

Testimony of

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on

**“Protecting America from a Bad Deal: Ending U.S.
Participation in the Nuclear Agreement with Iran”**

**U.S. House of Representatives Committee on Oversight and Government Reform’s
Subcommittee on National Security**

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Chairman DeSantis, Ranking Member Lynch, and distinguished members of the Subcommittee on National Security, on behalf of the Hudson Institute, I am honored to testify before you today on walking away from a bad deal.

There would be an Iran Deal in place today if the Iranian regime wasn't so blatant in its violations of existing United Nations Security Council Resolutions (UNSCRs).

There would still be an Iran Deal in place today if the regime hadn't continued and accelerated its illegal ballistic missile program – a violation of existing UNSCRs.

There would still be an Iran Deal in place today if the regime hadn't detained 10 Sailors and filmed them for propaganda purposes - a violation of the Geneva Convention.

There would still be an Iran Deal in place if the regime didn't use commercial aircraft to deploy the IRGC-QF and its militias to Syria – another violation of existing UNSCRs.

There would still be an Iran Deal in place if the regime stopped providing funds and lethal aid to Hamas, the Houthis, and Hezbollah – again, a violation.

There would still be an Iran Deal in place if the Regime hadn't empowered and increased lethal aid to existing Islamic Revolutionary Guard Corps –Quds (Jerusalem) Force (IRGC-QF) militias and created new ones that threaten Americans in Iraq and Syria.

There would still be an Iran Deal in place if the Regime had not squandered upwards of 150 billion dollars on adventurism, instead of using the windfall of funds to focus on its domestic economy. No one is louder here than the Iranian protesters on this failure by the regime.

The regime's malign activities are the reason the JCPOA is no longer in place. The regime's actions continuously demonstrated a willingness to cheat out in the open on existing UNSCRs while defenders of the regime, and the Iran Deal, said they were complying in the shadows with the JCPOA. We would have to believe that the regime is good when no one is looking, and somehow dismiss its cheating behavior on the international stage and disregard it as an indicator of the regime's actual intentions.

Iran's destabilizing activities were fueled by the JCPOA - the Iran Deal - and the regime's malign activities accelerated under the protections of the JCPOA. Ending the U.S. participation in the Iran Deal ends the constraints on U.S. Foreign Policy in the Middle East and puts the U.S. back in a position of strength to curtail the regime's malign activities.

The Regime is weaker and more constrained with the U.S. out of the JCPOA.

Critics argue that the Iran Deal was not meant to curb Iran's regional destabilizing activities, and that it was simply an arms control agreement. The problem with that argument is Iran saw the Iran Deal as a vehicle to protect its nuclear program, reap the economic benefits from a deal,

but more importantly, reactivate its destabilizing terror logistics and operations networks. The JCPOA giveaways in Annex II enabled, fueled, and allowed the regime to accelerate its destabilizing activities.

Annex II delisted banks that fund terrorism, Annex II delisted shipping lines that moved weapons to terrorist organizations, Annex II delisted Qassem Soleimani and other individuals that train, arm, and direct terrorist groups and build new terrorist organizations. Critics of the JCPOA were not surprised to see the regime step up its destabilizing activities, all you had to do was look at what the regime asked for and received in Annex II.

The regime saw the Iran Deal as a way to fuel its regional destabilizing strategy, become an economic powerhouse, become the premiere conventional military threat in the Middle East, and at the end of the sunset clauses – become a weaponized nuclear power. All the while waiting to call the U.S. in breach of the Iran Deal for countering any of the regime’s malign activity.

Critics argue that walking away from the Iran Deal will cause Iran to increase its destabilizing activities and rush to a bomb. Not only did the regime increase its activities under the protections of the Iran Deal, it expanded its reach into Lebanon, Bahrain, and Yemen, and cemented its reach and influence in Iraq and Syria.

Iran’s destabilizing activities accelerated under the protections of the JCPOA.

Since the implementation of the JCPOA, the IRGC-QF has amassed upwards of 50,000 militia members in Syria from Lebanon, Iraq, and Afghanistan. All there at the direction of the IRGC-QF to shore up Assad and threaten the U.S. and Israel.¹

We saw increased lethal and financial aid to Hamas, Hezbollah, and the Houthis, and as Representative Brad Sherman said, “those are just the ones that begin with the letter H.”²

Iran increased Hezbollah’s capability to target Israel with more advanced and precision guided rockets and missiles.

