



FEBRUARY 11, 2015

STATE SPONSOR OF TERROR: THE GLOBAL THREAT OF IRAN

HOUSE OF REPRESENTATIVES, COMMITTEE ON FOREIGN AFFAIRS, SUBCOMMITTEE ON
TERRORISM, NONPROLIFERATION, AND TRADE

ONE HUNDRED FOURTEENTH CONGRESS, FIRST SESSION

HEARING CONTENTS:

WITNESS TESTIMONY

Frederick W. Kagan, Ph.D. [\[view PDF\]](#)

Christopher DeMuth Chair and Director, Critical Threats Project,
American Enterprise Institute

Ilan I. Berman [\[view PDF\]](#)

Vice President, American Foreign Policy Council

Tony Badran [\[view PDF\]](#)

Research Fellow, Foundation for Defense of Democracies

Daniel L. Byman, Ph.D. [\[view PDF\]](#)

Professor, Security Studies Program, Edmund A. Walsh School of Foreign
Service, Georgetown University

AVAILABLE WEBCAST(S):*

- Chariman Poe's Opening Statement: <https://youtu.be/gEpHzsOCQhM>

COMPILED FROM:

- <http://foreignaffairs.house.gov/hearing/subcommittee-hearing-state-sponsor-terror-global-threat-iran>

** Please note: Any external links included in this compilation were functional at its creation but are not maintained thereafter.*

American Enterprise Institute for Public Policy Research



Statement before the House Committee on Foreign Affairs
Subcommittee on Terrorism, Nonproliferation, and Trade on
“State Sponsor of Terror: The Global Threat of Iran”

Beyond Nuclear: The Increasing Threat from Iran

Frederick W. Kagan

Christopher DeMuth Chair and Director, Critical Threats Project

American Enterprise Institute

February 11, 2015

*The views expressed in this testimony are those of the author alone and do not necessarily represent those of the
American Enterprise Institute*

Thank you for the opportunity to appear before the committee today. The protracted negotiations about Iran's nuclear program have distracted attention from other aspects of the threat Iran poses to the security of the United States and its allies in the region and around the world. Preventing Iran from acquiring the ability to field a nuclear arsenal is certainly essential, but it is not sufficient, even if any of the deals under discussion were likely to achieve it. Iran has deployed conventional and irregular forces to numerous conflicts throughout the Middle East, and it retains the ability to conduct terrorist operations using its own or proxy forces in Europe, Latin America, and possibly elsewhere. Iran has significantly increased its ballistic missile force over the past few years, both in size and in capability. Tehran also appears to be undertaking an expansion of its conventional military capabilities. The global Iranian threat—independent of the status of its nuclear program—is greater today than it has ever been.

Iranian involvement in the conflicts in Syria and Iraq is well known, but it is worth recalling some of the details. Iran has deployed elements of the Islamic Revolutionary Guards Corps (IRGC) Qods Force, IRGC conventional combat units, advisors from the Law Enforcement Forces, assets of the Ministry of Intelligence and Security, and significant political and economic advisors to help the regime of Bashar al Assad survive. Iran has also encouraged and supported the deployment of thousands of Lebanese Hezbollah conventional forces into Syria as well, a deployment unprecedented in Hezbollah's history.

Iran has deployed a similar mix of forces to Iraq, although on a smaller scale, and without the conventional forces of Hezbollah. The mix includes lethal Iranian-backed Shi'a militias such as Asaib Ahl al Haq, which had been fighting in Syria and was recalled to Iraq after the fall of Fallujah and then Mosul. The commander of the IRGC Qods Force, General Qassem Soleimani, spends a great deal of time in Iraq coordinating the activities of the Shia militias he helped establish years ago and over which he retains control. It is widely reported that Soleimani sleeps in the al Askari Shrine in Samarra, but I also learned on a recent trip to Baghdad that he apparently has a house in the Green Zone as well. Iranian military activities in Iraq are ostentatious. Tehran's proxy militias largely control the province of Diyala and the area around the Samarra Shrine, and they are intertwined with the Iraqi security forces in those areas. The Iraqi Security Forces must tolerate this militia presence because they do not have the wherewithal to replace them. ISF weakness has created an opening that Iranian-backed lethal militias are filling. There was even in mid-late January a large billboard in the center of the Green Zone memorializing an IRGC brigadier general killed in the fighting, with the IRGC logo prominently displayed. By no means all of the Iraqi security forces are under the control of Iran, nor do they wish to be. I heard from political leaders on all sides who have grave concerns about the strength of Iranian proxy militias and the influence Iran is acquiring through its military intervention in Iraq. These forces threaten the sovereignty of the Iraqi state.

Iran has also managed to open up a new front in its regional struggle against Saudi Arabia, by embracing and supporting the al Houthi movement in Yemen. There is a great deal of complexity in the relationship between the Houthis and Iran, but some things are very clear. The leadership of the Houthis has been increasingly vocal in its support for Iran and has praised Iran for backing its movement. The Iranians, for their part, have dramatically increased their rhetorical support for the Houthis, and there are indications that they are providing significant material support as well. The question of Iran's relationship with the Houthis has gained much greater importance following the January Houthi coup d'état in Sana'a, which has placed that movement firmly in control of Yemeni politics for the moment, although by no means in control of Yemen. Although the Houthis are not in fact orthodox Shia, and Yemen has historically not

suffered significantly from sectarian conflict, the movement's rise and increasingly close ties with Iran are now inflaming Yemenis along sectarian lines. Al Qaeda in the Arabian Peninsula is thus finding it easier to recruit and operate because it can now position itself as a defender of the Sunni against an Iranian and Shia assault.

The evolution of this tragic dynamic in Yemen epitomizes one of the most serious problems with the idea that the United States could benefit from allying itself with Iran. Iran's leaders have always been at pains to claim that they stand at the head of a nonsectarian Islamic revolution, but they have never been able to persuade the majority of the Muslim community of the truth of that claim. In reality, Iran is seen as a Shia sectarian actor throughout the Arab world, and it preferentially supports Shia proxy groups and individuals. Those groups and individuals tend to be highly sectarian, particularly in light of the rapidly growing sectarian tensions in the region that their activities have helped fuel. Whether Iran's leaders mean to stoke sectarian conflict or not, their actions have been a powerful accelerant to sectarian violence throughout the region, and it appears that they are either unwilling or unable to change. That fact in itself should be enough to dissuade us from the notion that an alliance with Iran, even if one were on offer, would be helpful in solving the region's problems.

There is, however, no such alliance on offer. The Obama administration has repeatedly suggested that the current nuclear negotiations can be part of a larger effort at rapprochement with Iran, much to the consternation of our allies in the region. But the Iranian regime has repeated ad nauseam its unwillingness to engage in any such rapprochement and its refusal to see the negotiations in those terms, despite hints of a possible openness to a sort of temporary détente far removed from any actual reconciliation of interests. Anti-Americanism is a core element of the regime's ideology. It is a critical justification for the regime's concentration of power in its own hands, politically, economically, and socially. The supposed efforts of the United States and the West to undermine the Islamic Republic by exporting our culture and ideas to Iran's people form a significant excuse the government uses to sustain one of the most sophisticated and draconian censorship regimes on the planet. Any serious rapprochement with the United States would badly undermine the regime's justifications for this and many other oppressive activities it regards as essential to its survival, and it is almost impossible to imagine the current leadership embracing any such approach.

We must assume, therefore, that Tehran will continue to see the United States as a dangerous and aggressive enemy regardless of the outcome of the nuclear negotiations. Iran's leaders will continue to believe that America is attempting to build an alliance of Arab states and Israel with the aim of containing Iran and eventually bringing down the current regime. Iran has held this view without alteration since the 1979 Revolution, and nothing that President Obama can do in the next two years is likely to change it. Iran will therefore continue to be an enemy state, preparing itself for either offensive or defensive war against the United States and its allies in the region, with or without a nuclear program.

The further relaxation of sanctions on Iran as a consequence of any nuclear deal will dramatically assist Iran in these preparations. Iran's leaders have articulated in great detail how they would use additional post-sanctions funding to address major structural problems in their economy. The Supreme Leader and President Rouhani have described an economic doctrine they call "Resistance Economy," which aims to ensure that Iran will never be vulnerable to sanctions again in the future.¹ An influx of money and investment at this stage will also fuel Iran's ability to sustain the military and paramilitary forces it has

deployed around the region and to fund its violent and sectarian proxies. A nuclear deal without some sort of real rapprochement, therefore, will actually increase the Iranian military threat to America's interests and allies in the Middle East and possibly beyond.

It would certainly be desirable to make a verifiable deal with Iran that insured that the Islamic Republic would not be able to develop and field a nuclear arsenal. Judging from the leaks coming from negotiating teams on both sides, however, it does not appear that any such deal is on the table. We must recognize in any case the stakes involved in gambling on a partial deal, and the price we are likely to pay in increasing regional and even global threats from Iran as sanctions are lifted. One thing is absolutely certain, however. A deal with Iran that addresses only narrow technical issues related to the nuclear program does not even begin to address the challenge Iran poses to the United States, its allies, and the West. Addressing that challenge would require developing a coherent and nuanced strategy toward Iran, something that is notably absent today.

