

THE FOUNDATION FOR DEFENSE OF DEMOCRACIES HOLDS A
WASHINGTON FORUM ON COUNTERING THE IRANIAN THREAT

DECEMBER 10, 2010

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MAY: We're discussing (inaudible) the Iranian threat. It is, I would argue, and I think others here would, the principal national security threat and foreign policy challenge we face -- we face today.

We've been talking about various responses and the range of policy options that we have. We come to a particularly interesting one at this point, what is called, maybe somewhat euphemistically, the kinetic option.

I'm going to stay out of the way of our panel because there's a -- a really distinguished and great panel.

Let me start right here with Ken Pollack. Most of you know who everyone on this panel is. He is a Middle East politics and military affairs expert. Currently he's the director of the Saban Center for Middle East Policy at the Brookings Institution. He served on the National Security Council. He has written several books and many, many articles on all sorts of -- a whole range of matters of -- on international relations.

Reuel Marc Gerecht is a senior fellow with the Foundation for Defense of Democracies. He's a former officer and analyst and the CIA's director of operations. He's the author of a number of books, including "Know Thine Enemy: A Spy's Journey into Revolutionary Iran"; "The Islamic Paradise" -- Paradox -- "The Islamic Paradise" -- that's a...

(LAUGHTER)

... that's -- that's -- that's forthcoming.

(LAUGHTER)

(UNKNOWN): It's not a book about Iran.

(LAUGHTER)

MAY: It's "Shiite Clerics, Sunni Fundamentalists, and the Coming of Arab Democracy"; forthcoming book "The Wave: Man, God and the Ballot Box in the Middle East."

Major General Yaakov Amidror is the program director of the Institute for Contemporary Affairs at the Jerusalem Center for Public Affairs. He served as the commander of the -- of the IDF, the Israeli Defense Force's National Defense College and the IDF Staff and Command College.

And Jeffrey Goldberg is national correspondent for The Atlantic. In September 2001 he published a highly discussed and debated piece entitled "The Point of No Return" on the possibility of a military strike on Iran's nuclear sites.

This was a cover story in The Atlantic. It was thoroughly and scrupulously researched. Jeffrey did a great job of peering into the minds of the Israeli leaders.

And what I'd like to -- the way I'd like to start is, Jeffrey, is to ask you to recapitulate your theme, your thesis from that piece, update us on it. And we'll start with that as, sort of, the basis for our discussion.

Thanks, Jeff.

GOLDBERG: Thank you. Thank you, Cliff.

The -- I'll be very brief on this.

I was curious, I guess, about it -- we'll, I've been curious for a while because we keep hearing that Israel is six to nine months away from bombing Iran for the -- for a dozen years, and so I was curious where we actually were.

I'm fascinated by -- I mean, I guess the -- the point of departure of me is I'm fascinated by Bibi -- by the prime minister and his understanding of Jewish history and the role of an Israeli prime minister after the Holocaust.

I'm -- I'm particularly interested in this because I'm a huge reader of his father's works, particularly on the Spanish Inquisition. I thought, you know, you -- you could obviously see the influence of his father, who has very now -- now generally-accepted, but it would -- used to be, sort of, radical interpretation of the Spanish Inquisition, that it was -- that it was biologically-based anti-Semitism as opposed to mere religion. And that most important point, I think, that was transmitted to his son is that anti-Semitic rhetoric inevitably turns into anti-Semitic physical violence.

And so I wanted to find out, given the new government, where we were, so I spent a month or so in Israel just talking to people in and out of government, in and out of the military -- former generals, current generals.

And I came to the conclusion -- and this is a conclusion I came to, I guess, eight months ago because the writing -- you know, that -- that -- that there was a better than 50 percent chance that Israel would -- if all things remained the same, Israel would strike at Iran's nuclear facilities by the middle of next year, middle of 2011.

Since then, and based on not my own assumptions but going back to many of the same people I -- I've spoken to, I would now elongate that timeline a little bit, mainly because of the Stuxnet virus and other -- how shall we call them -- active programs to deny Iran the knowledge of its scientists.

That was a lovely euphemism.

(LAUGHTER)

GOLDBERG: I just -- that's -- that's some euphemism.

And then various other programs, the virus first and foremost.

And -- and then also, I think -- and we'll get into this -- I -- I think that there was a shift in the way the prime minister himself understands President Obama.

I think even in the -- when I started doing the reporting, there was confusion and anxiety in the -- on the part of the prime minister about President Obama and his ultimate intentions.

I think for -- for many reasons we can go into, I think he's slightly more comfortable with what he would see as President Obama's seriousness on -- on the issue.

He -- he probably is, at this point, to quote from Ken Pollack, or to borrow from Ken Pollack, that -- that the Obama program is actually working, that the -- the sanctions regime that Obama's put in place, multilateral sanctions, is -- is working, but ultimately it won't work.

And I think that's where -- where the Israelis are right now, and if I were to give a prediction, I would say I would move that timeline not too far into the future -- end of 2011, all things being equal -- but these things are, to borrow your word, kinetic in another way, and you -- we just have to constantly have to, sort of, look at events and -- and shape our analysis with the -- with the reality around us.

MAY: And by the way, at 11:45 we -- we'll have another panel where we'll talk about the Stuxnet virus and cyber-warfare, so -- just so you know.

