

Center for Strategic and International Studies

TRANSCRIPT

**“Iran One Year Later: The Trump Administration’s Policy,
Looking Back and Looking Forward”**

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FEATURING

Speaker

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JON B. ALTERMAN: (In progress) – Brzezinski chair in global security and geostrategy and the director of the Middle East Program here. It is my pleasure to welcome you.

And it's my pleasure to welcome Mr. Brian Hook the special representative for Iran and senior policy advisor to Secretary of State Mike Pompeo. Prior to his appointment in his current position, he served as director of the policy planning staff from 2017 to 2018. From 2009 to 2017 he managed an international strategic consulting firm based in Washington. He's held a number of senior positions in the Bush administration, including assistant secretary of state for international organizations, senior advisor to the U.S. ambassador to the United Nations, special assistant to the president for policy in the White House chief of staff's office, and the counsel in the Office of Legal Policy at the Justice Department. He practiced corporate law at Hogan & Hartson from 1999 to 2003. Before practicing law, he served as an advisor to Iowa Governor Terry Branstad and to U.S. Congressman Jim Leach.

He is here today on the one-year anniversary of the U.S. deciding to pull back from the JCPOA to talk about Iran policy looking back over the last year and looking forward. Pleased to introduce Mr. Brian Hook. (Applause.)

BRIAN HOOK: Thank you. I want to thank CSIS for hosting me this afternoon. This is the one-year anniversary of the United States leaving the Iran deal. And I thought this would be a good time to give an update on the progress of our maximum economic pressure campaign and the way forward.

When Hezbollah's leader, Hassan Nasrallah, went on television in March for a public address, he had an urgent message to convey. Nasrallah made a plea for cash, stating that, quote, "public support was needed," to sustain their operations. The world took notice. Nasrallah's plea was unusual because it was the first time ever that he had publicly appealed for money. Historically, Hezbollah has relied largely on Iran for its support. Over the years, Iran has provided it with \$700 million annually, which makes up about 70 percent of their operating budget. Hezbollah has used this money to build one of the—one of the most lethal arsenals of any terrorist group in the world. Today, it has thousands of precision rockets, missiles, and small arms.

If we don't take a new approach, Hezbollah would continue to rely on Iran's funding for its arms, training, and expertise. Nasrallah would continue to dip into the group's vast illicit bank accounts to pay its fighters and expand its infrastructure, and Iran's cleric would continue to subsidize Hezbollah's social services. But we are taking a new approach. President Trump and Secretary Pompeo have made sure of that. Today, on the one-year anniversary of the U.S. withdrawal from the Iran deal, Hezbollah's financial woes are just one among many indicators that our pressure campaign is making a difference.

Today, I will reflect on the progress that we have made over the past year and discuss the way ahead. This administration is committed to promoting a policy of peace and security in the Middle East. As part of a coordinated strategy that we are implementing, we are holding Iran's government accountable for its revolutionary foreign policy, which has caused so much death and suffering in the Middle East and well beyond.

The regime's announcement today that it intends to expand its nuclear program confirms our threat assessment and underscores the need for action. We will not be held hostage by Iran's nuclear blackmail. While we are still reviewing the technical implications of its announcement, and working closely with our European allies, the secretary has been clear: Either you comply with the deal or you do not.

Cheating just a little bit is still cheating. And in the context of Iran's nuclear commitments, it will not be tolerated. The United States is committed to denying Iran all paths to a nuclear weapon, and we will continue to impose maximum pressure on the regime until it abandons its destabilizing ambitions.

For the first time in a very long time, we are raising the costs of Iran's expansionism and making clear that this kind of blackmail will no longer work. We are making it unsustainable for Iran to support terrorist proxies and militias that for decades have defied the basic standards of behavior observed by normal countries.

Since taking office, our administration has designated – has sanctioned almost 1,000 individuals and organizations in more than 26 rounds of sanctions. We have targeted Iran's financial sector. We have sanctioned more than 70 Iran-linked financial institutions and their foreign and domestic subsidiaries.

The SWIFT financial messaging system matched many of these designations and disconnected sanctioned banks in Iran. In November, SWIFT even disconnected the Central Bank of Iran. This step was important, because it maintains the integrity of its system as well as the global financial market. Iran is more financially isolated today than when this administration took office two years ago.

Last month we designated the Islamic Revolutionary Guard Corps as a foreign terrorist organization. The designation highlights the plain fact that Iran not only supports terrorism through its proxies and militias, but also engages as a government in terrorism. The IRGC has institutionalized terrorism.

It was recently disclosed by the State Department that from 2003 to 2011, the IRGC and the Quds Force were responsible for the deaths of at least 603 American servicemembers in Iraq. That is 17 percent of the total deaths during the Iraq War. Iran is also responsible for taking hostages and wrongfully detaining numerous U.S. persons, several of whom remain in captivity today. As always, we call for the immediate and unconditional release of these innocent Americans.

Our most significant step recently is the decision to zero out all purchases of Iranian crude oil and condensate. As Secretary Pompeo recently announced, no future exceptions will be granted to importers of Iranian crude oil. This step is historic because it will deprive the regime of as much as \$50 billion a year, which is about 40 percent of its annual budget.

