

THE BROOKINGS INSTITUTION
IRAN AND INTERNATIONAL PRESSURE:
AN ASSESSMENT OF MULTILATERAL EFFORT TO IMPEDE IRAN'S NUCLEAR
PROGRAM

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PARTICIPANTS:

KEYNOTE REMARKS

Introduction:

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Featured Speaker:

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P R O C E E D I N G S

MR. TALBOTT: Good afternoon, everybody. Welcome to all of you. I'm Strobe Talbott and it's a great pleasure on behalf of all of my colleagues at the Brookings Institution, not just to welcome you, but to welcome Tom Donilon.

As you know, Tom's responsibilities are global. To what he has just come back and no doubt is fighting the jetlag still from a 9-day, 3-country trip to Asia, during which he conducted, along with the President, of course, numerous bilateral conversations, I think, touching on the relations between the United States and 23 other countries.

His title features the words "national security" and that means that there is particular focus coming from him and his office on the issue of how to prevent the proliferation of dangerous nuclear technology in general, and how to deal with the Iranian threat in particular.

Now, this is a set of issues that has received a great deal of attention, public, official, and international, just in the last couple of weeks. The International Atomic Energy Agency put out an important and, in many ways, disturbing report a couple of weeks ago. The IAEA Board passed an important resolution just late last week and, of course, new measures were announced by the United States, the United Kingdom, and Canada just yesterday.

Now, a number of you here in the room participated in a discussion with two excellent panels during the course of the morning and we are very grateful to Tom for finding time in his very busy schedule to come and give us an authoritative update on the view from the White House. He has very little time to be with us, he needs to get back to a series of pressing, indeed, urgent meetings, immediately after he finishes talking. So I'm, without further ado, going to turn the lectern over to him and thank him again for

being with us this afternoon.

MR. DONILON: It's terrific to see so many friends here. I don't get out a lot these days, right, so for all of you whom I haven't called or seen in a while, I apologize and I hope to see you on the way out here today to say hello.

As Strobe mentioned, I am just back from the President's trip to Asia, where it really was kind of a landmark trip where we were engaged in -- it's not the topic, Strobe, but I'm going to take the opportunity anyway -- we were engaged in a fundamental strategic reorientation and rebalancing of our global policy. And we were able to really execute on each and every element on it: on the diplomatic, on the economic, and on the security side. And I'd love to talk about that at some point as well going forward here. It really was a terrific trip.

Thank you, Strobe, for your introduction and your friendship and your leadership, and your years of distinguished public service as well. And to Steve, thanks for inviting me to your event today.

Before I get into my speech I wanted to just reflect just for a minute or so on the role of places like Brookings, from the perspective now of a policymaker, fairly deep inside in administration, and the sentiment I want to express is one of personal appreciation. It is absolutely critical. It's an essential relationship, I think, between policymakers and those who provide fresh, pragmatic, affective, intellectual capital; really couldn't be more important. It is very easy with the press of business to get on a certain policy path and not have the kind of fresh thinking that's necessary. And the work that you do, and I see really many people around the room on whose work I have relied, who have really had an impact on the thinking end of the administration and have had an impact on policy.

One of the core policies that President Obama has pursued, and I see

Joe and others here, has been in the proliferation area and the nuclear area. And the topic I'm going to address today is pretty core to that, which is really a fundamental affirmative agenda of the Obama Administration to reduce reliance on nuclear weapons and reduce the danger of nuclear weapons in the world today.

Today Iran is our topic, and it really couldn't be more timely. As Strobe said, in recent weeks, there have been no shortage of reminders of the seriousness of the threat posed by the Iranian nuclear program, most notably, as Strobe mentioned, the recent IAEA report, and how the choice is made by the Iranian regime has resulted in Iran's deep global isolation. And that is the topic I want to address today.

I know you've been through a number of technical topics during the course of the discussion. I'd like to pull back and I'm going to say some things today I know that folks here don't entirely agree with analytically, but I want to lay out really what I think the overall impact has been of the result of U.S. policy, along with international partners, with respect to Iran over the last three years.