¹ Amir Toumaj, "Iran's Economy of Resistance: Implications for Future Sanctions," AEI's Critical Threats Project, November 17, 2014, <http://www.irantracker.org/analysis/toumaj-irans-resistance-economy-implications-for-sanctions-november-17-2014>.

State Sponsor of Terror: The Global Threat of Iran

Statement before the
U.S. House of Representatives Committee on Foreign Affairs
Subcommittee on Terrorism, Nonproliferation, and Trade

Ilan Berman
Vice President
American Foreign Policy Council

February 11, 2015

Chairman Poe, distinguished members of the Subcommittee:

It is an honor to appear before you today to discuss the global threat posed by the Islamic Republic of Iran. It is an issue that has received far too little attention over the past year-and-a-half.

Since the start of negotiations between Iran and the P5+1 powers in November of 2013, the attention of the United States and its diplomatic partners has focused almost exclusively on one aspect of Iran's activities, its nuclear program. For the Obama administration, reaching some sort of durable compromise with the Iranian regime over its nuclear ambitions has become an overriding objective. As Deputy National Security Advisor Ben Rhodes told a meeting of political activists in January of 2014, securing such a deal is considered by the White House to be as significant as its previous success on healthcare, the signature initiative of President Obama's first term.¹

Moreover, with the rise of the Islamic State terrorist group in Iraq, the White House has gravitated toward the notion that Iran also can serve as a constructive security partner. Administration officials have said that they see a role for Iran in the international coalition that Washington is now erecting,² and tactical coordination between Tehran and Washington on combat operations is widely understood to be taking place.

In its outreach, the Administration has been driven in no small measure by the belief that current contacts can be successfully parlayed into something substantially

bigger: a true reconciliation between Washington and Tehran. This belief has led officials in Washington to systematically downplay instances of Iranian rogue behavior, chief among them the Iranian regime's fomentation of international terrorism.

A REGIME IMPERATIVE

Iran's intimate relationship with terrorism is a function of the ideological worldview that continues to animate the present regime in Tehran.

That outlook can be traced back to the 1960s and 1970s, when the Islamic Republic's founder, the Ayatollah Ruhollah Khomeini, languished in exile, first in Iraq and then in France. During that time, Khomeini became convinced of the need for Shi'ite empowerment and global Islamic revolution. As a result, the overthrow of Shah Mohammad Reza Pahlavi in 1979 was not seen simply as a domestic regime change. Rather, it was also viewed by Khomeini and his followers as the start of a political process that would usher in the dominance of Islam "in all the countries of the world."³

Accordingly, the preamble of the country's 1979 constitution proclaimed that the Islamic Republic's armed forces "will be responsible not only for safeguarding the borders, but also for accomplishing an ideological mission, that is, the Jihad for the sake of God, as well as for struggling to open the way for the sovereignty of the Word of God throughout the world."⁴ Iran's revolution, in other words, was intended from the start to be an export commodity.

The first formative years of Khomeini's regime therefore saw his government erect an elaborate domestic infrastructure for the support and propagation of terrorism abroad—an effort that spanned multiple ministries and agencies, and included the investment of hundreds of millions of dollars in the cause of Islamic "resistance" globally.⁵ The Islamic Republic also became a haven and source of support for third world radicals, from Palestinian resistance fighters to Latin American leftist revolutionaries.⁶

The death of Khomeini in the late 1980s—and a period of sustained economic and political stagnation in the 1990s—led many in the West to believe that Iran had entered a "post-revolutionary" era. That hope, however, turned out to be fleeting. During the 1990s, Iran's regime continued to work diligently to improve its global position and "export" its uncompromising version of political Islam—albeit more subtly and judiciously than it had the preceding decade. And over the past dozen years, Iran's revolutionary fervor has returned with a vengeance.

Today, very much in line with Khomeini's famous 1980 dictum that his regime must "strive to export our revolution throughout the world,"⁷ the Islamic Republic is pursuing a global insurgent agenda, acting either directly (via its feared clerical

army, the Islamic Revolutionary Guard Corps [IRGC]) or through a broad range of proxy groups and aligned non-state actors, from Lebanon's Hezbollah to the Palestinian Hamas movement to Shi'ite militias in Iraq.

GLOBAL REACH

While the full scope of Iran's activities is far broader than could be comfortably covered here, several areas of its current activity deserve particular attention.

Syria

Since the start of the civil war there in March of 2011, Iran has waged what amounts to a proxy war in Syria. While publicly it has sought to portray a constructive image vis-à-vis the crisis, the Iranian regime has quietly pursued a much more assertive—and destructive—role. Iran, for example, has deployed a large IRGC contingent to the Syrian battlefield, including hundreds of trained snipers who have helped to reinforce Syrian forces and increase their lethality against Syria's opposition.⁸ Together with its Lebanese proxy Hezbollah, it has also played a key role in organizing pro-Assad militias among the country's Alawite and Shi'a communities, as well as coordinating pro-regime foreign fighters from Iraq, Yemen, Lebanon and—most recently—Afghanistan.⁹ Iranian officials have boasted that these “popular committees” now total upward of 50,000 fighters in number, and benefit from training provided to them both in Iran and in Lebanon.¹⁰

Iran's objectives in this effort are two-fold. Most immediately, Iran's aid is intended to shore up the stability of the Assad regime, its most important regional partner. More broadly, however, Iran sees its involvement in Syria as a direct blow against the “Great Satan,” the United States. “Since Syria was and continues to be part of the Islamic resistance front and the Islamic Revolution, it provokes the anger of the Americans,” IRGC commander Mohammad Ali Jafari explained on Iranian television in April of 2014.¹¹ Alaeddin Boroujerdi, the Chairman of the Iranian Parliament's National Security and Foreign Policy Committee, put it even more bluntly. “We have won in Syria,” he told reporters in May of 2014. “The regime will stay. The Americans have lost it.”¹²

Palestinian Territories

In the summer of 2014, a new round of hostilities broke out between Israel and the Hamas terrorist movement in the Gaza Strip. Israeli officials termed the outcome of the fifty-day conflict to be a “strategic tie.”¹³ Yet the benefits were undeniably greater for Hamas, which used the war as a bid for continued relevance—and as a way to reestablish strategic ties with Iran, which had been virtually severed over the preceding three years as a result of conflicting approaches to Syria. As a result, the strategic partnership between Iran and Hamas is now back on track—and the likelihood of a future conflict between Israel and an unrepentant, strengthened Hamas is high.

Iran's stake in the Palestinian Territories is far larger than simply Hamas, however. Since the 1990s, the Islamic Republic has played a leading role in the West

Bank and Gaza Strip through its political support of Palestinian violence, its funding for an array of Palestinian “rejectionist” groups, and its provision of weapons to disparate Palestinian factions. That assistance continues; earlier this month, a top commander in Iran’s Islamic Revolutionary Guard Corps (IRGC) called for his government to increase its presence and activities in the West Bank and Gaza Strip as a way of holding Israel at risk, and preventing the possibility of unilateral Israeli military action against Iran’s nuclear program.¹⁴

Iraq

Over the past year, the rise of the Islamic State terrorist group has captured global attention, and nudged Tehran and Washington into tacit alignment. This has served to obscure the fact that, over the past decade, the Islamic Republic has pursued a complex multi-pronged strategy on the territory of its western neighbor. That effort has involved, *inter alia*, the cooptation of various Iraqi politicians; political and material support to both Sunni and Shi’ite militias; the massive infiltration of Iranian paramilitary forces and proxies onto Iraqi soil, and; the provision of a wide spectrum of lethal weaponry (including improvised explosive devices) to Iraqi insurgents fighting the Coalition.¹⁵ The human toll of this effort has been immense. In August of 2010, then-U.S. Ambassador to Iraq James Jeffrey estimated that fully a quarter of U.S. casualties in Iraq since the start of Operation Iraqi Freedom in 2003 were attributable to Iranian-linked groups operating against the Coalition.¹⁶

Iran’s geopolitical goals were clear. “Iran has a robust program to exert influence in Iraq in order to limit American power-projection capability in the Middle East, ensure the Iraqi government does not pose a threat to Iran, and build a reliable platform for projecting influence further abroad,” a 2008 study by the Combatting Terrorism Center at West Point explained.¹⁷ And today, Iran is closer to this objective than ever before. With Iraq’s government in continuing disarray despite an October 2014 parliamentary election and a change of political leadership, and amid signals from Washington that sustained U.S. boots on the ground are simply out of the question in the fight against the Islamic State, Iran has emerged as what is perhaps the best long-term guarantor of Iraq’s security.

Afghanistan

Over the past decade, Iran has worked diligently to expand its influence on the territory of its eastern neighbor. It has done so by coopting and subverting the independence of the post-Taliban government of Hamid Karzai through political pressure and economic bribes, and by simultaneously forging an alternative center of gravity in Afghanistan’s western provinces. It also has sought to deny influence to others, most prominently the United States and its allies. In its 2012 *Country Reports on Terrorism*, the State Department noted that, “[s]ince 2006, Iran has arranged arms shipments to select Taliban members, including small arms and associated ammunition, rocket propelled grenades, mortar rounds, 107mm rockets, and plastic explosives.” According to the same assessment, “Iran has shipped a large number of weapons to Kandahar, Afghanistan, aiming to increase its influence in this key province.” It also “trained Taliban elements on small unit tactics, small arms, explosives, and indirect fire weapons, such as mortars, artillery, and rockets.”¹⁸

Iran's assistance has significantly expanded the lethality of these forces, at considerable human cost to the United States and its Coalition allies.