As we have said from the start, zeroing out purchases of Iranian oil restricts the ability to export revolution across the region. We see this with Hezbollah, but we also see it with Iran's other proxies and – and other proxies in Syria and beyond.

Iranian-backed Shia fighters are going unpaid, and the services that they once relied on are starting to dry up. As one Shia fighter said in Syria to The New York

Times, the golden days are gone and we'll never return. Iran doesn't have enough money to give us.

This is what it truly means to raise the cost of Iran's behavior and make its violent foreign policy cost prohibitive. We have zeroed out purchases of Iranian crude and condensate in a measured way, working closely with our allies and partners. Oil markets are stable and well-supplied. We expect the Kingdom of Saudi Arabia and the United Arab Emirates and others to fully offset the reductions in Iranian oil exports.

It is also worth adding that since President Trump took office the United States has increased our production by some 3.5 million barrels in one of the greatest role reversals in the history of the energy market.

It is also worth noting that the price of Brent crude oil today, trading currently at around \$70, is lower than it was one year ago – and that is after we have announced an end to all Iranian oil purchases, which make up 3 percent of global oil supply.

While we are cutting off Iran's oil sales, we are also targeting the regime's vast illicit oil-shipping network. In a desperate attempt to turn a profit, this regime is shipping illicit oil to enrich the Assad regime, Hezbollah, and Hamas. Secretary Pompeo has dispatched diplomatic teams around the world to work with our allies and partners to target and prevent this activity. We have been working with countries on almost every continent to identify rogue oil tankers and disrupt their operations.

I'll give you one example. Nearly 80 tankers that move illicit Iranian oil have been stripped of their maritime flags that they need to sail.

Our oil sanctions, combined with other elements of our pressure campaign, have reduced Iran's investments in its military capabilities. Our pressure is constraining Iran's power projection.

Under the nuclear deal, Iran's military budget – Iran's military spending steadily increased each year during the life of the deal, and it peaked in 2017 at nearly \$14 billion in military spending. But from 2017 to 2018, when our sanctions went back into effect, we saw a reduction in Iran's military spending of nearly 10 percent. Iran's 2019 budget, which was just released in March, called for even steeper cuts. It proposed a reduction of 28 percent in overall defense spending. That includes a 17 percent cut in the budget of the IRGC and the Quds Force. I think everybody would agree that denying Iran funding to support its expansionist military is always a good thing.

As we reverse the regime's strategic gains in the region and cripple its ability to invest in its military machine, we are also bringing about unprecedented financial pressure on the economy. Since our exit from the Iran deal last May, the rial has lost two-thirds of its value and today is nearing a seven-month low. Economic growth, which expanded by 3.8 percent in 2017 under the nuclear deal, is expected to contract by as much as 6 percent in 2019. Iran is currently in recession. Inflation is nearing 50 percent, with inflation for goods as high as 60 percent year on year.

By nearly every measure the regime is weaker today than when we took office two years ago. Its proxies are underfunded and demoralized. Unless the regime demonstrates a change in behavior, the pressure will mount.

On the one-year anniversary of exiting the Iran deal, it is important to recall why we ended our participation and reimposed this pressure in the first place. Some who supported the Iran deal did so either because they believed it would be the first step in a more comprehensive process to address Iran's malign activity or that it would moderate the regime's behavior over the life of the deal. Neither turned out to be the case, as today's announcement by Iran that it will – that it will renew nuclear work makes clear. After the deal was concluded, Iran's compliance with temporary – with temporary nuclear limits became a prism through which countries assessed all of Iran's malign activity. The Iran deal has come at the expense of a more peaceful and stable Middle East. Almost all of the other nations in the region, both the Arab nations and the Israelis, will tell you this.

Iran increased the scale and the scope around the region under the cover of the Iran nuclear deal. In Yemen, Iran helped fuel a humanitarian catastrophe by backing the Houthis. Its support has done nothing but prolong and intensify suffering. In Syria, Iran supported Assad's brutal war machine as it killed hundreds of thousands of people and displaced millions. Under the cover of the Syrian war, the IRGC is now trying to plant military roots in Syria and establish a new strategic base to threaten Syria's neighbors, such as Israel. In Lebanon the Iranian regime's goal of using Hezbollah to provoke conflict with Lebanon's neighbors threatened the safety of the Lebanese people. IRGC backing enables Hezbollah to use murder, terrorism and corruption to intimidate other Lebanese parties and communities.

Too many nations have become resigned to Iran's destabilizing role in these and other conflicts. And too few have been willing to challenge it. The nuclear deal fed this dangerous cycle. Low expectation begot bolder Iranian expansionism. This is partly why President Trump exited the Iran deal. He could not continue to lift sanctions on Iran while its threats to peace and security grew. While we upheld our end of the nuclear bargain, Iran felt free to engage in and sponsor terrorism, develop and proliferate ballistic missiles, foment regional conflicts, hold U.S. citizens hostage, and brutalize its own people – all while maintaining sensitive nuclear technologies and a vast nuclear archive to preserve at least the option of renewing a nuclear weapons program.