And that's an interesting construction of the sanctions working, deteriorating the economy, but ultimately will not work, and we may want to come back to that.

But first I'd like to go to General Amidror and just ask for your comments on -- on Jeffrey's thesis on the thinking of the Israeli leadership at this point, and not least the feasibility of the use of military force to substantially delay, if not -- if not destroy the -- Iran's nuclear ambitions under this regime.

AMIDROR: Thank you very much for having me here, all those who made the efforts to have me here.

First, and I think the most important thing to understand, I'm really glad that you begin with the historical frame that we are living in, that Israel cannot be in a situation in which a state which demand its abolishment from Earth will have a nuclear capability.

And this is something that is the basis for all the arguments, pro and cons, and what should be done at the -- at the end.

I'm not going to speak about the Friday afternoon attack of the Israeli Air Force. I'm not going to make any announcement about dates and so on.

(LAUGHTER)

But it should be very clear that it is a combination of some elements.

First, we are examining very -- in (inaudible) detail what are the results of the sanctions and the pressure that it put on the Ayatollahs and the decision-makers, and it's not exactly the same in Iran.

And from what we learn from the outside and from the inside, we understand that there are results, more than many expected in the past, but all these results didn't make any change in the plan itself.

And it is very important to understand, because yesterday I heard very optimistic words from the Americans, who are responsible for implementing the sanctions.

It is very important to continue and to put pressure on the Iranians.

At least, up until now, it didn't make anyone in Tehran to think, to give a second thought to the decision to go ahead with the -- with the plan to a nuclear Iran.

And it is very important to understand because we have to separate between the success of the sanctions on the economical side, and the less success of the sanctions in the -- what is the target again, the plan to make Iran (inaudible) on the nuclear side -- first.

Second, we are looking to the (inaudible) also going on within the plan itself, and no question that the fact that the two are very important (inaudible) cannot help any more to improve their plan, is something that we examining when we look at the plan and we see where we are standing and where is -- if there is a line that will be crossed, it will be too late, and if there are other possibilities to delay, it will be used by others and by us and so on so forth.

What is very important to understand is that -- try to understand, try to learn from all the information that we have, where we are we standing relating to this nuclear force of the Iranians.

And no question that, at the end of the day, the combination between both, how pressure from outside and what's going on within the -- within Iran connecting to this plan would be part of the elements which are really taken into consideration by the -- by the decision-makers.

And the third one is the one which is very, you know, practical, technical -- the ability, the intelligence, the how -- what delay can be achieved? In these circumstances what delay can we achieve? In other circumstances and -- and so on, so forth.

The combination of all the three elements together, based on the assumption that Israel cannot agree to nuclear Iran, will lead at the end to the decision. We patrol ourselves.

I mean that technically Israel will be ready if the decision will be taken to go ahead. It's a lot of money; it's a lot of preparations, a lot of training, a lot of thoughts and -- and -- and many people sitting there doing their best to have the -- the best plan.

We will be ready when and if the decision will be taken. And if and when it will be taken is a result of the combination of the three elements that I just -- just mentioned.

I can -- I can -- can tell you one thing for sure, and it is -- please, it's off the record.

MAY: We're all friends here.

(LAUGHTER)

AMIDROR: If -- if you are -- if -- if -- yes -- if the Iranians' facilities will be attacked militarily, it will be with American aeroplanes.

The question is will it be an American pilot or an Israeli one?

(LAUGHTER)

But don't -- don't make a mistake. No one in Israel is eager to go to this war. For us it is a last resort.

Everyone in Israel -- everyone in Israel will be more than happy to learn that Iran is stopping its nuclear plan without using military force.

It's a last resort because the war that will emerge from this attack will be a dirty one, a long one and one that no one want to be in.

And this is too bad (inaudible) for sure. I believe that attacking Iran is a very bad situation, but there is something worse, that Iran will have a nuclear capability.

But we are not running to attack Iran. We want to postpone it as much as possible because we want to give the world, the Americans, everyone who is ready to help, to stop Iran without using military forces.

So it -- it is not just an option. We prepare all of this very thoroughly, investing a lot of it, but we are not running to use it and we hope that someone will find another solution.

If you ask me as an expert for assessment that what I did 25 years, what is my assessment, my assessment is it is almost impossible to stop Iran without military force, but we should not run to use it before we be sure 100 percent and more that there is no other alternative.

MAY: After Jeffrey's cover story came out in the Atlantic, Reuel Marc Gerecht, who wrote a cover story in The Weekly Standard that I don't know if it was intended as a response or a continuation of the discussion, looking particularly at how Iran, both the ordinary Iranians and the regime, would respond to military force.

And Reuel, if you'd go over that a little bit and discuss that?

And also in particular tackle the conventional wisdom, which is that, oh, if the Israelis or the Americans or anyone else would use military force, everyone would rally around the flag, if not Ahmadinejad and company specifically, and this would just fuse together all the people who are now dissidents with the regime.

That's the conventional wisdom. I'm not sure it's as -- as wise that it is conventional.

GERECHT: The -- the first thing I'd just like to say, it's -- it's a pleasure to be here with Jeffrey. I think Jeffrey is the only journalist who could possibly profile President Ahmadinejad. He certainly would be the only journalist who could understand all of his jokes.

And I'd also like to say that Ken and I, we have been debating Iran since we were in third grade, and I suspect in fear we'll be debating Iran until we're 60.