Latin America

In October of 2011, U.S. officials went public with details of a foiled Iranian plot to assassinate Saudi Arabia's ambassador to the United States at a DC restaurant. Attorney General Eric Holder noted at the time that the plot was "directed and approved by elements of the Iranian government and, specifically, senior members of the Quds Force," the IRGC's elite paramilitary unit.¹⁹ The thwarted plot was far from unique, however; Iran has targeted the U.S. homeland on at least two other occasions over the past decade. The first was an unsuccessful 2007 plot by a Guyanese national linked to Iran to blow up fuel tanks underneath New York's John F. Kennedy Airport.²⁰ The second was a plan by Venezuelan and Iranian diplomats to use Mexican hackers to penetrate U.S. defense and intelligence facilities and launch widespread cyber attacks in the United States.²¹

These attempts were made possible by an expanding Iranian strategic footprint in the Americas. In its 2010 report to Congress on Iran's military power, the Pentagon noted that the Qods Force has become deeply involved in the Americas, stationing "operatives in foreign embassies, charities and religious/cultural institutions to foster relationships with people, often building on existing socio-economic ties with the well-established Shia Diaspora," and even carrying out "paramilitary operations to support extremists and destabilize unfriendly regimes."²² These activities, however, are just the tip of the iceberg. In his May 2013 indictment, Argentine prosecutor Alberto Nisman detailed that over the past three decades, Iran has succeeded in quietly erecting a network of intelligence bases and covert centers in no fewer than eight Latin American countries: Brazil, Paraguay, Uruguay, Chile, Colombia, Guyana, Trinidad and Tobago, and Suriname.²³ This infrastructure was instrumental in allowing Iranian proxies to carry out the 1994 AMIA bombing, as well as to plot subsequent attacks, and remains both intact and functioning. (Not coincidentally, Iran is being eyed as a culprit in Nisman's suspected murder last month, which took place on the eve of his testimony before the Argentine Congress regarding his government's collusion with Tehran.)

Africa

In May of 2013, Nigerian security forces raided a house on the outskirts of Bompai, in the country's northern Kano State. They found a massive military stash, including anti-tank weapons, rocket propelled guns and landmines.²⁴ Three men were subsequently arrested in connection to the raid, all of them Lebanese-Nigerian nationals. In subsequent interrogations, the suspects confessed to having received training from Hezbollah, and one of them detailed that he had gotten orders from a top Hezbollah commander to surveil several targets in the Nigerian capital, including the Israeli embassy there, and to obtain an aerial photo of the city for targeting purposes.²⁵

To be sure, Hezbollah has had an African presence for the better part of a quarter century. Beginning in the late 1980s, the group, operating through the continent's numerous and well-established Shi'a communities, transformed Africa

into a major base for fundraising, becoming involved in the continent's notorious "blood diamond" trade and establishing a number of front companies to funnel money from Africa back to the Middle East.²⁶ The region likewise became a notable recruiting base for the group, which—working in tandem with the IRGC—has made concerted efforts to enlist disaffected African Shi'a in "resistance" against Israel and the West.²⁷ In recent years, however, the scope and pace of these activities have expanded. "Iran has stepped up its attempts to build a sphere of influence in Africa," according to Israeli counterterrorism expert Ely Karmon, and is working "to develop bases within certain states in Africa for wider terrorist and subversion activities throughout the continent, focusing on Israeli and Jewish targets."²⁸ These bases extend beyond Nigeria to a number of other regional states, including Kenya, Sierra Leone, Senegal, Cote d'Ivoire, and Senegal.

Europe

In July of 2012, a pre-positioned bomb detonated on a passenger bus full of Israeli tourists in the Bulgarian Black Sea resort town of Burgas, killing six people and injuring thirty-two others. In the days after the attack, Israeli Prime Minister Benjamin Netanyahu linked the bombing to Hezbollah and its chief sponsor, Iran, terming it to be part of a "global Iranian terror onslaught" targeting his country's interests and citizens worldwide.²⁹ That verdict was confirmed seven months later, when the Bulgarian government published its official findings, which identified the two suspects in the bombing as operatives of the Lebanese militia.³⁰

Like its activities in Africa, Hezbollah's presence in Europe is not a new phenomenon. The organization has been active on the continent since the early 1980s, and engaged in a spate of terrorist activity there during that time (including a plane hijacking in 1984, bombings in Spain, Denmark and France the following year, and a rash of bombings in Paris between 1985 and 1986). Over time, however, the militia shifted its focus back to the Middle East, and Europe—once a target—became seen as primarily a base, and a "launching pad" for operations elsewhere.³¹ Of late, however, the growing global activism of Hezbollah's enabler, Iran, has increasingly transformed Europe from a base of operations for Iran's chief terrorist proxy back into a target of it. The August 2012 Burgas bombing was a reflection of this trend, which now poses a real danger to European security.

Cyberspace

Over the past several years, Iran has manifested a growing, and increasingly aggressive, presence in cyberspace. This effort can be traced back, at least in part, to the targeting of Iran's nuclear program by the Stuxnet cyberworm in 2009/2010 and other subsequent intrusions—attacks which convinced Iran's leadership that they were engaged in a conflict with the West in cyberspace. But Iran's cyber activities are not simply defensive in nature; over the past three years, Iranian and Iranian-linked entities have carried out attacks on a number of high-value targets abroad, among them U.S. financial institutions (Bank of America, JPMorgan Chase and Citigroup), foreign energy firms (Saudi AramCo) and several defense contractors.

The scope of Iran's offensive was outlined in detail in December of 2014 by San Diego-based cybersecurity firm Cylance.³² "Since at least 2012, Iranian actors have directly attacked, established persistence in, and extracted highly sensitive materials from the networks of government agencies and major critical infrastructure companies in the following countries: Canada, China, England, France, Germany, India, Israel, Kuwait, Mexico, Pakistan, Qatar, Saudi Arabia, South Korea, Turkey, United Arab Emirates, and the United States," the study notes. Targets of Iranian cyber attack identified by Cylance include oil and gas firms in Kuwait, Turkey, Qatar and France, aviation hubs in South Korea and Pakistan, energy and utilities companies in Canada and the U.S., and government agencies in the U.S., UAE and Qatar. This, however, may represent merely the tip of the iceberg. "As Iran's cyber warfare capabilities continue to morph... the probability of an attack that could impact the physical world at a national or global level is rapidly increasing," the report concludes.

DEFINING IRAN'S DEVIANCY DOWN

In the 1990s, New York Senator Daniel Patrick Moynihan popularized the term "defining deviancy down" in warning about the dangers of an increasingly lax American criminal justice system. Today, that same admonition could be applied to U.S. policy toward Iran.

In its pursuit of a nuclear deal, the Obama administration has turned a blind eye to the Iranian regime's ideological direction, and to its destructive behavior abroad. Worse still, the White House has become incentivized not to pay any heed to, or call attention to, what the Iranian regime truly thinks, says and does, lest it prejudice prospects for political alignment between Washington and Tehran.

This represents a critical error. Iran's rogue behavior spans a broad spectrum of subversive activities in virtually every corner of the world. Furthermore, the Iranian leadership remains revolutionary in outlook and insurgent in its behavior.

It also increasingly convinced that it is winning. That was the message of Supreme Leader Ali Khamenei's September 2014 speech to Iran's Assembly of Experts, the regime's premier religious supervisory body. The existing international system "was in the process of change," Khamenei asserted, and a "new order is being formed." These changes, he made clear, are a mortal blow to the West, and a boon to Iran: "The power of the West on their two foundations—values and thoughts and the political and military—have become shaky."³³

The message is unmistakable. The Islamic Republic sees an increasingly favorable international environment, and is stepping up its activism in response. Responding to it will be one of the most significant challenges facing the United States in the years ahead.