Leaving the deal has allowed us over the past year to fully reimpose our pressure and to restore several basic demands on Iran. This includes ending production of fissile material, which could be used for nuclear weapons. Fully disclosing past nuclear weapons activities. Stopping enrichment. Closing its heavy water reactor. Stopping the development and testing of ballistic missiles. Halting the arbitrary detention of U.S. and dual national citizens. And ending support to terrorist proxies and nonstate actors. We could not have achieved this significant pressure while working within the confines of the nuclear deal.

We tried, but it couldn't be done. We are now working with our allies to see that these basic demands are met. The United States is not alone in our demand that Iran behave like a normal country. Our European partners have pushed back against Iran after it was linked to two failed terrorism plots in Europe last year. In January, the European Union sanctioned Iran's Ministry of Intelligence and two of

its agents for their roles in terrorism in Europe. The EU Foreign Affairs Council in February issued a statement calling out Iran for its ballistic missile program. It also opposed Iran's malign activity in Europe, as well as its ongoing role in regional conflicts.

Many European countries, including the U.K., Germany, France, Denmark, the Netherlands, Albania, and Serbia have acted to address Iranian terrorism on their soil, whether by recalling ambassadors, expelling Iranian diplomats, eliminating visa-free travel, or denying landing rights to Mahan Air, as Germany and France recently did. It is a common press narrative that is completely false that America is acting alone in its efforts to counter Iran's aggression. We are working with many of these same partners to fully implement U.N. provisions related to Iran's ballistic missile activities.

The United States, U.K., France and Germany have together repeatedly highlighted Iran's defiance of U.N. Security Council Resolution 2231, which calls upon Iran not to undertake any activity related to ballistic missiles that are designed to be capable of carrying nuclear weapons. And that includes launches using ballistic missile technology.

We relayed together our strong concerns to the U.N. secretary-general following Iran's launch of a medium-range ballistic missile in December and its attempted satellite launches in January and February. Just recently the U.K., France, and Germany wrote to the U.N. secretary-general to underscore their concerns with Iran's ongoing missile activity.

We are confident that our shared assessment of the threat from Iran will continue to translate into even more shared action. Just last week I went to New York and briefed the U.N. Security Council on the importance of holding Iran accountable for its defiance of U.N. Security Council resolutions related to its ballistic missile program. I also reiterated to the Council the need to fully implement the Council's legally binding travel restrictions and arms embargoes, which Iran continues to violate. I also reminded the Security Council that in 18 months provisions under the Iran nuclear deal start to expire. The Iran deal and its accompanying U.N. Security Council resolution will slowly unravel year after year, lifting restrictions on the world's leading state sponsor of terrorism.

All of the shared activities that I have just described were undertaken together with our partners after we exited the Iran nuclear deal, contrary to the narrative that the United States is alone in countering Iran's threats to international peace and security.

As we strengthen our efforts to pressure Iran and revitalize our engagement with allies and partners, we are also reframing the argument for why the international community must confront Iran's role in the region sooner rather than later. We are one errant Iranian-supplied missile away from a regional conflict. This alone should be enough motive for countries to act, but there are also broader strategic benefits to confronting Iran's hegemonic ambitions.

Rolling back Iran's power projection in the region today will make it easier to address other regional challenges in the future. It seems like common sense, but this has not been the conventional thinking up to now. The more traditional view

has suggested that without progress on the Israeli-Palestinian conflict first there can be no progress on other conflicts in the region. Resolving peace between Israel and the Palestinians has traditionally been viewed as a necessary condition for resolving other flashpoints such as Iran's destabilizing behavior. This is a concept also known as linkage.

What we see today is a kind of reverse linkage. The landscape of today's Middle East challenges the understanding of linkage. Addressing Iran's threats now is critical to resolving many of the region's other conflicts. When you look at the challenges in the region, from the peace process to some of the conflicts that I referenced earlier, Iran's operations lie at the heart or very near the heart of every single problem.

It supports Palestinian terror groups like Hamas and Islamic Jihad, which undermine the aspirations of the Palestinian people. These groups are responsible for the barrage of missiles that recently terrorized innocent Israelis. We condemn these acts. Iran also exports missiles and terrorist expertise to the Houthis in Yemen. It makes possible the war in Syria by propping up the Assad regime and pouring in money and troops. Nowhere in the region are peace and prosperity compatible with Iranian influence and support.

If we intend to resolve conflicts in the region, address humanitarian crises, and give sovereign nations the opportunity to prosper, we must first address Iran's destabilizing actions. Until we do, we should expect more of the same.

States in the region and around the world are increasingly recognizing this fact. Arab states and Israel in particular have recognized it. In Warsaw we gathered 65 nations for a ministerial on promoting peace and security in the Middle East.

Iran's foreign policy has brought Israel and the Arab world into greater alignment. It is important the international community not overlook the fact that those countries in the region that are on the front lines and which have the best vantage point see eye to eye. They are speaking with one voice to confront the common threat of Iran and seeking international pressure on Iran to deter its aggression.