Since the implementation of the JCPOA, the IRGC-QF and Lebanese Hezbollah have introduced lethal capabilities to the Houthis in Yemen that threaten international shipping lanes and Saudi Arabia with missile and rocket attacks.

¹ Ilan Berman, “New Report: Iran’s Influence in Syria Far Broader Than Commonly Understood” May 31, 2018. <http://www.tabletmag.com/scroll/263288/new-report-irans-influence-in-syria-far-broader-than-commonly-understood>

² William Booth, “Iran’s post-sanctions windfall may not benefit Hamas”, The Washington Post, August 31, 2015 (https://www.washingtonpost.com/world/will-irans-post-sanctions-windfall-benefit-hamas-maybe-not/2015/08/30/08d0c62c-481e-11e5-9f53-d1e3ddfd0cda_story.html?utm_term=.0e3cf2f7ba7e)

Iran increased funding and the lethal capabilities of IRGC-QF militias that have killed Americans in the past and pledge to do so again. Since the implementation of the JCPOA in 2015, the IRGC-QF created at least two additional Iraqi militias: Kataib Imam Ali and Harakat Nujaba – both have threatened Americans in Iraq and Syria. The IRGC now deploys these very same militias to prop up Assad in Syria and move against our Sunni, Christian, and Kurdish allies in Iraq.

The IRGC increased lethal aid to the Taliban in Afghanistan, and is behind fomenting internal sectarian divisions with U.S. regional Arab allies.

The IRGC-QF is fomenting sectarian strife in the Shia enclaves of Saudi Arabia and Bahrain.

Iran has been doing for years what critics say the regime will do if the U.S. walked away from the JCPOA. The JCPOA arguably made Iran more dangerous - Iran became more dangerous under the protections of the JCPOA.

And if Iran rushes to a bomb – they lose Europe, they lose Russia, they simply lose. Russia will not tolerate a nuclear regime on its border. Russia is distancing itself from Iran in a post JCPOA world. The U.S., Israel, and our Sunni regional allies will not allow Iran to rush to the bomb.

With the U.S. in the JCPOA, Iran remained 6 months away from breakout if they cheated, and 10 years away from being a nuclear North Korea if all parties complied with the agreement.

With the US out of the JCPOA, Iran is 6 months away from breakout with this exception: The US is no longer constrained from taking economic and military actions. And again, a rush to the bomb loses European support and justifies military intervention.³

Again, under the protections of the JCPOA, in 10 years, the regime would have become an economic power, an advanced conventional military threat, an intercontinental ballistic missile threat, and a militarized nuclear power. That is no longer the case.

The regime is weaker now and running out of friends.

Iran's currency has lost 60% of its value since 2015 under the JCPOA. The Iranian Toman was 3000:1 in 2015, it is now 8000:1 in 2018. European companies are walking away, European supporters of the JCPOA are calling for Iran to make concessions on its ballistic missile program and to end its destabilizing activities. Russia is sitting on its hands and allowing Israel to strike IRGC-QF targets with impunity, and China is pouring billions into the Iranian economy to compensate for the lack of European investment and risking US sanctions for doing so. The

³ "Iran Supreme Leader Ali Khamenei orders country's atomic energy body to prepare for uranium enrichment capacity upgrade" June 4, 2018. <https://www.independent.co.uk/news/world/middle-east/iran-nuclear-deal-uranium-enrichment-supreme-leader-ali-khamenei-atomic-energy-trump-a8383076.html>

regime is weaker today and constrained by the definite consequences it would face from any aggressive actions taken.

Critics argue that Europe will pick Iran over the United States. Everyday we see European banks and businesses withdrawing from deals with the Regime.^{4 5} It's simple, they are picking a 20 trillion-dollar economy over a shrinking 400 billion-dollar one, where their investments are subject to US secondary sanctions – it's simply not worth it.

Iran is now asking for more concessions and promises of investment from Europe to no avail – without making any concessions on its ballistic missiles, sunset clauses, and adventurism.⁶

Iran is weaker now than ever, Russia is starting to see Iran as a problem in Syria and has even went so far as to demand IRGC-QF advisors, their troops, and their proxies exit Syria. Russia is sitting on its hands while Israel sets back Qassem Soleimani's terrorist infrastructure in Syria 3 years – the time spent building up offensive capabilities since the implementation of the JCPOA in 2015.