-
- ¹ As cited in Matthew Continetti, "The Coming Détente with Iran," *Washington Free Beacon*, October 31, 2014, <http://freebeacon.com/columns/the-coming-detente-with-iran/>.
- ² Jesse Byrnes, "Secy. Kerry Says Iran can Help Defeat ISIS," *The Hill*, September 19, 2014, <http://thehill.com/blogs/blog-briefing-room/news/218391-iran-can-help-defeat-isis-kerry-says>.
- ³ Ruhollah Khomeini, as quoted in Robin Wright, *Sacred Rage: The Wrath of Militant Islam* (New York: Simon & Schuster, 1986), 21.
- ⁴ Preamble, *Constitution of the Islamic Republic of Iran*, October 24, 1979, http://www.oefre.unibe.ch/law/icl/ir00000_.html.
- ⁵ For a detailed overview of Iran's terror infrastructure, see Ilan Berman, *Tehran Rising: Iran's Challenge to the United States* (Lanham, MD: Rowman & Littlefield, 2005), 3-30.
- ⁶ Robin Wright, *Sacred Rage: The Wrath of Militant Islam* (New York: Simon & Schuster, 1986), 21, 32-35.
- ⁷ As cited in Hamid Algar, *Islam and Revolution Writings and Declarations of Imam Khomeini (1941-1980)* (North Haledon, NJ: Mizan Press, 1981), 286-287.
- ⁸ Luke McKenna, "Syria is Importing Iranian Snipers to Murder Anti-Government Protesters," *Business Insider*, January 27, 2012, <http://www.businessinsider.com/syria-is-importing-iranian-snipers-to-murder-anti-government-protesters-2012-1>.
- ⁹ See, for example, Farnaz Fassihi, "Iran Recruiting Afghan Refugees to Fight for Regime in Syria," *Wall Street Journal*, May 15, 2014, <http://online.wsj.com/news/articles/SB10001424052702304908304579564161508613846?mg=reno64-wsj&url=http%3A%2F%2Fonline.wsj.com%2Farticle%2FSB10001424052702304908304579564161508613846.html>.
- ¹⁰ Babak Dehghanpisheh, "Elite Iranian Unit's Commander Says His Forces are in Syria," *Washington Post*, September 16, 2012, http://www.washingtonpost.com/world/middle_east/elite-iranian-units-commander-says-his-forces-are-in-syria/2012/09/16/431ff096-0028-11e2-b257-e1c2b3548a4a_story.html; Karen DeYoung and Joby Warrick, "Iran, Hezbollah Build Militia Networks in Syria in Event that Assad Falls, Officials Say," *Washington Post*, February 10, 2013, http://www.washingtonpost.com/world/national-security/iran-hezbollah-build-militia-networks-in-syria-in-event-that-assad-falls-officials-say/2013/02/10/257a41c8-720a-11e2-ac36-3d8d9dcaa2e2_story.html?hpid=z2.
- ¹¹ "Iranian Revolutionary Guard Corps Commander Jafari: We Support Resistance to U.S. and Israel in Syria and Elsewhere in the Region," Middle East Media Research Institute *Clip* no. 4272, April 21, 2014, <http://www.memritv.org/clip/en/4272.htm>.
- ¹² Simon Tisdall, "Iran and Assad have Won in Syria, Say Top Tehran Foreign Policy Figures," *Guardian* (London), May 12, 2014, <http://www.theguardian.com/world/2014/may/11/syria-crisis-iran-assad-won-war-tehran>.
- ¹³ Author's interviews with Israeli officials, Jerusalem and Tel Aviv, Israel, September 2014.
- ¹⁴ "Iran Revolutionary Guards General Calls for Greater Foothold in West Bank and Gaza," *Algemeiner*, February 2, 2015, <http://www.algemeiner.com/2015/02/02/iran-revolutionary-guards-general-calls-for-greater-foothold-in-west-bank-and-gaza/>.
- ¹⁵ Kimberly Kagan, "Iran's Proxy War Against the United States and the Iraqi Government," Institute for the Study of War *Iraq Report*, May 2006-August 20, 2007, <https://www.understandingwar.org/sites/default/files/reports/IraqReport06.pdf>.
- ¹⁶ "Quarter of US Iraq Deaths Due to Iran Groups – Envoy," Reuters, August 26, 2010, <http://www.reuters.com/article/2010/08/26/idUSLDE67P22D>.

-
- ¹⁷ Joseph Felter and Brian Fishman, "Iranian Strategy in Iraq: Politics and 'Other Means,'" Combatting Center at West Point *Occasional Paper*, October 13, 2008, [http://reap2-
ws1.stanford.edu/publications/iranian_strategy_in_iraq_politics_and_other_means/](http://reap2-ws1.stanford.edu/publications/iranian_strategy_in_iraq_politics_and_other_means/).
- ¹⁸ U.S. Department of State, Office of the Coordinator for Counterterrorism, "Chapter 3. State Sponsors of Terrorism Overview," in *Country Reports on Terrorism 2012*, May 2013, <http://www.state.gov/j/ct/rls/crt/2012/209985.htm>.
- ¹⁹ Charles Savage and Scott Shane, "Iranians Accused of a Plot to Kill Saudis' U.S. Envoy," *New York Times*, October 11, 2011, <http://www.nytimes.com/2011/10/12/us/us-accuses-iranians-of-plotting-to-kill-saudi-envoy.html?pagewanted=all>.
- ²⁰ "Iran Set Up Terrorist Network in Latin America," Reuters, May 30, 2013, <http://www.jpost.com/Iranian-Threat/News/Prosecutor-Iran-set-up-terrorist-networks-in-Latin-America-314793>.
- ²¹ "La Amenaza Irani," *Univision*, December 9, 2011, <http://noticias.univision.com/article/786870/2011-12-09/documentales/la-amenaza-irani/la-amenaza-irani>.
- ²² Department of Defense, *Unclassified Report on Military Power of Iran*, April 2010, [http://www.armscontrolwonk.com/file_download/226/2010_04_19_Unclass_Report_on_Ir
an_Military.pdf](http://www.armscontrolwonk.com/file_download/226/2010_04_19_Unclass_Report_on_Ir_an_Military.pdf).
- ²³ Guido Nejmakis, "Iran Set Up Terrorist Networks in Latin America: Argentine Prosecutor," Reuters, May 29, 2013, <http://www.reuters.com/article/2013/05/29/us-argentina-iran-idUSBRE94S1F420130529>.
- ²⁴ "JTF Uncovers Lebanese Terror Cell in Kano... Mustapha Fawaz, Co-Owner of Popular Amigo Supermarket Arrested," *Xclusive Nigeria*, May 31, 2013, <http://www.exclusivenigeria.com/index.php/politics/item/698-jtf-uncovers-lebanese-terror-cell-in-kanomustapha-fawaz-co-owner-of-popular-amigo-supermarket-arrested>.
- ²⁵ Ibid; Ikechukwu Nnochiri, "Hezbollah: I got Order to Survey Israeli Embassy in Nigeria – FAWAZ," *Vanguard* (Abuja), August 1, 2013, <http://www.vanguardngr.com/2013/08/hezbollah-i-got-order-to-survey-israeli-embassy-in-nigeria-fawaz/>.
- ²⁶ Matthew Levitt, *Hezbollah: The Global Footprint of Lebanon's Party of God* (Washington, DC: Georgetown University Press, 2013), 261.
- ²⁷ Ibid., 265.
- ²⁸ Ely Karmon, "Out of Iran, into Africa: Hezbollah's Scramble for Africa," *Ha'aretz* (Tel Aviv), June 17, 2013, <http://www.haaretz.com/news/features/.premium-1.530327>.
- ²⁹ "Israel Blames Iran in Deadly Bulgaria Bus Blast," Associated Press, July 18, 2012, <http://www.cbsnews.com/news/israel-blames-iran-in-deadly-bulgaria-bus-blast/>.
- ³⁰ "Bulgaria Says Hezbollah Behind Burgas Bombing," Reuters, February 5, 2013, <http://www.reuters.com/article/2013/02/05/us-bulgaria-bombing-idUSBRE91400020130205>.
- ³¹ Matthew Levitt, testimony before the House International Relations Committee Subcommittee on Europe and Emerging Threats, April 27, 2005, http://wwwa.house.gov/international_relations/109/lev042705.pdf.
- ³² Cylance, *Operation Cleaver*, December 2, 2014, http://www.cylance.com/assets/Cleaver/Cylance_Operation_Cleaver_Report.pdf.
- ³³ See Arash Karami, "Ayatollah Khamenei Urges Iran to Prepare for 'New World Order,'" *Al-Monitor*, September 5, 2014, <http://www.al-monitor.com/pulse/originals/2014/09/khamenei-new-world-order.html#>.

Congressional Testimony

State Sponsor of Terror: *The Global Threat of Iran*

Tony Badran
Research Fellow, Levant
Foundation for Defense of Democracies

Hearing before House Foreign Affairs Committee
Subcommittee on Terrorism, Nonproliferation, and Trade

Washington, DC
2/11/2015



1726 M Street NW • Suite 700 • Washington, DC 20036

Chairman Poe, Ranking Member Keating. Thank you for inviting me to this very timely hearing to testify on the organic relationship between Iran and Hezbollah and the threat they pose to US interests.

Sensing that its moment has arrived, Iran is in the middle of an aggressive region-wide expansionist drive. Today, Iranian officials openly brag about controlling four Arab capitals — Baghdad, Beirut, Damascus and Sanaa. In each of these capitals, the Iranians have developed proxies, either by creating new militias on the Hezbollah model or by coopting pre-existing local actors. They are using these proxies to extend Iran's reach, integrating them into its regional strategy targeting US allies and interests. In each of these capitals, Hezbollah is at the center of Iranian designs.

Since the beginning of the Islamic revolutionary regime in Iran, Hezbollah has enjoyed a privileged place in Iran's regional strategy. Hezbollah was created as an extension of the ruling militant clerical clique and as the long arm of the Islamic Revolutionary Guard Corps (IRGC) in the Arab world. Hezbollah is the first and to date most successful export of the Islamic revolution. From the early 1980's to the present, Hezbollah has been a constant feature of Iranian overseas operations against the US and its allies.