President Trump is answering this call, and Secretary Pompeo is committed to encouraging other nations to join this effort. Together we can restore the seriousness and purpose of the international community's resolve to address Iran's threats. We all agree that Iran has such great potential. Its history is deep, and its culture is among the richest in the world. We recognize the exceptional nature of the Iranian people. Their accomplishments are unparalleled, especially within the diaspora. Iranians are thriving all over the world. But they aren't thriving in their own country.

The U.S. is ready to engage an Iranian government with mutual respect. But for this to happen, the regime must come to terms with the fact that its revolutionary ideology is incompatible with a secure and stable Middle East. Iran cannot, on the one hand, claim to be the guarantor of regional stability and, on the other, routinely undermine the sovereignty of its neighbors.

If the clerics in Tehran choose, as the Iranian people are demanding, to play by the rules, respect the sovereignty of their neighbors, and abide by international obligations and commitments, the United States will be ready and willing to engage.

Thank you. (Applause.)

MR. ALTERMAN: Thank you very much for those comments.

I would be doing a disservice to my Iranian-American friends if I didn't express their gratitude for your talking about the Iranian diaspora and their frustration at their inability to get family members to visit the United States because of the visa policy.

I mean, the Trump administration came in with Iran very much in its sights and has been pressuring Iran before last year. I mean, this has been a long policy. Have there been successes? Is it your sense that Iran is behaving better in the region because of the two years of pressure from the Trump administration? Is it about to work? What would the signposts be that you're having the desired effect?

MR. HOOK: Well, we're already seeing that we're making a difference. I think when I said that we're trying to make Iran's foreign policy prohibitively expensive, how that becomes operationalized is, whether Iran likes it or not, they don't have the money to fund their proxies. And so The New York Times ran a front-page story explaining how Iran's mismanagement of its economy, coupled with our sanctions, have meant less revenue for their proxies around the Middle East. That's a fact. That's also a very good thing.

When Iran – it's the Hezbollah model, and they've replicated it all over the Middle East. They view the Houthis just like they did Hezbollah 40 years ago. And they want to be able to come in, undermine the sort of national identity, replace it with a sectarian identity, start running this parastatal military and organization for the purposes of Iranian domination to effectuate rule by clerics across the Middle East.

And when we are denying this regime historic levels of funding, it means per force. They don't have the same money. So the fact that during the Iran nuclear deal they were able to increase their military spending, and now they've had to do successive cuts of 28 and 10 percent, that's a foreign policy that is working. That is heading in the right direction.

We would like to get to a new and better deal to replace the existing deal. But whether we get there or not, putting in place this new infrastructure of sanctions and economic pressure is a foreign-policy objective because of all the benefits that it pays.

MR. ALTERMAN: So what does that look like? If you're able to increase the pressure and get the Iranians to the table, is there something they have to do to get to the table? What do the negotiations look like? Who's involved? Help me play that out.

MR. HOOK: Well, if you look at the period from 2006 up until about 2015, when the deal was then implemented, there was an international consensus on exactly the answer to your question. And we saw that in unanimously passed U.N. Security Council resolutions that started in 2006. And almost every year you had new resolutions

putting new pressure on this regime. There's a global consensus on what Iran needs to stop doing. And it's this regime can never have a nuclear weapon. No one in the world supports it – no one. This regime needs to stop proliferating missiles around the region. I do think that we are one missile attack away from a regional conflict. No one is defending Iran's missile testing. No one is defending their missile proliferation. No one is – no one is supporting their funding for Hezbollah and for all of these other proxies and satellites.

The Iran nuclear deal changed the conversation. And it made it entirely one-dimensional. Is Iran in compliance with the deal or not? That prism reminds me of what Chesterton described as, like, the clean, well-lit prison of a single idea. We have become – we put blinders on because Iran is in compliance with the deal. And as long as they're in compliance, everything is fine. In fact, Iran – the way they negotiated the deal, by having the missile prohibition lifted as part of the deal – 1929, there was an international law against Iran's missile testing. It got diluted. And in 2231, it's "calls upon" language. They've exploited it. And we see the consequence all over the Middle East, with missiles raining into Saudi Arabia from Yemen, and with missiles and rockets being fired from Syria into Israel.

So we are restoring the global consensus. And it's in those 12 requirements that Secretary Pompeo outlined in May, May 21st, one year ago in a speech at the Heritage Foundation. And if you read that, that is the global consensus. And what we've challenged – I've heard – diplomats have said to me, oh, that's very unrealistic. That's – you're never going to get that. First of all, I think the council of defeatism is not very inspiring. Secondly, if you don't like it tell me which of the 12 activities you would like to continue. And if you ask people to go through each one of these, no one wants any of this to continue. So we think that by getting out of the deal it puts us in a much better position to have a conversation like the one we're having today, and to really put in place the kind of leverage and pressure that we think is going to deny Iran a nuclear weapon and drive up the costs of their foreign policy.