But on ...

(CROSSTALK)

(LAUGHTER)

GERECHT: Sorry. On the -- the new (inaudible) on the issue of what might happen if the Israelis or the Americans, which I think is highly unlikely, were to actually attack Iran's nuclear sites, I think there's often been a very easy exaggeration of -- of the possible blowback.

I'm skeptical that many of the worst-case scenarios are likely.

I do think, for the Israelis, they obviously would be the target of the most severe reprisals in -- in the sense that all of those missiles and other weaponry that had been delivered to the Hezbollah, I think (inaudible) Hezbollah would let loose of them.

I don't see, if the Hezbollah's entire existence, its id is all built around a war with Israel, and I -- I -- I think they would respond with everything they had, and obviously the Israelis would have to endure that.

Hamas, I'm not so sure about. I'm not sure what exactly Hamas could do besides shoot more of their missiles. They're far less lethal than what Hezbollah has.

Again, the -- I -- I'm (inaudible) that you're going to see much of a reaction throughout the rest of the Middle East.

If one goes back, historically people in the West have been fearing the reprisals of various Western-aggressive actions in the Middle East since before World War I.

The Germans, if you recall, worked very diligently to manufacture a jihad against the British Empire. It failed abysmally.

I -- I do not think that the notion of an Islamist/Islamic/Arab wave against either Israel or the United States is -- is very likely. I think it would peter out -- whatever there is would peter out quite quickly.

The primary Iranian response to an attack on their nuclear facilities, at least so far as the United States are concerned, would be terrorism.

I think it's a foregone conclusion that the Iranians would try to strike back using terrorism, and we would have to be prepared to absorb that.

I would add, though, that I am skeptical about Iranian abilities. I think they are less proficient than people make them out to be.

I think you have to understand that all Western services would be watching them quite closely, their diplomats and their spies at -- based in their embassies, and again, I think Iranian black ops, those folks who work outside of embassies, again, I think their capabilities have been exaggerated, would have an extremely hard time maneuvering and operating.

That's not to say that the Iranians would not be able to hit us. I'm quite sure they would, but again I think the discussion of this gets a bit hyperventilated.

So quickly (inaudible) the repercussions from an attack, whether that attack would be successful or not, which is perhaps a more interesting question -- and I'm sure Ken will get to that -- the repercussions from that attack, I think, are quite -- what you might -- sustainable, that we could absorb it, and if you think about what the repercussions would be of the Iranians actually having a nuclear weapon, which is the thing you have to focus on most clearly, then the blowback from that I think isn't all that severe.

And in particular I'd like to mention the notion that the Iranians are suddenly going to dismantle Iraq. Actually, I'd like to see them try.

I think the capabilities of the Iranians all by themselves in Iraq, nefarious as they may be, in Iraq they're going to have to be waging war against the Iraqi Shia. They're going to have to be waging war against Najaf. They're going to essentially have to be killing their own brothers. I -- I find -- spiritual brothers -- I find this very hard to believe.

Could they come after the Americans and do us some damage? Sure, but primarily their war would have to be against the Iraqi Shia, and I just don't think that's going to fly terribly well.

Even someone of a timid soul like Mohammad Khatami rose up in indignant anger, at least briefly, in 2007 about the Iranian assassination teams inside of Iraq.

I really don't think the Iranian government has much to play there, and in Afghanistan I would just note the Iranians are becoming much more lethal in their aid to the Taliban and are repeating their performance in some ways that they did in Iraq.

The Iranians are really on foreign terrain in Afghanistan. Their entire focus has always been on the West. They're not comfortable in Afghanistan. They have to operate through proxies. They have very few proxies to operate from.

The Hazara, the Shia in Afghanistan, are not bosom buddies and pals. The Tajiks, or Sunnis -- it's a limited game, I think, that they can play, and I just would recall that, when I was in Afghanistan before 9/11 -- I was with Ahmed Shah Massoud -- I happened to be with him when two members of the Iranian Revolutionary Guard Corps arrived, and I got the opportunity to -- to meet them later. And they weren't actually -- they were, sort of, fun sorts. They were -- they're witty.

But what I -- what struck me most was I -- I asked them whether they liked being in Afghanistan. Their response, translated, was "I really hate this place." You know, those were Tehrani boys and they wanted to get back.

So again, I -- I think we have to be very, very careful in how we depict the Iranian -- the Iranian capacity. What we have to fear from them is their terrorist potential.

But again, I think for us to shy away from striking them with -- taking out their nuclear facilities because we fear terrorism should in fact tell you that under no circumstances should they be allowed to have nuclear weapons.

MAY: Ken, I'm happy to have you address any of -- of the comments you've just heard, though one question that rises in my mind that you might address is: Am I wrong to think that the repercussions of -- of the use of military force would depend in great measure on the perception -- not necessarily the same as reality -- whether that force had been used brilliantly and effectively, or whether it had been bungling and ineffective, at the end of the day, and -- and then hadn't really accomplished its goals.

And it would be an information/disinformation war over the subject. I mean, I can imagine a Marine saying, "You haven't actually hurt us," and it be difficult to determine for a while whether that was true or not.

POLLACK: Absolutely. I think that that's one of the issues that we're going to have out there, Cliff.

Another, I think, on the -- on a similar track is going to be circumstances of any kind of use of force against Iran.

