemen. It appears to me that in each time I have heard
24 the discussion comes back down to for a period of 10 years,
25 we have something in terms of the agreement that restricts

1 them. But somewhere between 10 and 15 years we change, and
2 that during that time period, they can begin because there
3 is nothing in the agreement which stops them from moving
4 back into and adding to their nuclear capabilities.

5 If they are a threshold state today and if we have
6 delayed them, that is one thing. But if, at the end of
7 this time period, they may freely pursue nuclear options,
8 then I think that is really the gist that we are trying to
9 decide.

10 But along that line, and General Dempsey, I
11 appreciated your thoughts here earlier when you said that
12 you were pragmatic with regards to your comments. It seems
13 to me that we had an embargo, which was in place, which
14 many of us were relying on when it came to both an arms
15 embargo and also with regard to ICBMs. You indicated that
16 just matter of fact on July 7th of this year, you have
17 heard it earlier, your quote was, "Under no circumstances
18 should we relieve pressure on Iran relative to ballistic
19 missile capabilities and arms trafficking."

20 Secretary Carter said, "The reason that we want to
21 stop Iran from having an ICBM program is that the "I" in
22 ICBM stands for "intercontinental," which means having the
23 capability to fly from Iran to the United States, and we
24 don't want that."

25 Secretary Kerry indicated that there were other ways

1 in which we could handle the situation. If we had an
2 embargo in place and we had concerns about this, what is
3 the purpose for the embargo if we had other means in the
4 first place?

5 General, clearly, this -- seems to me that you were
6 pretty clear that this was not exactly the kind of advice
7 that you were suggesting that they allow this to come out?

8 General Dempsey: Well, as I have said, Senator, I
9 would have been happy to see the embargos maintained in
10 perpetuity. I think the question would have to be asked,
11 were they likely to be sustained in perpetuity, given that
12 they were imposed to bring Iran to the table? Once Iran
13 came to the table, it then became truly a negotiation.

14 And sanctions are only one way to keep pressure on
15 those other malign activities. We have other instruments
16 and other military options to pursue.

17 Secretary Kerry: Senator, if I could add to that? We
18 -- obviously, all of us would prefer have it there forever
19 and ever. The problem is we are dealing with a U.N.
20 resolution, the nuclear resolution, 1929, which said that
21 the Iranians, if they come to negotiate and suspend, then
22 all the sanctions would be lifted. That was what was
23 contemplated by the empowering resolution here.

24 Now the arms embargo was slid in at the very last
25 minute by then-U.N. Permanent Representative Susan Rice.

1 She got it in, and it really sort of slid into the nuclear
2 provision itself.

3 But under the nuclear provision, at the end of a
4 period of time, when the IAEA would draw its broad
5 conclusion, this would have been lifted completely anyway,
6 and we had no power to stop that. So, in effect, our
7 getting the 8 years was a victory. Our getting the 5 years
8 was a victory. But we have these other tools that
9 completely strengthen our ability to do it in perpetuity.

10 Senator Rounds: Secretary Carter, would you say that
11 the -- that today Iran does not have the capability of
12 getting ICBM and that 10 years from now, based upon the
13 provisions in place without the embargo, that they would
14 still not be able to have an ICBM?

15 Secretary Carter: They don't have an ICBM today. I
16 wouldn't rule out that in 10 years Iran could progress to
17 an ICBM. We have seen in North Korea develop and test
18 missiles of increasing range, and they can do that on their
19 own, as the North Koreans have done without a lot of
20 external help.

21 Now that doesn't mean they would, and that is not a
22 crystal ball of the future. But judging from principally
23 the experience with North Korea, you can't rule that out,
24 and that is why we need to protect ourselves, whichever,
25 whatever happens with the nuclear agreement, protect

1 ourselves with missile defenses, with the other statutory
2 and other international agreement protections that we have,
3 deterrence and everything else.

4 Chairman McCain: Senator King? Your time has
5 expired, Senator.

6 Senator King? And I would ask the Senators to respect
7 the time limit.

8 Senator King: You heard the chairman. We are going
9 to try to go through some of these questions as quickly as
10 possible.

11 Secretary Lew, what would the allies' reaction be in
12 terms of the sanctions if the U.S. rejected this agreement?

13 Secretary Lew: Senator, I think that they have made
14 clear that they think the agreement should be put into
15 force. I don't want to speak for any of them, but they are
16 already taking actions to show that they are beginning to
17 deal with Iran in a different way.

18 The vice chancellor of Germany was over there with a
19 group of business people. There is a French delegation
20 over there. I think that, you know, they are going to take
21 a very dim view of our rejecting this agreement.

22 On the other hand, I do believe they respect our
23 unilateral sanctions. They fear them, and that will put
24 them in a very difficult bind. But I don't think that we
25 will have as much capacity to bring the world community

1 together in that situation as we have had up until now.

2 Senator King: And I suspect the reaction would be
3 different among -- China and Russia may have a different
4 reaction than Germany?