MR. ALTERMAN:

So the logic is that the Europeans, and the Chinese, and the Russians will come around and see this more holistically, and rather than object to the U.S. walking away from the multilateral agreement will come to say that Iranian behavior is sufficiently disturbing that we should all work together on the premises of the Trump administration, which to be fair has been less interested in multilateralism than previous U.S. administrations?

MR. HOOK:

The way – the way we see it is that Iran – they spent their sanctions relief the way they usually do, on a revolutionary foreign policy. They made it easier for us to make the case to restore the global consensus because of their behavior. You just can't – but we're talking about it. And prior to us leaving the deal there really was an incentive to stay quiet about it by a lot of nations because they worry that by highlighting what Iran was doing outside of the deal, it might cause Iran to leave the deal.

This is a game of cat and mouse that Iran has perfected. They're very good at this. We saw today with the threat to not comply with parts of the deal. That is the kind of nuclear blackmail that is their stock in trade. And it's designed to rattle the Europeans. We're out of the deal. We're going to be looking at it very closely to see what in fact they end up doing. But we see more nations understanding that the

threat is getting worse, not better. And that, as I've sort of chronicled in my remarks, the European countries have taken a number of steps over the last 12 months.

And of course, the press narrative when we left the deal was that America is alone. You're not going to get anybody to help you. It's just not true. The facts have not borne that out. The press has not written a story admitting that they got it wrong, but we know for a fact that the record speaks for itself, everything that Europe and other nations in the region have been doing to push back on Iranian aggression.

MR. ALTERMAN: Zulfikar Ali Bhutto famously said we will eat grass, but we'll get our atom bomb. People have talked to me about the difference that humiliation makes, and they feel that the U.S. has been working to humiliate the Iranians and that will provoke a different thought process, a different set of reactions because they feel cornered and humiliated, and that they may not knuckle under. Does that concern you at all, that this – that we may be getting the psychology wrong?

MR. HOOK: The Iranian people do not want to eat grass so that the regime can have a nuclear weapon. They just don't.

There's a difference between peaceful nuclear power and a nuclear weapon. This regime has been creating this fiction that everything that they want to do is for peaceful nuclear purposes. Then why are they hiding a half a ton of materials under armed guard in the heart of Tehran about how to build a nuclear weapon, which would still be there except the Israelis liberated the entire archive?

So when I look at it, the Iranian people are much closer to us than they are to their own regime in terms of what they're asking. There are people who are holding up signs that were saying forget Syria; remember us. We hear this consistently.

You know, during the 40th anniversary of this regime's – the start of this regime, one of the most trending hashtags was #40YearsOfFailure. This is a regime that over successive decades has lost the support of almost every segment of its – of its country.

MR. ALTERMAN: Do you think they've gotten over '53 and Mossadegh and the sense that the United States was acting in an imperial way to displace a democratically elected government? I mean, do you think that's – I mean, is that a factor, that they might want the government to go but they want it to go on their terms rather than on our terms?

MR. HOOK: Well, Mossadegh was overthrown by the religious establishment, the military, and the political leaders. They were the ones that overthrew Mossadegh. And we have declassified a range of materials that speak to this. The current religious leaders don't want to remind people that the religious establishment at the time supported his overthrow.

I would take it even farther than just '53. I would start in 1905. In 1905 there was a constitutional revolution in Iran, and it was an effort to try to get a more representative government. Over those last 110 years we have seen the Iranian people make strides at a truly representative government. I would say that over the last 40 years it will be remembered as a valley.

When you look at the social freedoms that the Iranian people enjoyed prior to this regime, they remember that, even though so many of the people who are alive today were born after the revolution. And that's why you see in Iran sort of the protest movement with the most energy is the women. And that's where you see a lot of people protesting the mandatory wearing of the hijab and the regime responds with brutal tactics.

And so we recently had Secretary Pompeo meet with one of the leaders of the women's movement who now lives in the United States to show that we support them. And the regime does a very good job of marginalizing organized opposition, and this is a regime that's willing to kill its own citizens in order to stay in power. They even kill environmentalists who protest clean air and clean water, or even protecting wildlife. There was a Canadian Iranian who founded the Persian Wildlife Heritage Organization. They jailed him and he's dead. This is how the regime, even when we're talking about something very basic like clean air and clean water, or just protecting wildlife, the regime's response is murder.

It's a very dark regime. It's a very brutal regime. It's a corrupt religious mafia that has lost the support of its own people. The one thing that this regime fears more than anything else is one free election.

MR. ALTERMAN: I agree with – no, I agree with you on the repressiveness of the regime. I wonder about both our ability to take down regimes – I mean, we had sanctions against Cuba since 1961; Fidel Castro died of old age. We have been trying vigorously against a horribly repressive regime in Venezuela, which continues to hang on. And then we have the problem that oftentimes, when a regime falls, it's hard to control where the pieces land.

Why should we be confident that if we create the circumstances under which this regime falls, what's going to come later is better?