From the outset, the group's progenitors in the IRGC sought to spawn and support militant movements in line with Iran's interests and under its control. But Iran is separated from its Arab surroundings by ethnicity, language and sectarian affiliation. Which is why it invested heavily in Hezbollah. A 1984 statement by Iran's ambassador to Beirut is instructive as to the importance Tehran attached to Hezbollah and Lebanon in its regional strategy: "an Islamic movement [in Lebanon] will result in Islamic movements throughout the Arab world." Indeed, Hezbollah has been instrumental in helping Tehran develop Arab assets and spread its influence across the region. The ability to export its revolutionary model to willing Arab groups allowed Iran to embed itself in Arab societies and project influence, which otherwise would have been far more constrained.

This strategy has arguably reached its peak moment today. Iran's investment in Lebanon is paying dividends like never before since the success of the Islamic revolution. What the Iranians hadn't counted on, however, is that the US would acquiesce to their bid for regional hegemony.

When Iranian officials talk about the various regional assets they are supporting in the Arab world, their essential point of reference is Hezbollah. Thus, Ali Akbar Velayati, adviser to Iran's supreme leader Ali Khamenei, recently said to a visiting group of Yemenite clerics in Tehran, "I hope that the [Houthi] Ansar Allah group in Yemen plays a role similar to that of Hezbollah in Lebanon."

Velayati is referring to a specific template that Iran has developed and which it's now establishing in the Arab territories over which it holds sway. In essence, it consists of developing politico-military structures parallel to Arab central governments, especially in countries where those governments are weak. In other words, much like the Soviet Union before it, Iran sets up proxies with the objective of dominating states.

There are several variants of the Hezbollah template. First, there's what Iranian officials call the Basij model, in reference to Iran's paramilitary force. These groups have been established in Iraq, under the name "The Popular Mobilization Forces," as a sectarian volunteer auxiliary to the various Shiite militias and Iraqi Security Forces. Similarly, the Iranians have also encouraged and helped train a parallel phenomenon in Syria, "The National Defense Forces." Describing these forces, the deputy head of the IRGC Lt. Gen. Hossein Salami recently told Fars News Agency, "in Syria, we have a popular army tied to the Islamic Revolution which has chosen the Basiji school of thought as its role model."

On a smaller scale, Hezbollah has cultivated similar groups in Lebanon that serve as its auxiliaries. The war with the Islamic State group (ISIS) has amplified Iran's ability to mobilize these groups and provide them with arms and training. In turn, this expands Tehran's penetration, cements its hold on the weak governments, and increases its influence over the strategic decisions of these states.

But Iran's biggest assets are the militias that, like Hezbollah, are direct extensions of the IRGC. Iran has had longstanding ties to Iraqi Shiite groups that it hosted and sponsored in the 1980's. Some of these groups conducted terrorist activities against Gulf Arab states in the 80's, working in tandem with Hezbollah. Today, these militias, and the multiple spin-offs and splinters that have arisen from them, effectively run southern Iraq. Many of

the old faces from the 1980's and 1990's like Abu Mahdi al-Muhandis of Kataib Hezbollah and Hadi al-Amiri of the Badr Organization, are now among the more powerful security figures in Iraq, working directly with Iran's Qods Force commander Qassem Soleimani.

Importantly, these militias are not only operating under the command of the Qods Force, and many bear the IRGC logo, but also most adhere to the ideological doctrine underpinning the Islamic regime in Tehran. As ever, Hezbollah has been central to Iran's effort to train and advise these militias. And whereas Iran deployed these militias in the 1980's and 1990's to conduct terrorist operations against US and allied targets, it now has deployed them in Syria to advance Iranian strategic interests there. This ability highlights the extent of Iran's command and control over these groups and the broader geostrategic theater in which Iran is moving these assets to pursue its objectives.

The IRGC and Hezbollah have also built ties to the Houthi movement in Yemen. Well before the outbreak of the "Arab Spring" in 2011, the Iranians were smuggling weapons by sea to Yemen. As a senior Yemeni security official told Reuters last December, Iranian weapons "are still coming in by sea and there's money coming in through transfers." Hezbollah advisers also came to Yemen to work with the Houthis. When the movement took over Sanaa in September of last year, they freed two Hezbollah operatives that were being held, as well as three IRGC members who were detained when the authorities intercepted an Iranian weapons shipment by sea in January 2013. Support for the Houthis is not only military. Their media arm is operating, with Hezbollah training and assistance, from Beirut where it runs a satellite TV channel.

Along with building up alternatives to weak central governments, the Iranian strategy aims to dominate state institutions and dictate these states' overall strategic orientation against traditional US allies in the region.

Hezbollah's domination of the Lebanese government has been evident over the last ten years. Hezbollah's influence over the Lebanese Armed Forces (LAF) has now developed into a synergy. Hezbollah and the LAF might

deploy jointly, or the LAF might undertake support operations aiding Hezbollah's war effort against Syrian rebels. In addition, the LAF and other security agencies share with Hezbollah intelligence they receive from the US and other Western states. As such, Hezbollah, a terrorist group, is still able to work hand in glove with the LAF and directly benefit from its legitimacy both domestically and internationally.

The same arrangement exists in Iraq. The Shiite militias now hold sway over the Ministry of Interior. As Eli Lake recently reported from Iraq, "it's increasingly difficult to tell where the Iraqi army ends and the Iranian-supported Shiite militias begin." As with Hezbollah and the LAF, the Iraqi militias are now the beneficiaries of the Iraqi army's international legitimacy and partnership with the US. Consequently, they now operate under US air cover, and help themselves to US-made equipment supplied to the Iraqi army.

This strategy makes Iran and its assets the only viable interlocutors on regional security. Unfortunately, rather than push back, the US appears to be recognizing, if not enabling this new reality.

Iran's expansionist push and the cultivation of assets across the region bring pressure on traditional US allies, namely Israel and Saudi Arabia. The recent episode in the Golan Heights serves as a good example.

On January 18, the Israeli army reportedly struck a convoy in the Golan Heights near the town of Quneitra. Riding in the convoy were senior Qods Force and Hezbollah officers, among them Qods Force Brig. Gen. Mohammad Ali Allah-Dadi — Soleimani's man in Syria.

This high-level delegation's presence in the Golan threw into stark relief how Iran's strategy poses a direct threat to US allies and interests. First, the Iranians and Hezbollah had set up "Hezbollah-Syria," which they intended to make a constant feature on the Golan, in order to activate it against Israel. Last April, the conservative Iranian newspaper *Jomhuri Eslami* explained the role "Hezbollah-Syria" would play: "The establishment of Syria's Hezbollah... will also be a strong arm of the resistance that will cause nightmares for the Zionists. The Zionist regime that was concerned about threats from the Lebanese borders, now should prepare itself for a new

situation (on the Golan Heights).”

But the threat is not confined to Israel’s borders, as Iran and Hezbollah possess global reach. Hence, following the Israeli strike, both the commander of the IRGC, Mohammad Ali Jafari, and Hezbollah chief Hassan Nasrallah, threatened to retaliate “anywhere,” “not just in [Israel’s] borders, but in any place in the world.”

The list of countries in which Iran and/or Hezbollah planned or executed operations against Israeli or Jewish targets in the past few years is long, spanning the entire globe. As such, Jafari’s threat is not idle. Last October, Peruvian police arrested Mohammed Amadar, a Hezbollah member who was surveying Israeli and Jewish targets in the Peruvian capital and planning to attack them. Also, reports emerged recently that Uruguay expelled a senior Iranian diplomat in Iran’s embassy in Montevideo three weeks ago over his involvement in placing an explosive device near the Israeli embassy in early January. While Uruguay denies expelling the diplomat – who seems to have rather fled the country – this would not have been the first time Iran used its diplomatic corps and missions to conduct terrorist operations abroad – especially in Latin America. The role Iran’s “cultural attaché” in Argentina Mohsen Rabbani played in the attacks in Buenos Aires in the 1990’s serves as precedent.

Of course, Israel is hardly the only US ally in Iran’s crosshairs. The IRGC’s agitations in Yemen and Bahrain, to say nothing of Kuwait, testify to Iran’s intent to dominate the Gulf and pressure Saudi Arabia. But Yemen in particular affords Iran the additional potential benefit of control over the Red Sea, where Tehran already has longstanding relations in East Africa, especially the Sudan. The Red Sea, of course, is also Iran’s established smuggling route to transfer rockets into Gaza. It was in this context that Velayati told the Yemenite delegation in Tehran that “the liberation of Palestine passes through Yemen, which commands a major strategic location.”

Iran’s expansionist drive — as it presses ahead with its nuclear program — represents without question the greatest strategic challenge for the US in the Middle East. Unlike Al-Qaeda, the Iranian network of assets is a state enterprise. What’s more, these assets now control weak central governments,

allowing them to use these government to obtain the cover of legitimacy. Meanwhile, they subordinate these states to their objectives. This extends beyond using the national armies and security forces, as in Iraq and Lebanon, to making government institutions complicit in terrorist operations, as Hezbollah has done with the Lebanese government. To give an example, Hezbollah has had government-issued passports with false names made for its operatives, as was the case with Mohammad Mansour (a.k.a. Sami Shehab) in Egypt in 2009.