I'd like to put these developments in context. And like I said, specifically, I want to discuss how the policies of the United States and the international community have succeeded in increasing the pressure on Iran for its failure to meet its really core international obligations. And more broadly, I want to address how profoundly the Iranian regime has been weakened and isolated, at home, in the region, and globally. And I'll get into this in some detail during the course of my talk.

To begin with, I think it is important to reflect on the reality that we and the Obama Administration faced in January of 2009. Tehran believed, and frankly, many in the region believed, that Iran was ascendant. Internally, the Iranian regime did not face at that point significant challenges to its legitimacy; that would change during the course of the year 2009, and pretty substantially.

Regionally, Iran's reach seemed to have expanded like never before with Iran and its proxies, such as Hezbollah, actively threatening others across the region, and indeed, in the conversations that we had when we came into office, there was a deep sense of the threat of Iran in talking to counterparts around the region and around the world as we came into office.

In contrast, the international community was divided in how to deal with Iran's nuclear program. Multilateral diplomacy had stalled. I think that's a fair assessment. And American diplomacy with Tehran, direct American diplomacy, had seemingly been taken off of the table. I think that's a fair assessment as well.

And as I go through this, you'll find me checking myself on these things because I do want to really go through carefully and test every assertion I make for precision, frankly, because I think it's important to speak about this with precision.

During that time, Iran went from having 100 centrifuges for enriching Uranium in 2003, to more than 5,000 when President Obama took office in January of 2009. More troubling, was the fact that many in the world hadn't even begun to give the benefit of the doubt to the Iranians and instead, blame the United States for tensions over the nuclear program, Iran's nuclear program, and thereby allowing Iran to escape accountability for its intransigents.

This was the dynamic we faced when we came into office. This was a dangerous dynamic that we were determined to alter when we came into office.

Now, President Obama and the Administration have always been clear about the danger of Iran's nuclear program and I think it's important to set that out at the outset here. It's a grave threat to the security of the United States and to the world.

A nuclear armed Iran would likely mean an arms race in the Middle East, a region already characterized by volatility, conflict, and a very high degree of potential

miscalculation. A nuclear armed Iran could further embolden in Tehran's support for terrorism and would constitute a threat to countries across the region, including our closest ally in the Middle East, the state of Israel.

A nuclear armed Iran would pose a significant threat to the vital shipping lanes of the Persian Gulf and the strategic Strait of Hormuz. An Iran armed with -- my Rhode Island accent gets in the way once in a while at these things. An Iran armed with nuclear weapons with long-range missiles to deliver them, would also pose a serious threat to nations outside of the region, including our NATO allies in Europe.

And a nuclear armed Iran would pose an unprecedented challenge to the Nuclear Non-Proliferation Treaty, the cornerstone of the non-proliferation regime, and this would raise fundamental questions about the ability of the international community to stop the spread of the world's most deadly weapons, and likely lead to a spiral of additional proliferation.

For all of these reasons, President Obama is unequivocal with respect to our policy towards the Iranian nuclear program. And I quote the President, "There should be no doubt, the United States and the international community are determined to prevent Iran from acquiring nuclear weapons." Those are the President's words; that's the policy of the United States.

Shortly after taking office, we presented to Iran, with an unprecedented and genuine opportunity for dialogue -- and this is very important -- the United States directly, and our P5+1 partners, presented to Iran with a clear choice: fulfill your international obligations which will allow you to deepen your economic and political integration with the world, achieve greater security and prosperity for Iran and its people, and allow Iran to return to its rightful place in the community of nations and pursue a worthy future of Iran's proud and ancient past, or Tehran can continue down the path

towards flouting its responsibilities and faced even greater pressure and isolation.

The purpose of the offer had two dimensions to it. First, it was a sincere offer of dialogue. This was a bona fide offer directly to the leadership in Tehran to engage in a diplomatic approach and potential solution to this problem.

It had tangible benefits for Iran obviously. It would attempt to seal the deal with the situation in a diplomatic fashion. And this has been accurately described by a lot of writers in the room, Ken, you and Ray did a good piece in the *Washington Quarterly* recently describing this.