I think most people in this room know that I am a skeptic when it comes to the use of force against Iran, and this comes not because I'm a pacifist. Again, I think, as most people know, I'm anything but.

It's just, as an old military analyst, I keep trying to do the math, and it still doesn't work out the way I'd like it to before we or anybody else went ahead with it.

And I think a big element of that is whether or not there is a provocation.

You know, we should remember, and I'm surprised that Reuel has not mentioned already, that the Iranians are often their own worst enemy. They shoot themselves in the foot all the time.

And it's not entirely certain how they're going to handle the next several years, and I want to come to something a little bit later on that, kind of, we ought to be thinking about in terms of how we help them down that path.

But if it is the case that the Iranians do something foolish; if they do something incredibly provocative, that calculus may change, and it may be the case that in the future the circumstances for military use are much more propitious than they are currently.

But the problem is right now things don't quite add up that way, and as Reuel was already suggesting, I too, when I tend to look at the use of force, I do mostly focus on this question of the day after, the question of what happens afterwards, because for me it is much more about the day after than the day of.

I'm pretty confident that the U.S. Air Force and U.S. Navy -- we'll set the Israelis aside for the moment -- I'm pretty confident that the American military can destroy every single facility in Iran that we know about.

Now I said that specifically because, of course, there are the things that we don't know about, and we don't know what we don't know, in many cases, to quote Donald Rumsfeld.

And that is one of the issues out there. And as someone who lived through our experiences in Iraq and in particular 1991, when I can remember my friends who worked the technical side, who worked the nuclear program, you know, assuring us, the U.S. military, everyone else, we knew exactly what the Iraqi program looked like.

There were these three major facilities. There were 10 or 11 of the -- their smaller facilities. We flattened them during Desert Storm. UNSCOM, the IAEA went in afterwards thinking that they were just going to catalogue the rubble, and lo and behold, there were three other massive facilities that we didn't even know that they had anything to do with the nuclear program, and at least two of those three facilities probably could have eventually produced a nuclear weapon.

So that is one thing that I do worry about, and it gets to this larger question, which I'm going to come to in a second, of what do we actually do to the Iranian program?

But before I do, I did want to deal with the issue that Reuel tabled, which I think is an important one in terms of the retaliation.

And I'll start by saying that I largely agree with the depiction that Reuel just put on the table. I think he's right. I think that there will be quite a nasty response from Hezbollah directed against Israel regardless of what -- whether the -- the stars on the planes have five or six points; I suspect that the response will be pretty much similar.

I will also agree with him that I think that, while there will be terrorist attacks from Iran, that we shouldn't go completely insane over that. I think Iran is quite competent. Reuel might -- he and I might have a debate someday about just how competent. But I think our bottom line is the same, which is that terrorist operations are actually quite hard to pull off.

They typically take a lot of time to do it, and if you are vigilant and you are willing to have full-body cavity searches at airports, which I for one am looking forward to the next time I fly to Florida, you can do a lot to stop those kind of attacks.

In addition, I think he's absolutely right that the -- this notion that the Arab street, that the Middle East street would rise up is absolutely ridiculous. I don't see that being the case at all.

I would also agree with him that I think that Iran's capacity to do damage to the United States in Iraq is dramatically lessened.

And if I could just pause for one quick commercial break, it's worth keeping in mind what the change in Iraq has done in terms of our relationship with Iran and what's going on in the region.

In 2006 I would not have said that at all. In fact, I would be making exactly the opposite argument. In fact, I was making exactly the opposite argument when Reuel and I were debating this back in 2006.

At that moment in time, given where Iraq was, Iran's capacity to do damage to the United States in Iraq was enormous. Today it is minimal, and that is really about the change in Iraq, and it's why a continued American engagement with Iraq and why continuing the progress in Iraq, one of the many reasons it is so important.

OK. Now, back to Iran, your -- our previously scheduled program.

I will also agree with Reuel that, you know, I think that we need to be careful in thinking about just how broad the retaliation by Iran might be, (inaudible) said I think that to a certain extent there will be terrorist attacks. They might try to stir up trouble in some places like Bahrain or the eastern province of Saudi Arabia, but there as well their ability to do so is somewhat limited.

Nevertheless, where I might take exception with Reuel, at least in the stuff that he was talking about, is that I still think that an Israeli-Hezbollah war would be quite troublesome. And while I'm much more confident in Israel's ability to handle it than I was in 2006, nevertheless is one of these moments of opening Pandora's box that I'd really prefer not to have to go through and I think the people of Israel would really prefer not to have to go through if at all possible.

So while I do agree with him that the scale of Iranian retaliation often does get greatly exaggerated, I don't want to suggest for a moment that what the Iranians could do couldn't be troublesome, couldn't lead to a much bigger set of problems in the region.

But the other issue that I'd like to put on the table and talk about a little bit is the question of Iran's nuclear program itself. Because for me that's the other big question mark when it comes to the use of force, is will the use of force actually result in an end or a significant delay, a meaningful delay, in Iran's nuclear program?

Because if the answer is that there's no -- sorry, if the answer to that is no, there's no particular reason to run any of the risks involved in a retaliation and bear any of the inevitable costs that are going to be involved.

And there I remain very skeptical. I actually do suspect that there will be something of a rally around the flag effect. I base that both on what I've seen from Iranians over the course of time. They do seem to be quite nationalistic. They do seem to basically really dislike it when anyone attacks them, even if they don't particularly like their government at the moment.