It is therefore imperative for the US to hold the Lebanese government and its Armed Forces accountable. Unfortunately, the US has opted to turn a blind eye to the increased synergy of Hezbollah and the LAF under the pretext of fighting Sunni extremists operating in Syria. The same faulty logic applies in Iraq, where the US is acquiescing to malignant Iranian influence and the dominance of its Shiite militias over the state. Similarly, despite the Houthi group's putsch in Yemen, administration officials have acknowledged maintaining intelligence ties with the Houthis because, as Undersecretary for Defense Michael Vickers recently put it, "they are anti-Al Qaeda."

The Iranians have recognized this opening and are exploiting it, positioning themselves and their assets as the only viable partners against Sunni extremist groups. This is a disastrous policy course for the US. It will push Sunnis, who are revolting against Iranian hegemony in countries like Iraq and Syria, to align with groups like ISIS and Al-Qaeda who present themselves as the vanguards of the fight against Iran and its proxies. Furthermore, aligning closely with Iran and its assets, as they brutalize Sunnis of all stripes, tars the US and alienates all its Sunni allies. The United Arab Emirates withdrawal from the anti-ISIS coalition, citing Washington's acquiescence to a growing Iranian role, should serve as an example of what lies ahead for the US alliance system in the region.

As things stand today, the Obama administration's de facto partnership with Iran across the region has resulted in the gradual loss of all commonality with America's traditional allies. But the US cannot lose sight of the fact that Iran remains an unreconstructed revolutionary, anti-American actor intent on replacing the US as the dominant power in the Middle East. Thirty six years after the Islamic revolution, the ruling clique in Iran is unchanged, as are its ideology, its regional objectives, and the violent tools it has long used to achieve those goals: terrorism, subversion, and setting up militias over which it exerts direct control. For decades, the US policy had been to

push back against Iranian subversion in the region, in order to protect the US alliance system in the region. It is time we turn again to that policy, roll back Iran's expansionist drive, and disabuse it of its dreams of regional hegemony.

There are several steps that the United States could take to roll back growing regional fears regarding Washington's possible alignment with Iran. Some of them will take the form of reinforcing current administration policies. Some of them will require changes in the administration's current approach to the Middle East.

First, administration officials up to and including the President should make it clear to Iran, to regional allies, and to the global community that US concerns neither begin nor end with Iran's nuclear program. Iran's goal of regional domination and global influence are the overarching threat to American national security. Building a nuclear arsenal is part of that strategy, and a sure means to secure it.

Second, administration officials need to clarify that they understand the links between Sunni radicalism, including and especially in the form of ISIS, and Iranian influence. The United States must make it clear that it understands the enormous degree to which Tehran's influence fuels ISIS. It must to the greatest extent avoid de facto alliances with Iranian proxies in Lebanon, Syria, Iraq, and Yemen. US policymakers will have to adjust how they conduct their operations in the region, and in some cases will have to degrade cooperation with elements otherwise aligned against ISIS.

In Lebanon, assistance to the LAF should be conditioned on the measure of Hezbollah's influence on the institution, and how closely the two work together. Those conditions should be enforced.

In Iraq, we must make it clear to Baghdad that the price for American assistance is genuine inclusiveness with moderate Sunnis, as well as an end to cooperation between Iranian-backed Shiite militias and the Iraqi Security Forces. Other steps may become necessary to rebuild trust in Sunni communities, including dismantlement of the Shiite militias that have been allowed to gain prominence under successive US-backed Iraqi governments.

In Syria, any explicit or implicit coordination with the regime in Syria must be absolutely and totally ended. The objective in Syria needs to be to remove Assad from power, not to legitimize him as a partner.

In Yemen, as our allies have condemned the Houthi coup, any cooperation with the Houthis should be halted at this point.

Congress can play a constructive role in pushing forward these policy goals.

State Sponsor of Terror: The Global Threat of Iran

Prepared Testimony of Daniel Byman

Professor, Security Studies Program in the Edmund A. Walsh School of Foreign Service
at Georgetown University

Director of Research, Center for Middle East Policy at the Brookings Institution

House Committee on Foreign Affairs
Subcommittee on Terrorism, Nonproliferation, and Trade
February 11, 2015

Chairman Poe, Ranking Member Keating, members of this distinguished subcommittee, and subcommittee staff, thank you for the opportunity to testify today.

Terrorism and support for violent substate movements have long been integral to Iran's foreign policy, making it one of the most dangerous state sponsors of terrorism in the world. Tehran backs terrorism for a wide array of reasons: Iran gains the means to strike around the world, to influence the politics of its neighbors, and to deter the United States and Israel, among other benefits. In a recent shift, Iran is also using its ties to the Lebanese Hizballah and substate groups in Iraq as part of a counterinsurgency effort, working with these groups to bolster the Assad regime in Syria and the Abadi government in Iraq.

Iran could exploit the perceived protection it would gain if it developed a nuclear weapon to step up support for militant groups in the region. If thwarted through military force or other means, Iran might use terrorists to vent its anger and take revenge. Israel is a particularly likely target of Iranian-linked terrorism. However, under current circumstances Tehran still remains unlikely to carry out the most extreme forms of terrorism, such as a mass-casualty attack similar to 9/11 or a strike involving a chemical, biological, or nuclear weapon.

The United States should work with its allies and expand its efforts to counter Iran. However, Iran's behavior is not likely to change significantly: U.S. efforts might reduce Iranian support for terrorism, but they will not eliminate it. The United States should identify and red lines and prepare for action if they are crossed, paying attention to plots – not just successful attacks – and ending the deniability fiction Hizballah sometimes enjoys.

My statement first explains Iran's myriad motivations for supporting terrorist groups. I then describe the level of Iran's current efforts, noting in particular Iran's ties to substate groups in Iraq and Syria as well as recent Iranian-linked plots and attacks. I then assess the dilemma regarding terrorism and Iran's nuclear program. I conclude by presenting implications and recommendations for U.S. policy.¹

¹ This testimony draws extensively on two of my books: *Deadly Connections: States that Sponsor Terrorism* (Cambridge, 2005) and *A High Price: The Triumphs and Failures of Israeli Counterterrorism* (Oxford, 2011). Also relevant to my testimony and to this hearing are my articles, "Iran, Terrorism, and Weapons of Mass Destruction," *Studies in Conflict and Terrorism* Vol. 31 (2008), pp. 169-181; "The Lebanese Hizballah and Israeli Counterterrorism," *Studies in Conflict and Terrorism*, Vol. 34 (2011), pp. 917-941; and Daniel Byman and Bilal Saab, "Hizballah Hesitates," *ForeignAffairs.com*, January 22, 2015.

Iran's Motivations for Supporting Terrorism

Iranian leaders have used terror and terrorism since they took power in 1979. Over 35 years later, Iran continues to use terrorism and work with an array of violent substate groups that use terrorism among other tactics. In his 2014 testimony, Director of National Intelligence (DNI) James Clapper warned that Iran and its ally Lebanese Hizballah continue to threaten U.S. allies and that Hizballah's activity is at a particularly high mark.²

Iran's initial motivation for backing terrorist groups was ideological, but this has changed over time. When the Islamic Republic was born in 1979, Ayatollah Khomeini declared that Iran "should try hard to export our revolution to the world."³ Khomeini's goal is embedded in Iran's constitution and the charter documents of key organizations such as the Islamic Revolutionary Guard Corps (IRGC), a military and paramilitary organization that is in charge of many of Iran's relationships with substate groups.

Iran's closest relationship is with the Lebanese Hizballah, perhaps the most capable terrorist group in the world. Iran helped create Hizballah in the early 1980s, and in subsequent decades has armed and trained it. This assistance is massive: Iran regularly gave Hizballah over \$100 million a year, and the figure is often significantly higher. Iran's military aid includes relatively advanced weaponry, such as anti-tank and anti-ship cruise missiles, as well as thousands of rockets and artillery systems, making Hizballah one of the most formidable substate groups in the world.⁴

Hizballah operatives are highly skilled. Iranian intelligence and paramilitary forces work closely with them, often as peers. Politically, Hizballah is loyal to Iran's Supreme Leader, but its own support base in Lebanon and its extensive capabilities give it independence should it choose to use it. However, Hizballah's ideological loyalty and Iran's financial support have kept the two close.

Iran worked with Hizballah to spread revolution in Lebanon, but it also worked with Shi'ite militant groups in Iraq, Bahrain, Pakistan, Afghanistan, and elsewhere, organizing them against rival groups and often against their host governments. After the 1979 revolution, Iran found receptive adherents among embattled and oppressed Shi'ite groups throughout the Muslim world: many Shi'a found Khomeini's charisma and the stunning success of the Iranian revolution inspiring.

Iran's revolutionary fervor has waned as the decades have worn on and as a new set of less-inspiring leaders have come to the fore. Nor do Arab Shi'a look to Iran as a model of revolutionary success given that country's many problems. Tehran increasingly employed terrorists for an array of strategic purposes, and many of these groups are not Shi'a. In Iraq it has worked with an array of Shi'ite factions to try to expand its influence and undercut its rivals. However, Tehran also has ties to Sunni groups including Iraqi Kurdish organizations and Palestine Islamic Jihad. Iran still also has ties to the Palestinian group Hamas, though these are less extensive than in the past. Perhaps most striking, Iran has even allied at times with Al Qaeda and the Taliban even though many members of these groups are violently anti-Shi'a and see Iran's leaders as apostates.