Second, we knew that if our offer was rejected, Iran's failure to meet its international obligations would be exposed to the entire world; the burden would shift. The international committee would see that it was Iran, not the United States or the rest of the international community that was responsible for the impasse. That, in turn, would increase the ability of the United States and the international community to mobilize support for holding Tehran accountable for its behavior.

Over the past three years, that's exactly what has happened. We have gained tremendously more leverage in terms of our ability to hold Iran accountable as a result of its refusal to engage with a bona fide and sincere offer of diplomatic dialogue to address the issue.

And as we all know, the Iranian government repeatedly rejected the opportunity for credible dialogue. It also rejected substantial economic, political, and scientific incentives. And we can go into this in detail at some point during the talk.

It is forged ahead with this nuclear program, it's ignored its commitments, and it's obviously continued to defy, quite directly, the United States Security Council of Resolutions. Moreover, Iran has continued a record of deceit and deception. It's really spanned 30 years with respect to the program.

Most recently, with the secret enrichment facility near the city of Qom, which the United States, the United Kingdom, and France, exposed in 2009 -- and I think that was a critical step for us to have taken. If you recall that in September of 2009, where the United States, France, and Britain basically blew the whistle on a covert facility, which did not allow Iran to have that as an option, frankly, for proceeding to breakout.

Indeed, and this really is quite critical, Iran is the only member of the MPT that has not been able to convince the U.N. Security Council, and the international community generally, that its nuclear program is for peaceful purposes. And I think that's an important point to underscore. They are the only nation that has been completely and utterly unable to convince the international community of the peaceful purpose of its program, despite its protestations about it being peaceful. And its deceit, frankly, has just continued to raise questions and doubts about this. And this, of course, has culminated in the IE report that we talked about earlier.

Now, the United States has done exactly what we said we were going to do. With the broad support of the international community, we have steadily increased the pressure on the Iranian regime and raised the cost of its intransigence. Our approach has been multidimensional, and I'm going to describe these here, has included five distinct, yet mutually reinforcing lines of action. One, we have led the way in organizing an unprecedented array of sanctions that have imposed a significant price for Iran's behavior and succeeded in delaying the Iranian nuclear program. Two, we have led a concerted effort to isolate Iran diplomatically as never before, regionally and globally. Third, we have worked with partners to counter Iran's efforts to destabilize the region, especially during the Arab Spring. Fourth, we have steadily and substantially invested in and deepened our defense partnerships in the region, building a robust regional security

architecture that blunts Iran's ability to threaten and coerce its neighbors, especially our Gulf cooperation partners.

We have enhanced our significant and enduring U.S. force presence in the region. In addition, we have worked to develop a network of air and missile defenses, shared early warning, improved maritime security, closer counterterrorism cooperation, expanded the programs to build partner capacity, and increased efforts to harden and protect our partners' critical infrastructure.

These efforts, I'll say as an aside here, have reassured our partners in the region. I've been deeply involved in this, and it's been critically important I think, again, in terms of reassurance. The steps demonstrate unmistakably to Tehran that any attempt to dominate the region will be futile. And they show the United States is prepared for any contingency.

I would add that our new missile defense program with our European allies, the so-called phased adaptive approach, is more effectively geared to protecting our NATO allies from the growing Iranian missile threat that we face over the next decade, and has a lot of advantages. Again, that's a topic of another seminar or session here. But it is precisely geared to the threat. We are successfully implementing it in Europe at the Lisbon NATO Summit. All the European countries have signed on. Turkey most recently agreed to host a forward radar. And it can be done in a timely way.

And fifth, and the final element of the approach I wanted to describe today, is that even as we keep the door open for diplomacy, President Obama has said as recently as last week, we are not taking any options off the table in pursuit of our basic objectives.

Taken together, its multidimensional approach, as I said, multidimensional, simultaneous and reinforcing approach, has put us in a position where

we can employ any option or the full range of options as we continue to ratchet up pressure on the Iranian regime for its continued choice to continue to flout its obligations.