5 Secretary Lew: Yes. And I think if you look at like
6 the developing countries, countries like India, they are
7 not in the P5+1. And I just pick them because they are a
8 big economy that is dependent on oil imports.

9 We have had a sustained diplomatic engagement with
10 many countries to keep them in line with our oil sanctions.
11 That will get harder and harder if they see the rest of the
12 world going another way. They are going to look and ask
13 how much capacity do we have to take enforcement actions?
14 Can they find ways around them?

15 And ultimately, they will start doing business more
16 and more in other countries.

17 Senator King: Would it be fair to say that the
18 sanctions regime would fray, if not unravel?

19 Secretary Lew: I think that is fair. I have been
20 trying to be measured.

21 Senator King: Erode?

22 Secretary Lew: Yes, I have been trying to be measured
23 because I don't believe it is black and white. I think it
24 would start to fray, yes.

25 Senator King: I appreciate that. Secretary Carter,

1 you just visited the Middle East. Is the danger of
2 proliferation greater or lesser as a result of this
3 agreement? In other words, are the allies or some of our
4 allies in that region who may think about their own weapon,
5 are they less likely to acquire a weapon because of this
6 agreement or more likely?

7 Secretary Carter: Well, I think logic would suggest
8 that if the agreement is implemented, meaning that Iran
9 doesn't have a nuclear weapon, that it is less likely that
10 other states in the region get a nuclear weapon.

11 Senator King: Mr. Moniz, I know we are going to have
12 a lot of time to talk about this, but there has been all
13 this discussion about the secret agreement. It is true, is
14 it not, that this agreement between the IAEA and Iran
15 applies to the past -- the past actions of Iran with regard
16 to nuclear weapons at Parchin and other places but does not
17 apply to future inspections?

18 We know what the future inspection regime is going to
19 be in order to implement this agreement. Is that correct?

20 Secretary Moniz: That is correct. Again, what the
21 JCPOA accomplished is forcing Iran to cooperate with IAEA
22 to finish the examination of past behavior.

23 Senator King: So the so-called "secret agreement" is
24 for a small part of this deal, but it is not the essence of
25 it, which is the inspections and verification of Iran's

1 compliance from today forward?

2 Secretary Moniz: That is correct, yes.

3 Senator King: And finally, in 28 seconds, this famous
4 24 days. Is there any way that they could clean up a
5 facility where they had been processing fissile material
6 sufficiently that it could not be discovered if the
7 inspection took place after 24 days?

8 Secretary Moniz: Well, you know, I can never say 0.00
9 percent, but -- but with very, very high confidence, I
10 think we would find nuclear material utilization evidence.
11 Certainly the risk of getting caught would be extremely
12 high.

13 Senator King: Thank you.

14 Chairman McCain: Senator Tillis?

15 Senator Tillis: Thank you, Mr. Chair.

16 I hope that -- I want to get back to, and Chairman
17 Dempsey, I will start with you. But I want to go back to
18 what you said, I think, in one of your responses to the
19 malign activities that I believe that Secretary Carter in
20 response to a question says he has no reason to believe
21 that they will change.

22 That is the Iran terror network. That is their
23 increasing threat in terms of cyberterrorism. It is their
24 ballistic missile program. It is their weapons
25 trafficking. We could get into human rights violations,

1 all the other things they are guilty of. We could get into
2 an ayatollah sending a tweet out that has the image of some
3 have said it is the President, some says it is an American.
4 It is someone wearing an American lapel pin.

5 These people are evil people, and they are going to
6 continue to expand in the areas where they think they can.
7 They are people who have violated 27 international
8 agreements or treaties.

9 They have violated some of the terms of the
10 Nonproliferation Treaty. Some of that language is similar,
11 as I understand, in the agreement that we have here today.

12 So they are a dangerous -- they are dangerous. I
13 understand why you would be concerned with the nuclear
14 threat because it could limit other military options if it
15 existed.

16 So my question is if this deal goes through, what does
17 our posture look like in the Middle East and with our
18 partners over the next 2 years? What looks measurably
19 different to make us feel like we are in a position to make
20 it untenable to the Iranian leadership to move forward with
21 a nuclear weapon?

22 General Dempsey: Senator, first, I do want to
23 highlight the fact that when we talk about Iran, it is
24 really the regime, and I know you know that.

25 Senator Tillis: There is no doubt about it. It is

1 not about the Iranian people.

2 General Dempsey: It is not the Iranian people. It is
3 Qasem Soleimani, the IRGC, Quds Force, and their
4 leadership. The Iranian people, there is some reason to
5 hope that this would actually cause them to understand that
6 there is a place for them in the international community.

7 But how does our posture change? Our posture changes
8 on the basis of these areas on which we have agreed to work
9 with our partners, both Israel and the GCC nations. And we
10 are very muscular. We have a muscular posture in the
11 region right now.