MR. HOOK: Well, I haven't said that. I haven't said that we're creating those circumstances. What I've said is that we are trying to raise the costs of Iran's foreign policy. And the future of Iran is up to the Iranian people. It's not going to be decided by the United States. So we stand with the Iranian people. We know that they want a better government. They want a better way of life. Their standard of living is at or marginally better than it was 40 years ago, at the time of the revolution, because the regime, instead of investing that money in their own people, they spend it abroad on violent misadventures.

So the Iranian people are going to decide the future of Iran. We have national-security objectives that also align with what the Iranian people are asking. And we've seen this. We've seen this. We've got five platforms in Farsi that are very active. And we engage with Iranians daily. We have a regional-presence office in Dubai, and a lot of Iranians come through there. I meet on a regular basis with Iranian diaspora around the world. So does Secretary Pompeo.

I get this question a lot. Geez, your sanctions are hurting the Iranian people. There was a poll in 2018 that said two thirds of the Iranian people blame their economic troubles on Rouhani. They have 40 years of experience with this kleptocracy. It's not like they suddenly wake up in this economic paradise and wonder, you know,

why is youth unemployment at 30 percent. It's been this way for a long time. And they do not like this regime prioritizing ideology over their own welfare. We see that time and again in the protests.

MR. ALTERMAN: Thank you.

I want to go to the audience. If you could do me a favor, identify yourself, ask only one question, and if I could ask you also to ask your question in the form of a question, which is not make a statement and ask Mr. Hook, what do you think of my statement?

Let's go right in the middle there. Yes, sir. Yeah, with the hand up.

Q: Hi. I'm James Kitfield. I'm working with Yahoo News on a story on this very subject.

I want to get this right. We are worried about the Iranians pulling out of the Iran deal. We're then trying to, at the same time, take away all the benefits of that deal. Why would they stay in the Iranian deal – I mean, in the nuclear deal – if we're sort of subtracting all the benefits of that? And won't this lead us back to a crisis about their nuclear-weapons program?

MR. HOOK: We think the Iran nuclear deal gave too much in return for too little. And as I said in my speech, the Iran nuclear deal unravels. We are 18 months away from the first provisions expiring. The travel ban on Qassem Soleimani expires in 18 months, and so does the arms embargo.

I don't know how it makes any sense to be part of a deal where the arms embargo on the world's leading state sponsor of terrorism has it expire. That just is lunacy. And you go through the list of all these things – all of the military restrictions on Iran and the nuclear restrictions starting to unwind.

And so this Iran nuclear deal has a very weak inspections regime. It is completely silent on ICBMs. In fact, it watered down the missile restrictions on Iran. And the restrictions expire; the sunset clauses. It was not – it did not address Iran's nuclear challenge. It was a gamble that over 10-plus years the regime would moderate, and over time that would resolve the nuclear problem. It was a failed bet. I get it. It was a bet. It was sort of a transformational diplomatic initiative – not the first time that's been tried in the Middle East. We saw that as providing Iran with – it retained its infrastructure.

So what does it say about the nuclear deal that Iran can threaten to restart its program tomorrow? Ideally we would be in a situation where it takes them a long time to get things back together. But the fact that everybody today is trying to figure out what does it mean, it says a lot about how much they've retained. It was a very weak deal.

We certainly made our effort with the E3 to try to address some of these deficiencies. We made a lot of progress but ultimately couldn't agree on the sunsets. Sunsets cannot be allowed. So we're outside of the deal. Being outside of the deal allows us to really take – we're in a much better position to achieve our national security objective outside of the deal than from inside of it.

MR. ALTERMAN: Sir, in the second row. The gentleman with the beard. Yep.

Q: I'm Peter Humphrey, an intel analyst and a former diplomat.

I'm greatly concerned that we're not doing a bang-up job on information operations to reveal the corruption at a very fine-grain level of the Iranian regime. I mean, ultimately, if the Iranians themselves have enough of the kleptocracy of the mullahs, they will act and we don't have to do a darn thing. But unless we inform them of all the little bits of corruption – of all the girlfriends, of all the luxury cars, of all the houses that are ten times the salaries of the mullahs – none of that's going to happen. Can't we gear that up?

MR. ALTERMAN: Where is, sir, the question?

Q: Can we gear that up?

MR. HOOK: Oh. Well, we have. A year ago – well, about 10 or 11 months ago the secretary flew to California and gave a speech. He for the first time exposed in very specific details the corruption that you described. He talked about the ayatollah, this religious figure, has a hedge fund. It's a slush fund with billions of dollars. And we also exposed the person called the billionaire general. And then you've got the sultan of sugar. There are a number of people in Iran who have become rich on the backs of the Iranian people.

And so we've already – we've been doing this. I know we have. Those are just some of the examples. I don't have all of them here in front of me. But we have made a priority around exposing the corruption in the regime. We're going to continue to do that.

I think the Iranian people understand that, and we try to give them more information. We've even put out – we put out a thing highlighting specific regime figures and how much money they are making fleecing the Iranian people.

MR. ALTERMAN: Thank you.

Barbara in the second – in the third row. Yeah.

Q: Thanks. Barbara Slavin from the Atlantic Council.