Now, with respect to the first element, increasing pressure through sanctions, we've succeeded in imposing the strongest sanctions on the Iranian regime to date. Here in the United States, we worked with the Congress to write, and the President signed, the Comprehensive Iran Sanctions Accountability and Divestment Act, CISADA. Combined with past measures, we now subjected Iran to the toughest U.S. sanctions ever.

We have since used the various authorities provided in this act to get international firms out of Iran's oil fields and banks out of its financial sector. Internationally, we have succeeded in building a broad and deep international coalition to hold Iran accountable.

President Obama personally and repeatedly has engaged with his foreign counterparts, including the leaders of Russia and China, and that just as late as a week ago Saturday in Honolulu, during the course of the APEC Conference and lengthy bilateral meetings both with President Hu Jintao and President Medvedev. And this paved the way, these kinds of efforts paved the way for passage of the U.N. Security Council Resolution 1929, which helped create the most comprehensive international sanctions on Iran to date. We've worked with allies and partners to build on the U.N. sanctions. And those of you in the room, I see, describe this multilayered effort that we've put in place with the U.N. Security Council as a base. The European Union has imposed strong measures against Iran's financial banking and transportation and energy sections, as well as the Iranian Revolutionary Guard.

South Korea and Japan, two of Iran's major trading partners, have taken action to limit commercial activity and financial links with Iran. Other nations, including

Canada, the UAE, Australia, have imposed additional measures. And in a very significant step following the adoption of Resolution 1929, Russia cancelled the sale of the S300 sophisticated and long-range air defense missile system to Iran.

The effect of these sanctions has been clear. Coupled with mistakes and difficulties in Iran, they have slowed Iran's nuclear efforts. Sanctions and export controlled efforts have made it more difficult and costly for Iran to acquire key materials and equipment for its enrichment program, including items that Iran can't produce itself.

Indeed, in May 2011, the report of the U.N. panel of experts on Iran concluded that sanctions are slowing Iran's nuclear program. In 2007, the head of Iran's Atomic Energy Organization boasted that Iran would have 50,000 centrifuges installed within 4 years and the support facilities designed for that scale. We're now nearing the end of 2011, and the IAEA reports that Iran has installed 8,000 centrifuges, with perhaps around 6,000 operating right now.

Importantly, not only is it harder for Iran to proceed, it's more expensive. As many studies have demonstrated, it would be far more economical and efficient for Iran to purchase nuclear fuel on the international market than to develop an indigenous enrichment and fuel production capability. Remarkably, though, Iran continues to make huge investments in this program, most of them unpublished, even as it cuts back on support and investment in its economy and its people.

This is the larger context for the IAEA report, and I want to be very clear about this. We were not surprised by the report because it confirmed everything we had known since the first day the President took office. This report is entirely consistent, frankly, with the facts and analysis that have shaped our entire approach since January of 2009.

For example, we already knew that Iran had an active and structured

effort to develop nuclear weapons technologies until 2003. And in the words of the IAEA report, "activities relevant to the development of a nuclear explosive device may still be ongoing."

The facts are undeniable. Despite decades of Iranian denial and deceit, and notwithstanding the setbacks I've described, it should be clear for all the world to see that under the guise of a purely nuclear -- civil nuclear program, the government of Iran is seeking to develop a nuclear weapons capability. Now, put simply, the Iranian regime has not fundamentally altered its behavior, but we've succeeded in slowing its nuclear program. And the international community has the time, space, and means to affect the calculus of Iran's leaders, who must know that they cannot evade or avoid the choice we've laid before them.

Going forward, we will, therefore, contend to use every tool at our disposal, as I described earlier, to continue the pressure on the regime and sharpen the choice that they must make.

We need to be vigilant and we will be. We will work aggressively to detect any nuclear-related efforts by Iran. We'll expose them and force Iran to place them under international inspections, just as we did, as I discussed earlier, when we disclosed the Qom enrichment facility, thus denying Iran the option of using the facility to secretly produce enriched uranium.