12 For the most part, it will stay the same, but it may
13 shift its activities a bit.

14 Senator Tillis: Secretary Carter or Chairman Dempsey,
15 I am trying to get my hands around the thought process that
16 would make the Saudis less likely to acquire a nuclear
17 weapon, probably acquire a nuclear weapon most likely from
18 Pakistan, a warhead, and a ballistic missile from China
19 that is capable of delivering a Pakistani warhead.

20 Why would any of the leadership in Saudi Arabia, and
21 then as a result of that, you only need one to spark other
22 nuclear proliferation. Why on earth, if we are talking
23 about a nation that has violated a number of treaties and
24 agreements, the possibility that that could occur and a
25 nation having to be prepared to have their own deterrent,

1 where is the logic in this agreement preventing them from
2 going ahead and moving forward and having that capability
3 themselves?

4 Secretary Carter: Well, the agreement doesn't limit
5 what anybody else does.

6 Senator Tillis: Yes, I agree with you. I am saying
7 why wouldn't they?

8 Secretary Carter: The logic -- I can't speak for any
9 of those countries, but the logic is that if Iran is
10 effectively prevented from having a nuclear weapon, which
11 is the purpose of this, then that cause at least for a
12 Saudi Arabia or an Egypt or a Turkey to get their own
13 nuclear weapon is removed, and logic would suggest that. I
14 can't speak for the psychology, but that is what logic
15 would suggest.

16 With respect to Iranian behavior, I mean, this comes
17 down to a question of managing that risk because we see
18 exactly what Iran's -- they say what at least the
19 leadership is thinking. And the point is that it is better
20 if they don't have a nuclear weapon than if they do.

21 This is an effective way of making sure that they
22 don't have a nuclear weapon. It does not eliminate all
23 risk, especially with Iran.

24 Senator Tillis: Thank you.

25 Chairman McCain: Senator Heinrich?

1 Senator Heinrich: Thank you, Mr. Chair.

2 Secretary Carter, some have suggested that military
3 strikes against Iran could be both quick and effective,
4 without acknowledging the costs and consequences and risks
5 that that might entail. Could you talk a little bit about
6 what the primary risks, both to the U.S. and to our allies,
7 would be if we had to take that course of action?

8 And could you speak to what would set Iran's nuclear
9 program back further, a military strike or this accord in
10 terms of timeline?

11 Secretary Carter: Well, speaking now just very
12 generally and not specifically, the two things that make
13 the successful implementation of the agreement preferable
14 from that point of view to a strike is that the effects of
15 a strike are temporary. And secondly, that Iran would, as
16 I said earlier, respond to an American military strike upon
17 Iran, and one needs to think through then what the
18 subsequent steps are, including the possibility that Iran,
19 at that point, would become irreconcilably committed to
20 getting a nuclear weapon.

21 Now I say that is predicated on the effective
22 implementation of this agreement. And effectively
23 implemented, the agreement stops Iran from getting a
24 nuclear weapon not just for 10 years and not just for 15
25 years, but by dint of the provision Secretary Moniz was

1 talking about, way beyond that. So we are comparing that
2 situation, which is effective implementation, complete
3 implementation of this agreement, to the military option.

4 Now we also have to recognize that there may not be
5 effective implementation of this agreement. We have to
6 recognize there may not be any agreement and so forth, and
7 that is why we are under instructions from the President to
8 preserve and, indeed, we are improving -- and I can't go
9 into that here -- the military option.

10 Because temporary as it is and so forth, it needs to
11 be there because that is our fallback if it is the only
12 path left.

13 Senator Heinrich: Since we are pursuing this accord,
14 under this accord, do you think that that option gets more
15 effective and stronger or less effective over the course of
16 implementation of this deal?

17 Secretary Carter: As I indicated earlier, from a
18 purely technical and military point of view, it gets
19 marginally more effective, and the reason for that is that
20 we have a more complete understanding of where everything
21 is that could be associated with their nuclear program that
22 we might strike and have more detail about the nature of
23 those things. And so, it just follows that we --

24 Senator Heinrich: That makes perfect sense.
25 Secretary Moniz, I want to get you because I don't have a

1 lot of time left. But can you talk a little bit, from the
2 point of view of a nuclear physicist, about why it is so
3 difficult to -- if you have a covert facility where
4 enrichment occurs, why it is so hard to sort of clean up
5 the signs of having uranium or, for that matter, plutonium
6 at a facility like that?

7 And would you answer the question, would an undeclared
8 facility itself be a violation of the JCPOA?

9 Secretary Moniz: Well, on the second part, absolutely
10 an undeclared facility would be -- would be a violation,
11 and I think, frankly, a stern response would be in order.

12 With regard to the cover-up, there is not too much we
13 can say here in public. But just to say that the dealing
14 with nuclear materials, whether it is enrichment or looking
15 at the characteristics of uranium in an explosive
16 situation, for example, would tend to leave lots of very,
17 very small particles, difficult to clean up. But beyond
18 that, we could talk in a classified environment.