I wanted to follow on Jon's question about how we would get back to talks. Are there preconditions? Do the Iranians have to say uncle? Do they have to request a meeting at some level? What level would they request it at? Javad Zarif complained that he'd gotten a letter from a low-level State Department official to talk about a prisoner – freeing prisoners, but that he had not been approached at his own level. Would Secretary Pompeo meet with Javad Zarif to talk about these issues if Zarif expressed an interest? Thanks.

MR. HOOK: You can go back and look at the May 21st speech that Secretary Pompeo gave and he answered your very question. President Trump has issued statements answering your question. We've always made it – if President Trump can negotiate with Kim Jong-un, I think we have the answer to your question.

And so we've made this very clear repeatedly that we want to get to a new and better deal. Unlike the last one, it will be submitted to the Senate as a treaty. We think that an agreement of this nature –

Q: No preconditions?

MR. HOOK: What do you mean no preconditions?

Q: The Iranians don't have to do anything to talk.

MR. HOOK: Well, look, Foreign Minister Zarif is very good at talking. This is essentially his stock in trade. And so Foreign Minister Zarif is a man without much power. The real foreign minister of Iran is Qassem Soleimani, the general of the Iran Revolutionary Guard Corps. And so Zarif presents a very seductive storefront of this administration and he causes people like Barbara to ask questions like she does.

Q: (Off mic.)

MR. HOOK: But I know you view the lens – you view Iran entirely through Foreign Minister Zarif. That is a trap that people fall into. That's fine. We don't fall into that trap. I pay a lot more attention to what Qassem Soleimani does than what Foreign Minister Zarif says. And if you want to judge this regime, pay attention to the Rev Guards and don't pay a lot of attention to Zarif.

MR. ALTERMAN: In the second row right there. Next to you, Farah.

Q: Yeah. Hi. Shayna Estulin, i24NEWS.

You said that the U.S. isn't acting alone here, that you've been working with the Europeans. We know that the Europeans are pretty unhappy with some of the U.S.'s actions around Iran. Have you been talking to them? Do you get the sense of how they're going to react to Rouhani's announcement today?

MR. HOOK: Do I get a sense of how who's going to react?

Q: The Europeans will react.

MR. HOOK: Yeah. We already had a reaction today. Secretary Pompeo's in London and he just did a press conference with Jeremy Hunt, the U.K. foreign secretary. And I think if you take a look at that, they both addressed that question. Look, there aren't any talks that are going on. We've made it clear that we're open to talks, but the Iranian regime at virtually every level has said that they will not talk with the United States. That's their decision. We've taken – you know, we've made it very clearly repeatedly over a year that we're open to that. But we aren't going to fall into this trap of sort of just letting pleasing words be a proxy for a change in behavior. And so we are looking – when you look at what they're doing on the ground, you know, if you look, as I think I said, from around 2007 to 2016, the Rev Guards and the Quds Force were able to really run an expansionist foreign policy without much pushback.

That's changing. It's just changing. And part of it is, look, when you see the Arabs and the Israelis agreeing as strongly as they do right now, you've got to pay attention to that. These are the people who are on the frontlines of Iranian aggression. These historic adversaries are finishing each other's sentences. There's a new Middle East, and we've got to pay attention to what's happening there.

MR. ALTERMAN: I'm going to call on my colleague, Sarah Ladislaw, in the back, because I have to work with her. (Laughter.)

Q: I'll harangue you from down the hall.

Thanks very much, Brian, for your perspective.

Just to play out another scenario, because I think what you've laid out is—you know, there's no one that would disagree that the 12 things that you want from Iran are things that everybody would want, right? I mean, but are they gettable? I mean, particularly if you've got to get a deal through Congress, right? I mean, these are really, deeply hard things to do to put together a consensus internationally and to go ahead and get it through the U.S. Congress again, right? So those challenges haven't gone away.

The thing that I wonder about on a long-term basis is maximum economic pressure has consequences over time too, right? And what we have seen – I agree with you, you do have, you know, support from your allies on certain aspects of the agenda. But over time, you know, using sanctions to do these things without a way of figuring out how they go away if you don't reach your objective, there might be consequences for the tool as well. And I worry about how fast people can create alternative mechanisms for trying to evade that. So I'm sure that's something you give thought to as well. I just wondered if you could share that with us.

MR. HOOK: Yeah. I think there are probably sort of two, I think, aspects to your question. You know, on the first one, as a rule, I just don't negotiate with myself. I sort of – you do a very realistic threat assessment, and you look at the totality of Iran's threats, and then you work backwards from there. It so happens that when you do that exercise, you come up with our list of 12. And those 12 requirements can almost entirely be found in numerous U.N. Security Council resolutions.

And so we don't want to give Iran a veto power over our national security. I've heard people say it's – oh, this isn't realistic. Tell me what on the list that you think you want to keep happening. And I don't see a constituency for it. And I would rather do something that is telling the truth, right? I mean, when the United States announces the 12, that very much drives the conversation around the world. And when we're ringing the bell and acting as an early warning system for missile proliferation in the Middle East, it causes other nations to pay attention. And if we don't, you know, it's easy to just say manana and just sort of keep going and hoping for the best. So we have truthfully presented to the world an account of Iran's threats to peace and security. And we are then – we have made a lot of progress over the last couple of years shifting the conversation more in our direction than in the direction of the regime.