With the IAEA inspectors still on the ground in Natanz and Qom, any Iranian effort to divert safeguarded nuclear material would likely be detected quickly before Iran could use that material to produce a significant quantity of highly enriched uranium. Meanwhile, we continue to increase the pressure. And you saw this just yesterday, Secretaries Clinton and Geithner announced additional steps that we've taken. For the first time we're targeting Iran's petrochemical sector, prohibiting the

provision of goods, services and technology to this sector, and authorizing penalties against any person or entity that engages in such activity.

We're expanding energy sanctions, making it more difficult for Iran to operate, maintain and modernize its oil and gas sector. And for the first time, we designated the entire Iranian banking sector as a jurisdiction of primary money laundering concern, detailing extensive deceptive and illicit financial practices across the Iranian financial sector, including by the Central Bank of Iran, making clear the grave risk faced by governments or other financial institutions that continue to do business with Iranian banks. And we are certainly not ruling out additional steps against Iran's banking section, including against the Central Bank of Iran. Again, as we do all of this, we're not taking any options off the table and no one should doubt that.

This leads me to the larger point that I wanted to make today, and that's something I've wanted to discuss publicly for some time, and that's the extraordinary isolation that Iran finds itself in today.

Even as Tehran refuses to engage in dangerous and destabilizing behavior, Iran is fundamentally weaker, more isolated, more vulnerable and badly discredited than ever. Compared to when President Obama took office, Iran has greatly diminished at home, in the region and around the world as a result of the choices made by its leadership. I'll discuss first the situation domestically in Iran.

At home, Iran is feeling tremendous pressure. It's harder for banks that support Iran's nuclear program and terrorism to engage in international finance. Just recently, President Ahmadinejad called sanctions "the heaviest economic assault" in the country's history. Continuing to quote, "Every day our banking and trade activities and our agreements are being monitored and blocked," he said, "and our banks cannot make international transactions anymore."

It really is becoming exceedingly difficult for Iran and its business entities to deal in euros or dollars anywhere in the world. It's becoming increasingly difficult, if not impossible, for them to deal in the legitimate banking system in the world.

We've also made it harder for Iran -- for the Iranian government to purchase refined petroleum and goods, services and materials to further develop Iran's oil and gas sector. According to the Iranian oil minister, the country is facing a shortage of \$100 billion in investment deals for the oil and gas sector, a shortage that will increasingly affect future revenues.

Other sectors are being affected, as well. The international business community is shunning Iran. Major companies -- Shell, Toyota, Kia, Repsol, Deutsche Bank, UBS, Credit Suisse, and a long list -- have ended or drastically reduced business with Iran, again, as a result of the decisions made by the Iranian leadership.

Now, the impact of sanctions is compounded by ramped corruption and patronage in Iran. The Islamic Revolutionary Guard Corps continues to expand its involvement in legitimate Iranian economy. At a time when the Iranian people are being squeezed by a shrinking economy, the coffers of the IRGC, as it's called, are being filled, and these funds are passed onto violent movements in Iraq, Syria, Lebanon, and Yemen.

This only adds to Iran's economic woes and, with it, to the frustration of the Iranian people. As a result, Iran's economy is increasingly vulnerable. Inflation, we estimate, is around 20 percent. Unemployment is persistently high. And contrary to what's been written, frankly, on this, despite high oil prices, Iran will have negligible economic growth this year. These are the heavy costs the Iranian regime has chosen to impose on its people by flouting its international obligations.

These economic difficulties are one more challenge to a regime that's already seen its legitimacy suffer, and this is a critical point, and really has come into

focus since the elections in 2009. The brutal response to the Green Movement two years ago revealed the hollowness of the government. They claimed to draw on its legitimacy from its populist and Islamic principles. This is a regime that doesn't offer anything to its young burgeoning population which employs intimidation and violence to remain in power, the same recipe for unrest that has fueled the Arab Spring.

Atop its isolation from the Iranian people, the regime is increasingly divided and under great stress, extraordinary stress, and it's obviously increasingly and dramatically visible to the observant outsider on.