I also base that on the history of strategic bombing. You know, for decades, for almost centuries, certainly decades, people have suggested that if you bomb a people long enough they'll turn on their own government for saying "You guys got us into that, so we blame you."

It just doesn't work that way. The people tend, very consistently, to blame the people bombing them, whether or not they do like their governments. And so I am skeptical that you would see the Iranian people turn in a meaningful way as a result of the bombing.

I think it is much more likely -- whether or not they do, I'm quite convinced that this regime will use the bombing as an excuse to further crack down and to do what it wants to do, and I very much fear that the hardliners -- the hardest of the hardliners in the regime, those who really want the deployed weapons capability will use bombing as an excuse to basically say to anyone who is to the left of them -- and the people to the left of them are not exactly leftists; they're just not quite as far to the right as the hardliners -- and they'll basically say to them, "Look, the reason we got bombed is because we don't have a nuclear weapon. What's the difference between Iraq and North Korea? North Korea had a nuclear weapon; Iraq didn't. And this is now proof that we have to."

I'd suspect that they will use a bombing to withdraw from a non-proliferation treaty and to basically go about moving, shifting their focus from this Japan capability that they constantly talk about to a full-fledged nuclear arsenal.

And, you know, there is -- having done a lot of work on dealing with those two situations, there is a big difference in terms of the stability of the Middle East between Iran with the Japan capability versus an Iran with a deployed capability. The latter is much more dangerous than the former.

Last point: a (inaudible) number of people raise the Osirak raid, Iraq 1981, as being good reason for a bombing attack on Iran.

And the argument is basically made like this. When Israel struck Osirak, the best Israeli estimates were that they might set that Iraqi program back by one to three years. And what happened? The Iraqis never got a nuclear weapon.

It's a true statement. It's also a very misleading one, I would argue a very dangerous misleading one.

Because the fact of the matter is that the Osirak strike did not turn off the Iraqi nuclear program. Instead, it caused Saddam to redouble his efforts.

He went from a small, actually quite backwards program that most estimates believe would take about 10 to 15 years to produce a nuclear weapon to a much more aggressive, much more extensive, much better concealed program going from a single track at (inaudible) to six different tracks across the country, at least three of which the IAEA concluded afterwards could have produced a bomb.

What prevented the Iraqis from acquiring that capability was not Osirak. It was Desert Storm, and let's remember, when we went in after Desert Storm, IAEA concluded that the Iraqis might have been as little as 12 months away from having a nuclear weapon.

So Osirak did not stop the Iraqi program. Arguably, it actually caused -- it actually made it more dangerous. It certainly caused the regime to make a much greater investment in the program, to make a much more aggressive effort to acquire it, and a much more aggressive effort to conceal it.

That's what I'm concerned about with Iran. Can I prove that that's the case? No. But I think that's the way that the evidence suggests is more likely.

And when it comes to doing something like bombing; when it comes to military operations, my feeling is opening Pandora's Box, as we've just learned in Iraq, is something you don't want to do unless you're absolutely certain there's no other way to deal with this problem.

MAY: Thanks, Ken.

I'm going to ask two more questions, and while those questions are being answered, if you want to let me know if you want to ask a question, I'll go to those, but I'm taking moderator's prerogative and -- and asking a couple of questions first.

And one is, I thought it was General Amidror on this -- these conversations usually proceed from the assumption that the use of military force would be against the nuclear facilities.

But there, I would think, are other options, one of which was suggested, according to the WikiLeaks document dumps, by a Saudi, which is cut off the head of the snake, by which I assume him to mean target the regime's jihadi leadership directly, never mind the facilities.

The other option I've heard discussed occasionally, not so much as hitting the nuclear facilities, is the possibility of us, before there are nuclear weapons, essentially wiping out all conventional Iranian nuclear -- military forces. I mean, wipe out the navy, wipe out the air force, leave the regime badly humiliated and intensely vulnerable.

Can I ask you (inaudible) can jump in if they want to or not, just to comment on those other possibilities, approaches?

AMIDROR: I assume that, if it is coming to an Israeli decision, we have to understand our limitations, and Israel is not in a position to take Iran as a whole as one target in which we will spread our capabilities all around.

We'll have to be very focused and to be sure that, after the end of the operation, the delay will be as long (inaudible) as possible. And I don't see any other targets than those strictly connect to the nuclear plan.

I -- I must say -- I want to say something about the Iraqi example. You are right that in the end it was Desert Storm, but without hitting the nuclear reactor by Israel, Desert Storm wouldn't be (inaudible) because the Iraqis would have a nuclear bomb before Desert Storm.

So you cannot put it aside and say, hey, guys, it didn't (inaudible) the nuclear reactor bomb. We did it in Desert Storm.

It's true that the next stage was done by you. I think that you are a little bit exaggerating about the capabilities of the -- of the Iraqis before Desert -- Desert Storm.

I was very much involved in the research of the United Nations things in Iraq. And I think that there is a bit of exaggeration describing Iraq as having, a day before, having their nuclear capability.

But anyhow, without the nuclear bomb some years before that, Desert Storm could not be implemented because, as you know, you don't attack nuclear states. Take North Korea as an example.