19 Senator Heinrich: Thank you both very much.

20 Chairman McCain: Senator Sullivan?

21 Senator Sullivan: Thank you, Mr. Chairman.

22 Thank you, gentlemen.

23 You know, one of the frustrations that you are seeing
24 here with the Congress is we are reading it. We are
25 digging into it. And yet when we have questions, looking

1 at the language, we seem to get these spin answers that
2 don't seem to comport with the language.

3 So, Secretary Lew, Secretary Kerry, I want to go back
4 to the snapback provision. But is there a term called "the
5 snapback provision" in the agreement?

6 Secretary Kerry: I don't think it is specifically
7 referred to as such.

8 Senator Sullivan: No, there isn't. The word
9 "snapback" is not in the agreement.

10 Secretary Lew: No, but it is created by the --

11 Senator Sullivan: Let me let me make my point, Mr.
12 Secretary. I got a lot of questions, and I don't have a
13 lot of time.

14 I think it would be helpful if you didn't use that
15 term much. It is not in the agreement. I think, in some
16 ways, it is deceitful because it is an illusion. And I
17 think that, in many ways, the provision in the agreement --
18 and I will have my question -- the snapback is actually
19 more focused on the United States than it is Iran.

20 And as you know, Mr. Secretary, those of us who were
21 involved, I was, in the Bush administration with getting
22 countries to actually economically isolate Iran, we used a
23 lot of leverage. We did use leverage with countries,
24 saying, hey, you either are going to be in their market or
25 ours. And that was effective.

1 But it goes to this idea if there is some kind of
2 snapback, that was a slog. That wasn't a snap. That took
3 years to get countries to divest out of the Iranian
4 economy. It will take years to do it again.

5 But let me ask a hypothetical. It was actually a
6 question I asked during the closed hearing. A number of
7 Senators, Republicans and Democrats, were not satisfied
8 with the answer, and it focuses a little bit on what
9 Senator Ayotte said.

10 So let us assume sanctions are lifted. We get the,
11 whatever, \$60 billion -- the Iranians are looking for \$120
12 billion of additional investment. So that is on top of
13 what we would have in terms of whether it is \$59 billion or
14 \$60 billion.

15 No violations of the agreement. The economy is
16 humming along. There is an act of terrorism. By the way,
17 the sanctions that are lifted are Annex 2, which is
18 essentially all our bullets. This is a lot of American
19 power, including the unilateral sanctions that you
20 mentioned, Secretary Lew, on the financial system.

21 An act of terrorism happens. It is big. They kill
22 more American troops. They blow up a consulate. It is
23 likely. I think it is likely that they are going to do
24 that in the next 10 years.

25 The Congress is upset. The new President is upset.

1 We impose sanctions. We reimpose Annex 2 sanctions. This
2 is our power.

3 And Mr. Secretary, Secretary Lew, I am glad that you
4 have talked about how this is power. We do have a lot of
5 unilateral power with regard to sanctions. So then Iran
6 cites paragraph 26 of the agreement, and I am going to read
7 it.

8 It says, "Iran will treat such a reintroduction or
9 reimposition of sanctions as grounds to cease performing
10 its commitments." Deal is over.

11 They are cranking. Their economy is cranking. We
12 just sanction them for terrorism with these sanctions, and
13 they can walk. They can legally walk from this agreement.

14 So let me ask you this. If we ever, ever impose so-
15 called snapback sanctions, isn't the deal over? Where am I
16 wrong on that question?

17 Secretary Lew: Well, Senator, we would snap sanctions
18 back once they violated the agreement.

19 Senator Sullivan: No, no. I am talking about -- no,
20 no. I am not talking about a violation of the agreement.

21 Secretary Lew: Let us talk about two different about
22 two different worlds. One, they violate --

23 Senator Sullivan: Answer the question. You didn't
24 answer it in the closed setting. You are not answering it
25 now.

1 Secretary Lew: You asked two questions. I was
2 answering the first one. I was just taking them in order.

3 The first set of questions you asked was about the
4 snapback, does it work? Yes, it works because if they
5 violate the agreement, our unilateral sanctions, we can do.
6 As you know, I have the authority to put those back into
7 place. The U.N. sanctions were structured so they will go
8 back into place.

9 Senator Sullivan: And they can walk.

10 Secretary Lew: No. That is if they violate the
11 nuclear agreement. So scenario one is they violate the
12 nuclear agreement.

13 Scenario two, they blow up some facility. They take
14 an act of terrorism. They do something non-nuclear. We
15 have the right to put these kinds of measures in place.
16 They are not nuclear sanctions at that point. They are
17 terrorism sanctions at that point.

18 Senator Sullivan: Iran has stated that it will treat
19 such reintroduction, reimposition of the sanctions in Annex
20 2 --

21 Secretary Lew: But, Senator, it is not --

22 Senator Sullivan: -- in Annex 2 as grounds to cease
23 performing its commitments. How am I not reading that
24 correctly?