The Supreme Leader and President Ahmadinejad seem increasingly headed towards a confrontation over the direction of the country. The Supreme Leader's even talked about consolidating his power further by abolishing the office of the presidency, and we see fissures developing among the ruling class. And the regime is really focused pretty intensely and exclusively on preserving its reign at all costs.

Just as the regime is increasingly isolated and losing its legitimacy at home, Iran is increasingly isolated in the region. The regional balance of power is tipping against Iran. And I know there are those in this room who disagree with that assessment, and let me go on to lay it out.

Next door Iran has failed in its effort to shape Iraq into a client state in its own image. In fact, Iraqis are moving in the opposite direction. And, Ken, I saw your testimony last week at the House on this and went through it carefully, and I have some responses to it here, just to give you a heads-up on that. But I am reading your testimony.

Iran and Iraq have very different visions of their future. And Iraqis are moving in the opposite direction of any client state that Iran may be trying to establish there. They're building a sovereign and a democratic state with a former version to elicit

outside interference.

And one recent poll found that just 14 percent of Iraqis have a favorable opinion of Iran. There is really a nationalist dynamic I think at work here. Even the supporters of al-Sadr, who has been strongly supported by Tehran, have unfavorable opinions of Iran by a margin of three to one, according to the polls.

Now, even as we finish removing our forces from Iran -- and we will do so by the end of December 2011 -- we remain steadfastly committed to a long-term strategic partnership with Iran, including robust security cooperation, which will help ensure that Iran remains a strong and independent player in the world. And indeed, on December 12th Prime Ministry Maliki is coming to the United States and we will underscore the breadth and depth of the relationship going forward that the United States is building out with Iraq as a close partner in the region and multiple dimensions, from the diplomatic to education to development of their oil sector. But, really critically also, robust security cooperation.

Iran has failed in its efforts to intimidate the Gulf States into yielding to Iranian dominance. And indeed, I think Iranian conduct -- and I've spent a lot of time working on this -- has actually caused the PCC countries to unify as never before in their resisting Iran. Reassured by regional defense and security, the architecture that I described earlier, the Gulf Cooperation Council states -- or as I said, are more united than ever and more willing to challenge Tehran, and we've seen that.

Next, Iran has failed in its cynical efforts to take advantage of the Arab Spring. And to put it mildly, the Arab Spring has been unkind to Iran. You can't imagine a narrative that contrasts more. The season of change, as our assessment, caught Iranian leaders flat-footed and unprepared. The events from Tunis to Damascus has made a lie over Tehran's claims that change can only come through violent resistance,

and meanwhile the Iranian regime's hypocrisy has been exposed as they purport to celebrate these uprisings abroad while continuing to crush dissent at home.

Just like al Qaeda -- and again, this has presented a fundamental narrative of the Arab Spring -- has presented a fundamental narrative challenge to al Qaeda. Iran's model of extremism violence and the denial of human rights are being repudiated by a generation that is now demanding the universal rights by taking to the streets across the Middle East and North Africa. Indeed, young people in Tunisia or Egypt or Libya or Syria are not protesting in order to be more like Iran.

Not surprisingly, the data and polling of public opinion consistently shows that Iran's image in the region has plummeted. While in 2006 Iran's favorability in the Arab nations stood at about 80 percent, generally. It's now down to an average below 30 percent. The most common reasons for this given are Iran's crushing dissent at home, underscored by the reaction in the 2009 elections, its meddling in the region, its cementing of sectarian conflict, and its pursuit of its nuclear program.

Rather than looking to Iran, people in these Arab countries are looking in the opposite direction towards universal rights, towards democracy. And as they do, President Obama has placed the United States firmly on the right side of history making it clear that the policy of the United States is to promote reform across the region and support transition to democracy.

Today, in the face of a region increasingly united against Tehran, Iran is basically down to just two principal remaining allies and I wanted to go through this in some detail. The Assad clique -- the Assad group if you will -- in Syria, and Hezbollah. And like Iran, they too are fundamentally at odds with the forces that are now sweeping the region.