² James Clapper, "Worldwide Threat Assessment of the U.S. Intelligence Community," January 29, 2014, <http://www.intelligence.senate.gov/140129/clapper.pdf>, p. 5.

³ As quoted in Anoushiravan Ehteshami, *After Khomeini* (Routledge, 1995), p. 131.

⁴ For a review of Hizballah's international agenda, see Matthew Levitt, *Hezbollah: The Global Footprint of Lebanon's Party of God* (Georgetown, 2013).

Iran's strategic goals for supporting terrorists and other violent substate groups include:

- *Undermining and bleeding rivals.* Iran uses insurgent and terrorist groups to weaken governments it opposes. In the 1980s, this included bitter enemies like Saddam Hussein's Iraq and also lesser foes like the rulers of Kuwait and Saudi Arabia.
- *Power projection.* Tehran's military and economy are weak – and with oil prices plunging and sanctions in place, this weakness is becoming more pronounced. Nor is its ideological appeal strong. Nevertheless, Iran's regime sees itself as a regional and even a world power, and working with terrorists is a way for Iran to influence events far from its borders. Iran's support for the Lebanese Hizballah, Palestine Islamic Jihad, and Hamas make Iran a player in the Israeli-Palestinian and Israeli-Arab disputes, and Iran's backing of Houthis in Yemen give it influence on Saudi Arabia's southern border.
- *Playing spoiler.* Iran has supported groups whose attacks disrupted Israeli-Palestinian and Israeli-Syrian peace negotiations – a victory for Iran, which sees the negotiations as a betrayal of the Muslim cause and as a means of isolating the clerical regime in Iran.
- *Intimidation.* Working with violent substate groups gives Iran a subversive threat, enabling Iran to press its neighbors to distance themselves from the United States or to refrain from joining economic or military efforts to press Iran. Such efforts, however, often backfire: because these states see Iran as meddling in their domestic affairs and supporting violence there, they often become more, not less, willing to support economic or even military pressure directed at Tehran.
- *Deterrence.* Iran's ties to terrorist groups, particularly the Lebanese Hizballah with its global infrastructure, enable it to threaten its enemies with terrorist retaliation. This gives Iran a way to respond to military or other pressure should it choose to do so.
- *Revenge.* Iran also uses terrorism to take revenge. It has attacked dissidents, including representatives of non-violent as well as violent groups, even when they posed little threat to the regime. Iran attacked France during the 1980s because of its support for Iraq, and it has tried to target Israel because of its belief that Israel is behind the deaths of Iran's nuclear scientists and in retaliation for the 2008 killing of Hizballah's operational chief, Imad Mughniyah, which is widely attributed to Israel.⁵
- *Preserving options.* As a weak state in a hostile region, Tehran seeks flexibility and prepares for contingencies. Iran's neighbors have often proved hostile, and rapprochements short-lived. Iran seeks ties to a range of violent groups that give it leverage that could be employed should suspicion turn to open hostility.

Because Iran's approach is now more strategic than ideological, it is willing to work with groups like Al Qaeda, even though mutual mistrust limits cooperation. Many Al Qaeda (and even more Islamic

⁵ The *Washington Post* reports that the United States was also involved in this killing. Adam Goldman and Ellen Nakashima, "CIA and Mossad killed senior Hezbollah figure in car bombing," *Washington Post*, January 30, 2015, http://www.washingtonpost.com/world/national-security/cia-and-mossad-killed-senior-hezbollah-figure-in-car-bombing/2015/01/30/ebb88682-968a-11e4-8005-1924ede3e54a_story.html

State) supporters loathe Iran, and Sunni jihadists kill Shi'a in Iraq, Pakistan, Afghanistan, and elsewhere with abandon. This hatred has grown as the Syrian civil war has become a sectarian Armageddon. Nevertheless, Iran has worked with Al Qaeda, at times allowing its operatives to transit Iran with little interference. Tehran has also given some Al Qaeda operatives a limited safe haven, though at the same time it often curtails their movements and has even turned some over to the custody of their home governments. Iran's haven is particularly important as the U.S. drone campaign has made Al Qaeda's haven in Pakistan far more dangerous. Iran has also worked with the Taliban, despite almost going to war with it in 1998, in an attempt to keep its options open and at times fight mutual enemies.

Iran gains deniability by working with terrorist groups, though this deniability is often one of willing disbelief on the part of some of its adversaries rather than true uncertainty or confusion. When an Iranian-linked terrorist group carries out an attack, there is always the question of whether Iran ordered it, or even desired it. Even when Iran is determined to be guilty, as was the case with the 1996 Khobar Towers bombing, the time it takes to prove Iran's involvement makes it difficult to gain support for a strong response. However, in many instances this deniability should be highly suspect given the depth of Tehran's ties, its long history with groups like Hizballah, and the fact that many investigations of attacks show involvement at or near the top of Iran's hierarchy.

Iran's Recent Uses of Terrorism and Substate Violence

Iran, often working with Hizballah, has repeatedly tried to use terrorism against an array of Israeli and Western targets and interests, and this pattern has continued in recent years. Recent plots reportedly range from plots against an Israeli shipping company and USAID offices in Nigeria in 2013 to reconnoitering the Israeli embassy in Baku, Azerbaijan, for a possible attack. Hizballah operatives planned an attack in 2014 against Israeli tourists in Bangkok and in October 2014 Hizballah operatives were arrested in Peru for planning attacks against Israeli and Jewish targets there.

The last successful Iranian terrorist attack against the United States outside a theater of war was the 1996 strike on Khobar Towers, which killed 19 Americans. In 2011, the United States disrupted an Iranian plot early in the planning stages to bomb a restaurant in Washington frequented by the Saudi ambassador. Although the target was the Saudi ambassador, the Iranian effort would also probably have killed many U.S. citizens eating at the restaurant.

Attacks on Israel in particular are driven by a mix of aggression and revenge. Iran blames Israel for killing its nuclear scientists, and Hizballah and Israel are engaged in a quiet but deadly struggle in which Israel regularly kills senior Hizballah operatives in Lebanon and Syria, and at times outside this area. For example, in January 2015, Israel reportedly struck Syria and killed Jihad Mughniyeh, the son of Hizballah's operational head and a terrorist in his own right, along with other Hizballah operatives and Iranian paramilitary forces working with them.

Iran has played a major role in backing Bashar al-Assad's regime in Syria and is perhaps the most influential external player in that conflict. Syria is Iran's only Arab ally, and indeed its closest ally in the world, and losing Damascus would be a tremendous blow to Iran's power. Iran's aid spans the spectrum, ranging from troops and training to money and weapons. Hizballah too has deployed thousands of fighters to help the Syrian regime. It is quite possible that Assad's regime would have collapsed without Iranian and Hizballah help, and Iranian officials probably view their efforts in Syria as a tremendous success. However, one price of this success has been a sharp decline in Iran's influence among both Sunni radical groups and Sunni publics, making it harder for Iran to work with Sunni militant organizations and to extend its influence in general.

Similarly, Iran is playing an important role in Iraq, working not only with the Abadi government but also with an array of Shi'ite militias (as well as forces in Iraqi Kurdistan) to fight the Islamic State and other forces.

Iran still retains influence in the Palestinian arena, though less than in the past. After Hamas's founding in 1987, the relationship between Iran and Hamas was polite but limited. Hamas received money, arms, and training from Iran and Hizballah, but Hamas kept Tehran at arm's length, as Hamas leaders were determined to avoid dependence on foreign sponsors, which had often doomed other Palestinian organizations. This relationship became closer after Hamas seized power in Gaza in 2007. Israel, the United States, and the international community tried to isolate Hamas, and it sought both weapons and money: Iran provided both.

The Syrian conflict has frayed Iran's relations with Hamas, though desperation has led both sides to limit the rupture. Hamas sought to position itself on the side of Sunni Arab regimes and Sunnis in general – and thus rejected its longstanding relationship with Assad and, by implication, Assad's backers in Tehran. However, the overthrow of the Muslim Brotherhood regime in Egypt in 2013 and Hamas's repeated conflicts with Israel have left Hamas isolated and in need of international friends. Iran seeks to avoid losing all ties to Sunni groups, making Hamas particularly valuable. Iran also has close ties to the smaller Palestine Islamic Jihad, a rival to Hamas though a less powerful organization.

Hizballah is probably less eager to renew the struggle with Israel at this point despite its continued hostility. Hizballah makes limited responses against Israeli attacks on its operatives in Syria, and it still seeks revenge for the killing of Imad Mughniyeh. However, its forces are deeply engaged in Syria: a demanding war, and one that has greatly decreased Hizballah's popularity among non-Shi'a in Lebanon and made it enemy number one for Sunni jihadists. Although attacking Israel is part of Hizballah's *raison d'être* and Hizballah might gain some support for doing so, the group is overstretched, and it would be difficult for the group to sustain several large wars at once. Hizballah in general has been quiet against Israel since the 2006 conflict, and it has a healthy respect for Israel's military and the damage Israel would do to Lebanon and Hizballah should there be another war.