25 Secretary Lew: Sir, Annex 2 illustrates, lists the

1 nuclear sanctions --

2 Chairman McCain: The Senator's time has expired.

3 Senator Sullivan: I know what is in Annex 2. It is
4 huge.

5 Secretary Lew: Right.

6 Senator Sullivan: The Senator's time has expired.

7 Secretary Lew: And I am happy to pursue this in
8 greater detail. It is an important issue, but we have not
9 given away our ability to put these kinds of measures in
10 place for non-nuclear purposes, provided they comply with
11 the nuclear agreement.

12 If they don't live with the nuclear agreement, they go
13 back for violation of the nuclear agreement.

14 Senator Sullivan: I think the Iranians have a
15 different view.

16 Chairman McCain: Senator Lee?

17 Senator Lee: Thank you, Mr. Chairman.

18 I have got a number of questions regarding the
19 military implications of this deal. There is one other
20 issue I want to follow up on, though.

21 Secretary Kerry, why isn't this a treaty? And as a
22 treaty, why isn't it subject to advice and consent with
23 two-thirds of the Senate concurring?

24 Secretary Kerry: Well, there are many reasons why,
25 Senator, not the least of which is that we don't have

1 diplomatic relations with Iran. This is a situation with a
2 multilateral agreement with many countries, and you don't
3 normally negotiate a treaty in that kind of context. So it
4 is a political agreement, and we believe that the leverages
5 that are in it through the snapback of sanctions, through
6 the oversight and the inspections are very powerful
7 incentives for Iran's compliance.

8 Senator Lee: Okay. I would note that there is
9 nothing in Article II, Section 2 that limits the definition
10 of treaty along the lines of what you described. And in
11 fact, nothing in your definition of the term "treaty" on
12 the State Department's own Web site limits it that way, and
13 it defines "treaty" as "a formal written agreement between
14 sovereign states or between states and international
15 organizations."

16 It doesn't limit it to the fact that it has to be
17 between two. I don't think that is an adequate answer, but
18 we will move on.

19 General Dempsey, presumably, one of the weapon systems
20 that Iran is likely to acquire and that Russia has
21 indicated a willingness to sell would be an advanced air
22 defense system. Can you describe for us what kind of
23 impact this might have on U.S. military operations? For
24 example, a hostage rescue operation, reconnaissance
25 operations, and so forth?

1 General Dempsey: Yes, there is no question, Senator,
2 it would make application of the military option to reduce
3 their nuclear capability more difficult and -- but not
4 impossible. But more difficult.

5 Senator Lee: Thank you.

6 Now Wendy Sherman, the chief negotiator for the United
7 States during these talks, stated in February of last year,
8 of 2014, to the Senate Foreign Relations Committee that
9 Iranian ballistic missiles were "indeed going to be part of
10 something that would have to be addressed as part of the
11 comprehensive agreement."

12 Now, Secretary Kerry, at that time, was Secretary
13 Sherman referring to lifting the U.N. embargo on ballistic
14 technology when she made this statement to the Foreign
15 Relations Committee, or did the United States intend to
16 include restrictions on ballistic missiles in this
17 agreement?

18 Secretary Kerry: Well, it does include. In fact, it
19 is under Chapter 7 and enforceable therefore under the
20 United Nations Article 41. And there are restrictions
21 within this agreement.

22 And I would also comment on the earlier question that
23 the defensive weapons are not covered by the embargo. So
24 the S-300, for instance, from Russia is not covered anyway.

25 Senator Lee: I do have to ask you another question,

1 Secretary Kerry. Given the fact that one of the problems
2 that we have got with Iran, one of the reasons why we are
3 so concerned about Iran getting nuclear weapons has to do
4 with the fact that this is a roguish state, a state that
5 has made not only threats, but taken aggressive actions
6 toward the United States and her allies.

7 It has taken -- made threats to wipe Israel off the
8 map, for example. There are real reasons why we don't want
9 them getting nuclear arms.

10 In light of the fact that that is the biggest reason
11 why we are so concerned, why we are willing to enter into
12 negotiations to possibly lift sanctions against Iran,
13 giving Iran a big economic benefit, why, why on earth
14 didn't we insist as a condition precedent to getting any
15 deal at all that Iran, for the love of God, cease and
16 desist from its terrorist ambitions, cease and desist from
17 making comments like that it wants to wipe Israel off the
18 map, cease and desist from undertaking and funding acts of
19 terrorism against the United States and her allies?

20 Secretary Kerry: Well, as was mentioned earlier,
21 look, it would be great and ideal if one could negotiate
22 that. I am not sure how long it would take. And given the
23 imperatives that we had with respect to Iran's 19,000
24 centrifuges, 12,000 kilograms of weapons fissile material
25 equal to 10 to 12 bombs already, their mastering of the

1 fuel cycle, and their near imminent finishing of the Arak
2 reactor, which would have produced weapons-grade plutonium
3 at the rate of two weapons a year, we felt that we had to
4 keep this targeted on the greatest threat of all that you
5 have just defined, which is the potential of their having a
6 nuclear weapon.