Critics say walking away from the Iran Deal would hurt us with North Korea – walking away gave us leverage day one, and the release of 3 captive Americans is proof that a negotiating team can set conditions before sitting down at the table to negotiate a nuclear deal.

Kim Jong-Un stepped up his missile launches and nuclear activity after the JCPOA went into effect. Kim Jong-Un accelerated his activities in the last year of the Obama administration in hope of getting a JCPOA like deal – one where he put his nuclear program on hold, one that was heavily laden with incentives based on promises, and one with weak enforcement. Kim Jong Un will not get that in a post JCPOA world. If the JCPOA was still in place, he would certainly expect to get all Iran received.

Walking away from the Iran Deal was the right thing to do, if all parties adhered to the JCPOA, the Iranian regime would have become an advanced conventional military threat, an intercontinental ballistic missile threat, and a militarized nuclear power. Again, that is no longer the case.

Thank you for the opportunity to address this committee.

Michael Pregent

⁴ Bloomberg, "Trump's Iran Sanctions Have Already Convinced One Oil Company to Leave the Country" May 17, 2018. <http://fortune.com/2018/05/17/trump-iran-sanctions-total-oil-leave-country/>

⁵ Reuters Staff, "France's PSA suspends joint ventures in Iran to avoid U.S. sanctions" June 4, 2018. <https://www.reuters.com/article/us-iran-nuclear-peugeot/frances-psa-suspends-joint-ventures-in-iran-to-avoid-u-s-sanctions-idUSKCN1J026R>

⁶ Tom DiChristopher, "Iran's Supreme Leader just made 5 tough demands for Europe to save the nuclear deal" May 24, 2018 <https://finance.yahoo.com/news/iran-apos-supreme-leader-just-153800317.html>

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Michael Pregent Bio

Mike Pregent is senior fellow at Hudson Institute. He is a senior Middle East analyst, a former adjunct lecturer for the College of International Security Affairs, and a visiting fellow at the Institute for National Strategic Studies at the National Defense University.

Pregent is a former intelligence officer with over 28 years' experience working security, terrorism, counter-insurgency, and policy issues in the Middle East, North Africa, and Southwest Asia. He is an expert in Middle East and North Africa political and security issues, counter-terrorism analysis, stakeholder communications, and strategic planning.

He spent considerable time working malign Iranian influence in Iraq as an advisor to Iraq's Security and Intelligence apparatus, including an embedded advisory role with Prime Minister Nouri al-Maliki's extra-constitutional Office of the Commander-in-Chief. An office set up to ensure Iranian-backed Shia militia party control of Iraq's security and political process.

Pregent served in Desert Shield and Desert Storm, served as a liaison officer in Egypt during the 2000 Intifada, as a counter-insurgency intelligence officer at CENTCOM in 2001, and as a company commander in Afghanistan in 2002.

Pregent served as an embedded advisor with the Peshmerga in Mosul 2005-06. Also, as a civilian SME working for DIA, he served as a political and military advisor to USF-I focusing on reconciliation, the insurgency, and Iranian influence in Iraq from 2007-2011. He was a violent extremism and foreign fighter analyst at CENTCOM from 2011-2013.

He holds a Masters in Strategic Public Relations from The George Washington University and is a graduate of the U.S. Army's Defense Language Institute in Modern Standard Arabic and Egyptian Dialect.

Mike is a free-lance writer for the *The Wall Street Journal* and a contributing writer to the *Daily Beast*.

Mike Pregent has numerous publications on ISIS, Iran's Quds Force, and on Syria and Iraq. His writings have been published in *Foreign Affairs*, *The Wall Street Journal*, *The Washington Post*, *Foreign Policy Magazine*, *The Tower Magazine*, *Long War Journal*, *New America Foundation*, *CNN*, *Al-Jazeera*, *Business Insider*, and the *Daily Beast*.

Mike frequently appears as an expert analyst on Shia militias, Iran, Iraq, and ISIS with appearances on BBC World News, MSNBC, Al-Jazeera International, CNN, CNN International, VOA Persia, and Fox News.