And this is why, exactly because of that, we should be sure that we are not coming to the stage in which Iran is North Korea, that we cannot do anything -- we, the world, cannot do anything because Iran has a nuclear capability.

And -- and think about the world in which Iran has it, not just how they use the umbrella to -- to blackmail the -- its neighborhood, but think about what will be the perception of all the Middle East states, understanding that both the United States of America and Israel couldn't stop Iran. What would be the reaction of all the strong and weak states around?

I think that you have, when you -- when you put it, it's not just the delay. It's also the question what will be the reaction around if nothing will be done by both Israel and United States of America?

Don't measure it. Just (inaudible) the atmosphere that it will build around the whole notion who is leading the -- the Middle East.

You want to understand where the (inaudible) is going, look at the weakest elements in the Middle East. Where are all the Druze in Lebanon? How will they move from one site to another, and where (inaudible) is standing?

And try to understand what we did (inaudible) this picture, not just relating to the delay of the Iranians, but understanding of what can be done and cannot be done when Israel and United States of America both are impotent.

MAY: I'm going to let Jeffrey and Reuel respond to that, and then I will not ask my second question because I can see there's a lot of interest in asking questions out there, so I'll do that.

Jeffrey, interrupt.

GOLDBERG: Yes, very, very quickly just one observation, and then actually, if you pardon me, a question back to the panel.

The -- you know, the -- the one argument opponents of any military strike make is that the U.S. military is overstretched, tired, fatigued, et cetera.

If you go talk to people at CENTCOM, for instance, you'll find that that is not true, and I'm not talking about people who support a military strike against Iran, because at CENTCOM we actually do support a military strike against Iran.

But -- but what they'll tell you, factually, is that the U.S. Navy and the U.S. Air Force are, if anything, underutilized right now.

And -- and -- and they're looking -- I wouldn't say, well -- they're -- they're looking...

(LAUGHTER)

You have to justify your project somehow. No, they're not. You know, and the fact is they're not -- they're not warlike or hawkish on this question at all, but they simply say to you that the following, that, you know, we can -- we can -- we can do this, and we have

the bombers sitting in Louisiana and South Dakota and various other places that can do this, fly over there, do it, come back and go again.

It's not that big of an issue. Iran's navy is nothing. Its air force is nothing in comparison.

And -- and I think what you're going to hear in the next couple of years, particularly from people like Lindsey Graham, who's taking a lead on this now, is -- is the idea that, if America were to do this, and of course Lindsey Graham is one of those people who thinks that America should -- should get ready to attack Iran -- that -- that an attack, unlike an Israeli attack -- that an American attack would target all of the Iranian air force and naval assets, and possibly economic assets as well, which it can do with relatively little difficulty.

It's harder, actually, to find the nuclear facilities than it will be to find air force bases.

The -- the -- the only question that's, sort of, looming in this panel right now is where we think President Obama is on this question, because I realized in -- in -- in covering this issue that Bibi is not -- Bibi or Barack -- they're not the most important players in this drama, nor are actually the Iranians in a kind of way.

They -- they're -- they, since I believe that they are inexorably moving toward -- toward the nuclear threshold, the question is where is President Obama. And I would love the panelists on -- on that question, because that's -- that's absolutely key.

The Israelis will only make their decision once they are convinced that President Obama under no circumstances will -- will seek a military option to deny Iran its nuclear weapons.

So if -- if I can put that out there.

MAY: Reuel, you want to respond to...

GERECHT: Yes, just one little thing on -- on, Ken, what I largely agreed with.

The -- I think it's fair to say that the people who are to the left of Khamenei are in prison right now, and then the people you have to deal with are him and the Revolutionary Guard Corps. And let me just remind you, as the 9/11 Commission Report lets us know, the Iranians aided and abetted Al Qaida before and after 9/11.

Ayman al-Zawahiri has been a poster boy, a Sunni poster boy for the Iranian regime since the 1980s.

That you would allow to have a nuclear weapon to a country, to a man and an organization that look very fondly and have operationally aided Al Qaida -- I just find to be nuts.

I -- now I would agree with Ken. I -- I actually think that the main issue here -- and that sort of gets to Jeffrey's questions -- is going to be about Iranian misfiring.

They do have just an astonishing ability to do the wrong thing at the wrong time, and I think what's much more likely in this scenario is not that the Americans would preempt or the Israelis would preempt or prevent; it's that the Iranians would do something stupid, and that as they get closer to obtaining the nuclear weapon, hubris -- the particular Iranian-Islamic hubris which defines the revolutionary regime -- will get the better of them, and they will do something like Khobar Towers, where they struck us in 1986,

perhaps even on a greater scale, and then you're going to have the great question put forward to President Obama or whomever else, "Do you retaliate?"

And if you are going to retaliate for this act of terrorism, will you at that time say "I really do not want this regime to have nuclear weapon"?

And even though Ken is absolutely right, I cannot guarantee on a timeline that this is going to be a two-year delay, a three-year delay, a five-year delay or a 20-year delay. I do not know.

Will we nevertheless strike? Because the known fact of this regime having nuclear weapons is just too much to bear.

MAY: Let me go to Congressman Mike Coffman up here for the first question.

And I know there are a lot of hands up. I'll do my best to go through, if everyone can be (inaudible).

QUESTION: Well, thank you, Cliff.

I was in Israel with a Congressional (inaudible) delegation in August of 2009, and asked the same question about Israeli response to Iran and their development of a nuclear weapon.