On the second one, for as long as the United States is the world's economic superpower, we're not going to put our economic leverage in cold storage. We're going to use it. Sanctions occupy a middle ground between diplomacy and military force. We should want this, right, because if we don't use this kind of tool it shrinks that space. And America's unique economic position puts us in a place where we can drive national security outcomes through economic pressure. The fact that Hezbollah for the first time in their history had to pass around the tin cup, that's not an accident. That doesn't happen just because he wakes up and – it's happening because our foreign policy is paying – is having a positive impact. We need to keep doing these things.

And the more countries – I would also say this: The Iranian people are pressuring the regime from inside. They want nations to pressure it from outside.

MR. ALTERMAN: For the last question we go to Jonathan in the second row.

Q: Hi. Jonathan Landay with Reuters.

I'm wondering, whenever the administration has spoken about its maximum-pressure campaign and Iran and the JCPOA, I've not heard, not once, the administration refer to the fact that the IAEA is present there overseeing the world's toughest ever, most intrusive inspection regime imposed on any country – tougher than what Saddam Hussein was subjected to.

What you're suggesting is that Iran will be able – even as the sunsets come into effect, that Iran will be able to resume its nuclear-weapons program in the presence of this regime. I'm wondering if you could address that.

MR. HOOK: OK.

Q: And second of all, you also talked about how Iran's objective is to impose clerical rule across the Middle East. Does the administration believe that Iranian Shia rule can be imposed on Sunni governments, Sunni countries, majority-Sunni governments, across that region?

MR. HOOK: Let me take the first one.

The United States is the largest funder of the IAEA. It's been that way, I think, for the history of the IAEA. We have Ambassador Jackie Wolcott there, who's a very strong diplomat. She worked on these issues in New York in 2006 on Iran, and so she's got a great history of working on the issue. We've invested a lot of time and resources and diplomacy in the success of the IAEA and Director General Amano. I've gone to the IAEA many times myself. I meet on a regular basis with DG Amano.

I was in the U.N. Security Council when the IAEA referred Iran's nuclear program to the Council because they couldn't confirm that it was peaceful. That was before the Iran nuclear deal. They had inspectors there. It wasn't sufficient. You then had a series of unanimously passed U.N. Security Council resolutions that then ultimately resulted in the Iran nuclear deal because the NPT framework wasn't enough.

So then they put in place an Iran nuclear deal. We don't think that was enough. We don't think that the infrastructure that was put into place is sufficient to have full

visibility onto Iran's R&D program and all their undisclosed sites and everything else. And when you look at the terms of the inspection, they're not as strong as they should be.

So that's how we look at it. We're not opposed to a deal. We just are opposed to a bad deal. And this is a deal of modest and temporary nonproliferation benefits. And so I just think that Iran, even under the NPT, it wasn't any picnic.

The second part of your question was on what?

Q: Your assertion that the – the administration's assertion that Iran's –

MR. HOOK: Oh, the Shia thing. It's not an accident that most of their operations happen to be in countries that have a significant Shia population. OK, so start there. And in Bahrain, I think since 1981 they have viewed Bahrain as a suburb of Tehran, and they have funded and organized and equipped militias with the goal of overthrowing the government in Bahrain. They do this with Hezbollah and they do this around the region.

This is just the playbook. As I said, they dissolve national identities. They replace it with a sectarian identity, with the goal of sort of clerical rule. And they try to inspire or terrorize the Shia populations to join them. When I saw President Rouhani going to Iraq and all these promises of all these benefits, I said to the Iraqi people, given how Rouhani has treated his own people, imagine how he's going to treat you.

We want a strong, stable and sovereign Iraq. Iran does not want a strong, stable or sovereign Iraq. They want an Iraq under Iranian dominion. And that's why they spend so much energy on these Shia forces so that they can weaken the Iraqi forces. They do the same thing in Lebanon against the Lebanon – against Lebanon's armed forces. No matter where you go, even if it's with the Houthis, they're trying to create another military so that the state doesn't have a monopoly on military force. And once they get into position, they terrorize other people. And so that's just the playbook.

I think they've been successful at it for so long that people have become desensitized to it and they think that this is just how the Middle East is supposed to work. And I would challenge that. I would say it's very hard to imagine a peaceful Middle East without a peaceful Iran. And for as long as we decide to give Iran a pass on its expansionist revolutionary foreign policy, you're going to see more of the same. That's why we think we have the better argument.

People should get behind our 12 demands, 12 requirements. All it is is a normal nation. We want Iran to behave like a normal nation. That's what we keep saying repeatedly. Guess what? So do the Iranian people. They do want this regime to behave like a normal nation and not like a revolutionary cause.

MR. ALTERMAN: Thank you very much. I apologize; we are out of time. So I apologize to the many people who we were not able to call on.

Please join me in thanking Mr. Brian Hook.

MR. HOOK: Thank you. (Applause.)

(END)