The Assad regime -- the Assad group, if you will -- Tehran's most

important ally is thoroughly isolated and now increasingly and universally condemned. The Arab League, appalled by the region's brutality, has shown remarkable leadership and taken the extraordinary step of suspending Syria's membership. In Turkey, Prime Minister Erdogan's government, which spent a decade deepening its ties to Syria and invested a lot in this, says it no longer will be fooled by Assad's promises, and today Prime Minister Erdogan joined the international chorus calling for President Assad to step down.

The handwriting is on the wall, change is inevitable. As President Obama has said, and I quote, "Through his own actions Bashar al-Assad is ensuring that he and his regime will be left in the past and the courageous Syrian people who have demonstrated in the streets will determine its future."

Now analytically, what does this mean? The end of the Assad regime would constitute Iran's greatest setback in the region, a strategic blow that would further shift the balance of power in the region against Iran. Tehran would have lost its closest ally in the region, having actively funded and assisted in very material ways the regime's brutality and the killing of its own people. Iran will be discredited in the eyes of the Syrian people and any future government.

Iran's isolation from the Arab world will have deepened, and Tehran's ability to project violence and its instability in the Levant. Through its violent proxies, Hezbollah and Hamas will be vastly diminished. That's our analytical judgment.

Finally, Iran is increasingly isolated from the international community. More nations than ever are imposing and enforcing additional sanctions and measures as Iran looks around the world and finds fewer friends, fewer protectors, and fewer business partners. Its leaders have taken a great nation and an ancient civilization and turned it into a pariah state that is unable to integrate or engage with the world. This is a tragedy.

Three recent events in particular illustrate just how isolated Tehran has become. First, in the wake of the IAA report, which Strobe mentioned at the outset, the IAA board of governors overwhelmingly voted to demand that Iran take steps to address the concerns raised in the report. 32 nations voted to demand that Iran fulfill its obligations. Only two countries sided with Iran at the IAA board of governors meeting, Cuba and Ecuador.

Second, Iran has been further isolated by the plot to assassinate the Saudi ambassador here in Washington. I have to confess, I was initially struck by the reaction in some quarters, those who looked at the plot and said, is this really how Iran operates? This doesn't sound like Iran. This is not the way they operate. Well, as those of you in this room know so well and those of you who have followed the history for the last 30 years, this is exactly how Iran has operated. This plot is nothing new; it was the latest example of Tehran's support for terrorism, from the bombings of our barracks in Beirut to attacks against the Israeli embassy and Argentine-Jewish Mutual Association in Argentina, and many others. And it would take, again, a whole other speech to lay this out, but the people in this room don't need that history lesson.

Nor was this the plot of some low-level figure. Our information confirms that the Iranian officials overseeing the plot -- the liaison, if you will -- were officers, if you will -- within the IRTC Quds force, the terrorist arm of Iran headed by Major General Qassem Suleimani, who has armed, trained, and funded a terrorist in Iraq to strike the Iraqi government and American personnel. We are very familiar with this group and deal with it every day.

Faced with these facts, the international community is taking action to hold Iran accountable. The Treasury Department has imposed sanctions against Suleimani and four of the main culprits in the conspiracy. Our Canadian and European

allies have joined us.

The Arab League and Gulf Corporation Council have condemned the plot, and last week the UN General Assembly voted on Friday overwhelmingly to deplore Iran's behavior in this plot against the Saudi Ambassador in Washington D.C. 106 nations voting against Iraq -- just 8 countries -- voting against Iran -- just 8 countries voting with Iran. Most significantly, not a single Muslim or Arab nation voted with Iran, not one. For an Islamic republic that once imagined itself as a leader of Muslim majority nations, the repudiation and isolation could not be more complete.

And third, at the United Nations just yesterday, member states voted overwhelmingly to condemn Iran's human rights record. Indeed, Iran's human rights are subject to UN monitoring, shattering its claims that the West and a few dissidents were unfairly singling them out.

Weakened at home, diminished in the region, and isolated in the world, this is the dramatic shift in Iran's fortunes that have occurred over the last three years. In this sense we have succeeded in changing the dynamic that was at work when President Obama came in to office. Three years ago, the Iranian leadership was largely united; today Tehran is wracked with division. And again, I don't think that's an unfair assessment.