The United States, Iran, and Hizballah are all engaged in counterinsurgency (and in some ways in counterterrorism) in the fight against the Islamic State and like-minded groups in Iraq and Syria (and, in Hizballah's case, supporters of these groups operating in Lebanon). Although U.S. officials are adamant that there is no formal cooperation between U.S. forces and the IRGC or Hizballah, the United States does coordinate with the Lebanese government and especially the Iraqi government – and both of these coordinate with Iran and have militaries and security forces that Iranian intelligence has probably penetrated extensively. So *de facto* coordination, or at least deconfliction of operations, is likely occurring.

The Nuclear Dilemma

Iran's nuclear program complicates the counterterrorism dilemma. Israel's efforts to disrupt Iran's program and fight terrorism have led to a shadow war between the two countries, creating a retaliatory dynamic. Iranian leaders both desire revenge and seek to prove to their domestic audiences (particularly the IRGC) that Iran will not be humiliated, so they use terrorism to go after Israeli targets around the world as well as to carry out cross-border attacks.

It is too recent to draw firm conclusions, but Iran's use of extra-regional terrorism directly against the United States appears to have declined since negotiations over Iran's nuclear program began in earnest. Iran has not repeated any plot similar to the 2011 attack on the Saudi ambassador to the United States; the 2013 Nigeria arrest is worrisome, but that occurred before negotiations became

serious, and publicly available information is incomplete in any event. DNI Clapper's public testimony in 2014 stressed the danger Iran's terrorism posed to U.S. allies, not the U.S. homeland.

A military strike by Israel or the United States on Iran would probably prompt a more massive terrorism response. Tehran backs terrorist groups in part to keep its options open: now it would call in its chits. Iran would probably attempt attacks around the world, using its own operatives, the Lebanese Hizballah, and other groups. Tehran would also step up activity against U.S. forces in Afghanistan and Iraq, using its proxies and perhaps its own paramilitary forces to conduct attacks. The scope and scale of the Iranian response would depend on the level of casualties from the initial attack against it as well as the political circumstances of the regime in Tehran (and those of strong groups like Hizballah) at the time the attack occurred. However, Iran would be likely to attempt multiple attacks and would consider strikes on the American homeland as well as on American diplomatic, military, and civilian institutions worldwide.

An Iran with a nuclear weapon would be a more dangerous force in the region, and preventing this should be a priority for any U.S. administration.⁶ A nuclear weapon probably would embolden Iran. Currently, the threat of a U.S. conventional military response limits Iran's aggressiveness, but a nuclear weapon would enable Iran to deter a U.S. conventional strike. Iran could then become more aggressive supporting Hizballah, various opposition forces to Arab regimes, Palestinian terrorist groups, and more extreme forces in Iraq. Iran could become more like Pakistan: after Islamabad acquired nuclear weapons, it gained a shield from India's conventional superiority and became more aggressive in backing anti-India substate groups.

Iran, however, would probably not transfer a nuclear weapon to a terrorist group unless the circumstances were extreme. Too much could go wrong if Iran passed such a sensitive capability to a group, and Tehran's policies in the post-revolutionary period have not been that risky. Iran knows that the United States and Israel would see such a move as exceptionally provocative and would dramatically escalate efforts against Iran – and that they would likely gain the support of all major powers, as even Beijing and Moscow fear such transfers given their own considerable terrorism problems. Deniability would go out the window, as even the possibility of such a move would be alarming. A sign of Iran's caution is that it has not transferred chemical weapons to Hizballah despite having had these in its arsenal for decades. Indeed, Hizballah does not seek unconventional weapons (it could have easily produced chemical weapons on its own) and is not seeking to escalate unconventionally against Israel or the United States.

Should Iran fear invasion and regime change, however, this calculus might change. Iran might transfer weapons as a deterrent, as a way of saving some capacity from a preemptive strike, or simply out of revenge.

Policy Implications and Recommendations

U.S. policy can and does reduce Iran's use of terrorism, but there are limits. The United States should continue to work with its allies to fight Iranian-backed terrorism. This is particularly problematic when it comes to Hizballah, as U.S. allies often look the other way at Hizballah activities in their countries because the group also engages in "legitimate" political and social welfare activity. A strongly enforced ban on any support for Hizballah in any form would create an incentive for the Lebanese

⁶ It is difficult to predict how Iran would behave with a nuclear weapon, and some scholars are relatively optimistic. See most prominently Kenneth N. Waltz, "Why Iran Should Get the Bomb," *Foreign Affairs* (July/August 2012), <http://www.foreignaffairs.com/articles/137731/kenneth-n-waltz/why-iran-should-get-the-bomb>

organization to reduce its use of violence. Allies should also be encouraged to reduce the size of Iranian diplomatic missions and otherwise make it harder for Iranian intelligence operatives to act freely.

Pressing Iran to reduce or stop its support for terrorism is difficult, however, in part because of the efforts over the nuclear program. The U.S. sanctions campaign – to include sanctions currently in place and those measures that have been suspended while negotiations go on – is already focused on Iran’s nuclear program. There is a limited amount that could be added, and any new sanctions would inevitably be seen (in both Iran and the United States) as linked to Iran’s nuclear program, even if done in the name of counterterrorism. U.S. allies in Europe would perceive such a move as undermining negotiation efforts on Iran’s nuclear program.

An agreement that prevents Iran from getting a nuclear weapon would benefit counterterrorism. Iran would not be able to use a nuclear weapon as a shield from U.S. conventional pressure, and its terrorist proxies would be less likely to be emboldened.

The United States should also set clear “red lines” regarding Iranian behavior. This includes the transfer of unconventional weapons to a terrorist group or any strike on the U.S. homeland or U.S. facilities. For example, was it clear what the U.S. response would have been had the plot against the Saudi ambassador succeeded? Administration officials, in consultation with Congressional leaders, should decide in advance where the red lines are and what would happen if a red line were crossed, and have the will and ability to follow through on the response should this happen. During both the George W. Bush and Obama administrations, Tehran repeatedly crossed U.S. red lines in Iraq and Afghanistan with relatively few consequences, reducing the credibility of future U.S. threats. If the United States is not serious about a response, it is better not to threaten at all.

In addition, the United States should focus on *plots* rather than *attacks* when gauging the intensity of Iranian-backed terrorism. The success or failure of a terrorist attack often involves tactical skill by intelligence services and a degree of luck: we cannot assume that success today means success tomorrow, and counterterrorism officials regularly warn of just such a possibility. For terrorism, it is the intent that should matter and policy should be focused accordingly. Thus the plot against the Saudi ambassador should have been treated as if it had succeeded, and future anti-U.S. plots should be treated with all seriousness even if they are foiled.

The United States should also take advantage of the growth in sectarianism and the brutality of the Islamic State to try to sever Iranian ties to Sunni jihadists in general. Tehran has largely gotten a free pass on the Al Qaeda presence within its borders: if it were widely publicized, this presence would be embarrassing to both Tehran and the Sunni jihadists, and an information campaign could harm this cooperation.

The United States needs clarity in its Syria policy in particular. In Iraq, the United States can work with Sunni tribes, the Iraqi government forces (such as they are), and the Kurdish *peshmerga* in the fight against the Islamic State, and U.S. efforts so far have attained some success. Iranian paramilitary forces and Iran-linked groups are also fighting the Islamic State, but the United States can fight the Islamic State without them. Syria is a tougher nut. The moderate Syrian opposition is weak and getting weaker. The Assad regime – and its allies, Iran and Hizballah – is of course an effective enemy of the Islamic State, but the United States seeks the Assad regime’s downfall, and allying with it is morally noxious and would alienate many U.S. regional allies. So the United States is in an uneasy position of opposing Iran and Hizballah’s role in Syria even though they are among the most effective means of fighting the Islamic State there. Not surprisingly, many observers believe that the United States is tacitly aligned with Iran and Hizballah because we are all fighting the same enemy in Syria and Iraq.

The fall of the Assad regime in Syria is desirable and would reduce Iran's influence, but it would not dramatically change Tehran's support for terrorism and may even increase Iran's reliance on substate groups. Although Hizballah would lose an important patron should the regime in Damascus change, and it would be harder for Iran to ship weapons to Lebanon via Syria, the importance of Hizballah would grow for Iran. It remains relatively easy to send weapons to Lebanon without transiting Syria, and Hizballah's role in the Lebanese government (and control of Beirut's airport) makes it almost impossible to stop the flow of weapons there. So Iran may end up doubling down on substate groups if it loses its main regional ally. The explosive growth of the Islamic State and jihadists in general in the region further complicates U.S. policy in Lebanon, as a decline in Hizballah influence there might increase the strength of jihadists rather than more moderate pro-Western Lebanese voices.

In the end, Iran's lack of strategic options and desire to respond to what it sees as a hostile world will lead Tehran to continue to work with a range of terrorist groups and selectively use violence. Successful U.S. policy can reduce the scope and scale of Iranian violence, but it is not likely to end it altogether.