7 And if, indeed, they are meaning to translate their
8 slogans of "death to America, death to Israel" into policy,
9 then getting rid of the nuclear weapon is everybody's first
10 imperative here. So that is what we focused on because we
11 knew that you could get tangled up. Our definition, you
12 know, one man's freedom fighter is another man's terrorist.

13 You can be fighting forever on the issue of Sunni,
14 Shia, definitions of who is protecting whom, and you won't
15 get anywhere. You literally will not get there. That is
16 why we separated those activities.

17 Now that does not --

18 Chairman McCain: Senator Manchin?

19 Secretary Kerry: That does not reduce our commitment,
20 as we have defined here again and again, to push back on
21 every one of those activities. But it is easier to push
22 back against an Iran that doesn't have a nuclear weapon
23 than one that does.

24 Chairman McCain: Senator Manchin has one question, I
25 believe?

1 Senator Manchin: I just have one. Yes, one question
2 very quick.

3 I read -- and I just want to go over this and just any
4 reaction you may have. Fareed Zakaria wrote, and I read
5 this in my local paper back home.

6 "Let us imagine the opponents of the nuclear agreement
7 with Iran get their way. The United States Congress kills
8 it. What is the most likely consequence? Within 1 year,
9 Iran would have more than 25,000 centrifuges. Its breakout
10 time would shrink to mere weeks, and the sanction against
11 it would crumble. How is this in America's national
12 interest, Israel's or Saudi Arabia's or any of the people
13 in that area?"

14 And they say it is not a plausible scenario. In 2005,
15 three European powers rejected a nuclear deal with Iran
16 with 2 years of negotiation. So all I would ask is if this
17 does collapse, does it put them on an accelerated -- with
18 their intentions being shown already, does it put them on
19 an accelerated path? And I think maybe it might be --

20 Secretary Kerry: Well, we believe so. The President
21 believes it. Our intel community believes it. Our intel
22 community has made it very clear to us what -- that there
23 is no return to negotiations with this ayatollah and that
24 they will then believe we have given them the reason that
25 they have to develop a nuclear weapon.

1 Senator Manchin: Well, let me just say --

2 Secretary Kerry: Because we won't deal in good faith.

3 Senator Manchin: John -- I'm sorry, Secretary.

4 Between November 2012 and 2013, even when we had the noose
5 around their neck, they still produced 6,000 more
6 centrifuges. So their determination is to do it no matter
7 how much we have them strangled. Correct?

8 And Secretary Moniz, have you all followed that as far
9 as --

10 Secretary Moniz: That is quite correct, yes.

11 Senator Manchin: So they are determined. They are
12 going to move forward?

13 Secretary Moniz: Absolutely. They have declared they
14 would go to hundreds of thousands of SWU versus the current
15 20,000 --

16 Senator Manchin: And you believe in the heart of
17 hearts and deep in your soul --

18 Chairman McCain: The one question is now expired.

19 Senator Graham?

20 Senator Manchin: Thank you, sir.

21 Senator Graham: Thank you.

22 General Dempsey, do you believe the Iranians have been
23 trying to build a bomb or a nuclear power program for
24 peaceful purposes all of these years?

25 General Dempsey: I believe they have a militarization

1 aspiration.

2 Senator Graham: Who is the commander-in-chief of the
3 Iranian armed forces, Secretary Carter? Who calls the
4 shots?

5 Secretary Carter: The supreme leader.

6 Senator Graham: Who decides if Iran goes to war? The
7 supreme leader, right?

8 Secretary Carter: I believe so, yes.

9 Senator Graham: Who decides if they try to break out,
10 the supreme leader?

11 Secretary Carter: Yes.

12 Senator Graham: Does the supreme leader's religious
13 views compel him over time to destroy Israel and attack
14 America?

15 Secretary Carter: I don't know. I don't know the
16 man. I only --

17 Senator Graham: Well, let me tell you, I do.

18 Secretary Carter: -- read what he says. I read what
19 he says.

20 Senator Graham: I know the man. I know what he
21 wants. And if you don't know that, this is not a good
22 deal.

23 Could we win a war with Iran? Who wins the war
24 between us and Iran? Who wins? Do you have any doubt who
25 wins?

1 Secretary Carter: No. The United States wins a war.

2 Senator Graham: We win. Is it your testimony here
3 that Saudi Arabia is okay with this deal, and they have
4 committed to you they are not going to feel compelled to
5 get a bomb because of this deal?

6 Secretary Carter: No. My testimony is that I can't
7 speak for Saudi Arabia. I have spoken to Saudi Arabia.

8 Senator Graham: Well, you have spoken for Saudi
9 Arabia all over the American media, reassuring everybody on
10 this committee they are okay.

11 Secretary Carter: I reported what they said. So --

12 Senator Graham: Well, you think they were lying to
13 you?

14 Secretary Carter: Of course not. Of course not.

15 Senator Graham: Or do you think they would want
16 weapons? Do you think they were telling you what you
17 wanted to hear to give them weapons?