In separate meetings to Netanyahu, to Peres and to senior Israeli military leaders, they all gave the same response.

They said that it wasn't practical, that in Iraq it was one facility above ground, that they wouldn't 'fess up to (inaudible) but they said, according to press reports, (inaudible) one facility above ground, and that the best course of action was for the U.S. to go forward with aggressive sanctions and that Iran was at a tipping point, and that they would require relief from those sanctions in order to stay in power.

And so I wondered, if -- obviously, they might have been just spinning me to get me -- you know, to get us to go back and to move on aggressive sanctions, but wondered if you all could comment on that?

MAY: Go ahead (inaudible). They were spinning you to get you to push for a list of sanctions.

(LAUGHTER)

MAY: OK, are we finished with that one?

(CROSSTALK)

(UNKNOWN): I also wanted, I mean, to pick up that, and making it into something that Reuel said, it's this issue of provocation. The nature of a strike changes dramatically if there's a provocation. There's another element that I chose not to bring in, just in the interest of time, when I was responding to Cliff's initial question, which is, you know, we have to think about getting again (inaudible).

If the Iranians, and I think, again, it's most likely that the Iranians would try to rebuild afterwards, so the question is what happens the day after it, and I think one of the other big problems with a strike is, under the wrong circumstances, a strike can destroy everything that the United States and Israel, all of our allies have been working so

assiduously to build up over the last seven years, in which the Obama administration -- I give them a lot of credits on this -- has done a really remarkable job over the last year and a half.

We do have a pretty good international coalition, certainly a hell of a lot better than we did 18 months ago. Resolution 1929 is a hell of a lot stronger and harsher than I think the Iranians expected, that pretty much anybody else expected. And there is real pressure, as General Amidror put it -- pointed out -- on the Iranian regime.

And moving forward, we want to be in a position where we can maintain that kind of pressure on the Iranians, where we can keep them isolated, so that if they do try to reconstitute, they're not free to do so.

In the face of a provocation, I suspect we will be much better able to actually hold onto that international support for sanctions and for the other elements of pressure on Iran.

Absent of provocation, my guess is that that stuff all goes away, that they will all look at us and say, we told you not to bomb, and now that you've bombed, yes, the Iranians are withdrawn from the NPT; what did you expect?

And they will blame us rather than blaming the Iranians, and we can argue until we're blue in the faces as to whether that's the right response, but my fear is that that is the response.

So this is (inaudible) of the provocation is an important one, and also, Congressman, the point that you're making, that right now I think there is an alternative, at least for the moment.

I think General Amidror pointed this out as well. The Iranians are having a lot of trouble with their own nuclear program, in part because of sanctions, in part because of someone's covert action campaign against them. We can only wish that country well and hope that others will join in the effort, in part because of a whole variety of factors having to do with their own inefficiencies and incompetence.

That gives us some time, and the piece that Jeff quoted me on is a piece I put in the National Interest about a month, or a month -- two -- ago, talking about how to ratchet up the pressure on Iran, using more aggressive sanctions, pursuing human rights, covert action, a variety of other means as a way of bringing far more pressure to bear on them.

AMIDROR: To the question, I don't think it was a spin, because it is really belief, and more than belief, a (inaudible) of force of the Israelis and for sure the decision-makers that sanctions will -- will make the job.

And -- and for them it's not a spin. It's a real wish and hope.

Now, you ask me to assess if it will lead to the situation in which military forces will not be needed. I am very skeptical.

(UNKNOWN): I just -- one more thing with Ken, since I have to continue, that I agree with everything that Ken just said. However, I think we need to be very careful about not letting the process actually become the end. It's a -- it's a very dangerous thing, and it's a recurring thing, (inaudible) where the process of trying to stop the Iranian nuclear program actually becomes more important than stopping the nuclear program.

MAY: OK, (OFF-MIKE). Let's go to Michael Goldstein real quickly, and I know there are a lot of hands up, so we're going to try to go through a lot of questions quick.

(UNKNOWN): This will be really quick. For Ken, your comparison of the Osirak attack causing Iraq to redouble or times-six its efforts, isn't it true that Iran is already doing -- they're up to as much speed as they can get, and an attack on them isn't going to make them work any harder? Isn't -- isn't that correct? So in that way the analogy fails, I think.

POLLACK: I would actually disagree with that, and I disagree with it on two scores.

First, the Iranians -- there are certain things that the Iranians could be doing that they're not doing just yet, in particular, things like hiding their facilities. You know, we've seen them try with the Qom facility.

The other piece that's out there is again the inspectors. We need to recognize, if Iran withdraws from the NPT, the IAEA is gone.

For an Israeli strike, for an American strike, 90 percent to 95 percent of the intelligence for that strike is going to come from the IAEA, and this is what we again learned in Iraq, was that once we lose the inspectors, we are blind.

You know, after we lost the inspectors in 1998, that's when all of a sudden we had these ridiculous assumptions -- proved to as ridiculous -- at the time, they seemed perfectly reasonable about what the Iraqi program was becoming.

And what it pointed out was how completely blind we became to what was going on in Iraq with regards to their weapons of mass destruction program once we lost the inspectors.

But as inspectors are absolutely without question the best source of information as to what the Iranian program is, where it is, what it is doing, everything else.