Three years ago the international community was divided on how to proceed, and today we have forged an unprecedented degree of unity with allies and partners that Iran must be held accountable, and I think that's a fair assessment.

Three years ago it was uncertain whether additional pressure could be brought to bear on Tehran, today the regime is subject to the broadest and strongest sanctions that it's ever faced, contributing to Iran's fundamental political and economic weakness. I think that's fair as well.

Iran's leaders and Iran's leaders alone are responsible for the

predicament that Tehran now finds itself in, and Iran's leaders and Iran's leaders alone have the power to choose a different course. The onus is on Iran. Tehran can't choose a different direction; it has to seize the diplomatic opportunities before it. It must cooperate fully with the IAA investigators, comply with the UN Security Council resolutions, which require Iran to suspend all enrichment, reprocessing, and heavy water-related activities.

If Iran doesn't change its course, the pressure will grow. Working with allies and partners, we will continue to increase sanctions. With our Gulf Cooperation partners, we will continue to build a regional defense architecture that prevents Iran from threatening its neighbors. It will continue to deepen Iran's isolation, regionally and globally, and again even as the door to diplomacy remains open, we'll take no option off the table. For our focus and our purpose are clear: pressure is a means, not an end, and our policy is firm. We are determined to prevent Iran from acquiring nuclear weapons and all that flows from that.

Meanwhile, as President Obama has said, we stand with the Iranian people as they seek the universal rights. Iranians deserve a government that puts their daily ambitions ahead of its nuclear ambitions, including -- they deserve a normal relationship with the rest of the world, including with the United States, where the Iranian people can benefit from the trade and ties that come with being integrated in the global economy. Put simply, the Iranian people deserve a future worthy of their past as a great civilization, and that they will come sooner when the regime in Tehran abandons its reckless pursuit of a nuclear program that does nothing for its people but endangers the security of the world.

Thank you for your patience, and I look forward to a couple of questions, Strobe, I guess you were going to ask. (Applause)

MR. TALBOTT: Tom, thank you very, very much for that. And before

bringing the session to a close, as you suggest I'm going to put a two-part question to you that I suspect reflects at least some of the thinking and curiosity in the room.

You have made a very powerful statement that the coordinated policies of the United States and the international community have imposed a world of hurt, not to mention discredit and isolation, on Iran but has not yet succeeded in getting Iran, to use your phrase, "alter its nuclear behavior". What do you think the changes are of the policy succeeding?

And the related point is what is it going to take to get the necessary degree of support from the Chinese and the Russians? And you've had some exposure to both of those leaderships recently.

MR. DONILON: With respect to the chances for success. Given the severity of the challenge and the threat, we in the international community owe it to ourselves to pursue every option here, and to pursue as I laid out the multidimensional, simultaneous, mutually-reinforcing set of steps that we're taking.

What we require is persistence, unity -- and we have put a very high premium on unity, and indeed we believe that that is something that the Iranians need to look out and see, and we think it has an effect when they see that they are thoroughly isolated, more isolated than ever. As I said, it needs to be multidimensional. And I think that, again, we can't take any options off the table. Over time, the goal of course would be to raise the price, right? And force the choice. And that's what we're going to do.

Now with respect to the Russians and the Chinese, we have actually had very good coordination and cooperation with the Russians and the Chinese. They've supported us on each of our sanctions, international sanctions efforts at the UN. They have enforced those efforts faithfully. They have been very good partners, frankly, as we've built out this unified effort to force the choice on the Iranian regime.

MR. TALBOTT: Tom, thank you very much. By the way, we noticed that -- certainly the Brookings folks in the room noticed that you put out two suggestions on issues which might come back and talk to us about at some point. One is general diplomatic engagement with the world and the other is missile defense. We'll stay in touch. (Laughter)

Could I ask everybody please to keep your seats while I escort Tom out of the building so he can get back to the White House? Thank you, Tom. (Applause)

MR. DONILON: Thank you very much, everybody. Appreciate it.

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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