18 Secretary Carter: I only could say what they said.
19 This is a little bit like what is the ayatollah thinking?
20 I only read what he says.

21 Senator Graham: Yes, okay. Fine.

22 Secretary Carter: And I just take it at face value.

23 Senator Graham: Who is your counterpart, Mr. Moniz?
24 What is his name?

25 Secretary Moniz: Mr. Salehi.

1 Senator Graham: Have you read what he said on July
2 22nd, according to Middle East Media Research Institute,
3 about the side deal? He said, let us see, "We have reached
4 an understanding with the IAEA. God willing, there will be
5 very positive results. We do not accept the PMD
6 arrangement. We don't agree with that, and we reject the
7 concept."

8 What kind of arrangement has he made to make him feel
9 so positive?

10 Secretary Moniz: First of all, I had not read it.
11 That is the first person --

12 Senator Graham: I am going to give it to you.

13 Secretary Moniz: Secondly --

14 Senator Graham: You don't have to answer. Would it
15 be surprising to you that he is telling the Iranian people
16 don't worry about this side deal. We are going to get a
17 good outcome?

18 Secretary Moniz: I assume what he is suggesting is
19 that --

20 Senator Graham: Well, if you didn't know about it --

21 Secretary Moniz: Is that there were no nuclear
22 materials in Parchin, and that remains to be seen. That is
23 my assumption, but I don't know.

24 Senator Graham: I assumed that he is saying that we
25 have reached an arrangement that we are okay with. That is

1 what I assume, but the difference does matter.

2 Secretary Moniz: I would read it differently just
3 from hearing it.

4 Senator Graham: Okay. Well, we don't know what he
5 means. And apparently, we don't know what the ayatollah
6 wants. I know what he means. He means he has reached an
7 agreement where they don't have to worry about an
8 inspection, and I think the ayatollah will eventually
9 acquire a nuclear weapon unless somebody stops him.

10 Do our allies in Israel, across all party lines,
11 believe this is a bad deal, Secretary Kerry?

12 Secretary Kerry: No. Not everybody believes it is a
13 bad deal.

14 Senator Graham: Name one political party in Israel.

15 Secretary Kerry: Oh, political party? I am sorry.

16 Senator Graham: Yes, people who are actually
17 governing the country. Name one political party in Israel
18 that is for this deal.

19 Secretary Kerry: I didn't hear you say political
20 party.

21 Senator Graham: I am sorry. I --

22 Secretary Kerry: Political parties are opposed.

23 Senator Graham: Every political party in Israel is
24 opposed to this deal. So when you speak about Israel in
25 this deal, it is not B.B., it is everybody.

1 Thank you.

2 Secretary Kerry: No, Senator, it is not.

3 Chairman McCain: The Senator's time has --

4 Secretary Kerry: It is actually not everybody. Ami
5 Ayalon, the former head of Shin Bet --

6 Senator Graham: Not a political party.

7 Secretary Kerry: No, but you said everybody in
8 Israel.

9 Chairman McCain: The time has expired. I don't think
10 we -- Senator Cruz?

11 Senator Cruz: Thank you, Mr. Chairman.

12 Gentlemen, thank you for being here. I would ask that
13 your answers be brief because my time is limited.

14 General Soleimani, the head of the al-Quds Forces, has
15 more blood of American service members on his hands than
16 any living terrorist. Under this agreement, the sanctions
17 on General Soleimani are lifted.

18 Now Secretary Kerry said to the families of those men
19 and women who gave their lives, who were killed by General
20 Soleimani we should apologize.

21 Secretary Kerry: I never said we should apologize.

22 Senator Cruz: Secretary Carter, I understand that the
23 Joint Personnel Recovery Agency has a classified list of
24 roughly 500 American soldiers who were murdered by Iranian
25 IEDs. I would ask, Secretary Carter, so that we can do

1 what Secretary Kerry suggested, that the Defense Department
2 release that list to every member of this committee,
3 declassify that list and release it directly to the service
4 members' families who were murdered by General Soleimani.

5 Secretary Carter: Well, let me look into that, and I
6 will get back to you, Senator.

7 Secretary Kerry: Senator, I never said the word
8 "apology." I never mentioned apologize. I said we should
9 thank them for their extraordinary service. I never said a
10 word "apologize." Please, don't distort my words.

11 Senator Cruz: Secretary Kerry, it is duly noted that
12 you do not apologize to the families of the service members
13 who were murdered by the Iranian military.

14 Secretary Kerry: That is not what I said, Senator.

15 Senator Cruz: Do you apologize or not? I don't want
16 to put words in your mouth. So which one is it?

17 Secretary Kerry: I thank them. I thank them for
18 their extraordinary service, and I would remind them that
19 the United States of America will never take the sanctions
20 off Qasem Soleimani.

21 Senator Cruz: Sir, I just want clarity. Do you
22 apologize or not? Because you wanted to clarify that
23 point.

24 Secretary Kerry: I said we thank them for their
25 service, but we will not take the sanctions off Qasem

1 Soleimani.

2 Senator Cruz: All right. Secretary Moniz, I want to
3 turn to a different question. The single greatest threat
4 to the United States if Iran acquires a nuclear weapon is
5 that of an electromagnetic pulse, a nuclear weapon
6 detonated in the atmosphere over the Eastern Seaboard that
7 could kill tens of millions of Americans.

8 On July 23rd in testimony before Congress, you told
9 the United States Senate you hadn't read the
10 congressionally mandated commission on EMPs and that you
11 didn't know what an EMP was.

12 Secretary Moniz: That is incorrect. I said I did not
13 know this 2008 report recommendations. I said I was quite
14 familiar with the issue, and we all know about EMPs from
15 airburst nuclear weapons.

16 Senator Cruz: Secretary Moniz, let me read the
17 testimony verbatim so that I don't mischaracterize you.

18 "Senator Johnson --" Let me -- sir, let me read what
19 you said.

20 Secretary Moniz: Please.

21 Senator Cruz: "Senator Johnson: Are you familiar
22 with the EMPs commission's 2008 report?"

23 "No, I am not, sir."

24 "You are not? Do you know -- do you know what an EMP
25 is?"

1 "You will have to explain it to me, please."

2 Secretary Moniz: What?

3 Senator Cruz: I find that stunning. This is
4 testimony. You can read the record.

5 Secretary Moniz: That was about the report. If you
6 read further in the testimony, you will see my explicit
7 statement. Of course, I know about the issue. I happen to
8 know something about nuclear weapons. I know about EMPs.
9 I know about various actions --

10 Senator Cruz: Do you agree that an EMP detonated by
11 Iran in the atmosphere could kill tens of millions of
12 Americans?

13 Secretary Moniz: An EMP detonated by anyone obviously
14 is a very potent weapon.

15 Senator Cruz: It could kill tens of millions of
16 Americans. Do you agree with that?

17 Secretary Moniz: That would depend, obviously, on the
18 specifics of the piece.

19 Senator Cruz: But do you agree that it could?

20 Secretary Moniz: It depends upon the specifics.
21 These are highly variable.

22 Senator Cruz: Does that mean, yes, it could?

23 Secretary Moniz: I said it is highly variable in its
24 impact.

25 Senator Cruz: Okay. You are refusing to answer the

1 question.

2 Secretary Carter, is it correct that Iran is the
3 leading state sponsor of terrorism in the world?

4 Secretary Carter: I was asked before, and I believe
5 that is true, yes.

6 Senator Cruz: Do you have any doubt whatsoever if in
7 excess of \$100 billion goes to Iran that some of that money
8 will go to jihadists who will use it to murder Americans?

9 Secretary Carter: I can't say that. I can say that
10 their malign activities about which we are extremely
11 concerned are quite well funded today.

12 Senator Cruz: Okay. But finally, because I just have
13 a second left --

14 Secretary Carter: And it is those malign activities
15 and the rest of the conduct that makes it so important that
16 they not also have a nuclear weapon.

17 Senator Cruz: Finally, because I just have a second
18 left, Secretary Kerry, you told Senator Lee that this was
19 not a treaty because we don't have diplomatic relations
20 with Iran. I would note that is directly contrary to the
21 testimony you gave yesterday to the House.

22 Secretary Kerry: No, it is --

23 Senator Cruz: When you were asked -- when you were
24 asked why is this not considered a treaty? And I will read
25 your answer verbatim.

1 "Well, Congressman, I spent quite a few years -- "

2 Secretary Kerry: Senator, I know what I --

3 Senator Cruz: Sir, let me ask the question.

4 Secretary Kerry: You are not reading my whole answer
5 because I also said what I just said.

6 Senator Cruz: Well, Congressman -- Secretary Kerry?

7 Chairman McCain: The Senator's time -- I apologize.
8 The Senator's time has expired, and I promised the
9 witnesses that I would get them out, as every member that
10 wanted to was able to ask questions.

11 I would appreciate -- I want to tell the witnesses I
12 appreciate their patience. I know it has been a very long
13 morning for them. I also know that they appreciate the
14 gravity of this issue and the importance of allowing every
15 member of the committee to at least ask questions and be
16 informed by your testimony.

17 So, Senator Reed?

18 Senator Reed: Mr. Chairman, could we keep the record
19 open in case there are Senators that have written
20 questions?

21 Chairman McCain: I am sure that Senator Manchin will
22 have a written question for you.

23 Senator Nelson: And I will as well.

24 Chairman McCain: So -- as will Senator Nelson.

25 [The information referred to follows:]

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[COMMITTEE INSERT]

1 Chairman McCain: So I want to thank the witnesses,
2 and this is a very important issue and the testimony has
3 been very important I think not only to members of the
4 committee, but the entire Senate. I thank the witnesses.

5 We are adjourned.

6 [Whereupon, at 1:02 p.m., the hearing was adjourned.]

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