Once they're gone, the Iranians can do a lot of stuff that they're not doing now, in large part because the inspectors are there, and they are concerned about, you know, even the Qom facility. They were trying to do it in such a way that the inspectors wouldn't find it. We did.

MAY: Let's go to Ken Timmerman right here.

QUESTION: I'm going to ask my question with my hat -- hat as the president of the Foundation for Democracy in Iran.

Look, General Amidror and the rest of the distinguished panelists know very well the problem is not Iran's nuclear weapons.

Israel does not fear nuclear weapons in Great Britain. You don't feel -- fear Great Britain's even in France. You fear...

(LAUGHTER)

You fear nuclear weapons in the hands of a radical, expansionist, imperialist, aggressive, genocidal regime.

The problem in Iran is the regime in Iran.

Now, my question is why is the United States government -- because Israel doesn't have these capabilities -- why is the United States government not focusing on helping the

people of Iran, as some people mentioned yesterday, instead of just looking at a kinetic solution?

The best nonproliferation tool we have is regime change, so why is the Obama administration following in the steps of the State Department professionals, not the Bush administration political people but the State Department professionals, who canceled the money for the pro-freedom movement in 2005-2006?

Why is the Obama administration not helping the pro-freedom movement, which is our best tool against nuclear arms in Iran?

(APPLAUSE)

MAY: I think Reuel wants to defend the Obama administration.

(LAUGHTER)

GERECHT: Thank -- thank you, Cliff.

MAY: Yeah.

GERECHT: Let me say what the policy to that -- Ken was advocating is a containment policy. A containment policy is regime change policy. People often don't look at it that way, but that's what it is.

Now, I would just say that I -- this isn't really a defense of the Obama administration, but regime change covert action, which is what the gentleman is talking about, is extremely difficult.

I'm all in favor of it, but it is extremely difficult.

The Central Intelligence Agency, where both Ken and I used to work, hates it passionately, will fight it doggedly, and would require the president to exercise enormous amounts of attention and muscle to even make the bloody thing move.

So again, I am in favor of it. Let it be said. But it -- have no illusions about -- about it -- it being able to get off the ground very quickly.

Covert action takes a lot of time. You have to build up the cadre that actually knows something. The case -- case officer cadre in the Central Intelligence Agency always fights programs where they actually have to know something, so ...

(LAUGHTER)

GERECHT: ... it is -- it is going to be an extremely difficult task, and I'll let that be said, if Ken wants to add anything.

AMIDROR: You can serve -- you can bake the (inaudible) brownie thing, the \$200 million. He will keep some of it for himself, and we'll make the job.

(LAUGHTER)

(UNKNOWN): I'll just be very quick because I just can't resist the opportunity that -- the number of times in my lifetime that I've agreed with Ken Timmerman are very few, and so I can't resist this moment to actually say I tend to agree with Ken on this.

I suspect that he and I might disagree with some of the details, but I think that this is one area where the Obama administration really does need to step up.

When I was talking about human rights, that's exactly what I have in mind.

I think that we need to be doing more in terms of helping, you know, the Iranian opposition, whether it is the green movement or a variety of other groups.

I think it's absolutely critical. I think that we need to make a much greater focus on human rights abuses in Iran. I think it is both the right thing to do and the strategically smart thing to do.

MAY: I think it's -- I think it's odd that we can bring together at this meeting unexpected coalitions.

With that in mind, Robert Dreyfuss of the Nation.

QUESTION: Well, I don't know quite where to start.

(CROSSTALK)

MAY: Please stop right there. If you don't know where to start, let's ask someone else to ask a question. We need a question...

(CROSSTALK)

(LAUGHTER)

MAY: I'd better be very tough about this.

DREYFUSS: What's missing from the discussion is the fact that in the White House and in the American military, there's zero appetite, as Jeff Goldberg pointed out, for an attack on Iran, that there's no legal basis -- international law or anywhere else -- to -- to justify such an attack.

And our allies, as well as our advisories like Russia and China, would -- would scatter instantly in the event of an attack.

So, for all of these three reasons, it just seems to me that this is off the table, as much as the president says it's on the table.

So what -- what am I missing?

MAY: Thank you.

(CROSSTALK)

MAY: We're trying to form coalitions here.

(CROSSTALK)

GOLDBERG: It's a big tent, pro-democracy here. It's a big tent.

The -- that's -- Robert Dreyfuss makes some interesting points.

I don't -- I don't think it's entirely true that everyone in the military -- in -- in the administration, in particular, is opposed to this.

I -- I think, and I -- I certainly don't see this coming imminently, but I do believe that President Obama is very seriously motivated by a fear that Iran crossing the nuclear threshold will lead to proliferation of nuclear weapons of the world's most volatile region.

And I think he's really -- he's been seized by that issue forever, as we know.

And I -- I -- I don't necessarily see President Obama one day supporting a -- a military strike on Iran's nuclear facilities to save Israel or to save the United Arab Emirates, but I could imagine him taking some definitive action in order to prevent history remembering him as the president who most sought a nuclear zero world who inadvertently oversaw the greatest expansion in the number of nuclear powers in the world. It would be an act of extremely muscular counterproliferation.

But I -- I don't -- I don't think he's a pacifist. That's one of the things that I -- that I learned in the course of doing this reporting, is that his is -- he's really seized by this issue.

Whether or not that actually translates into military action, I don't know.

MAY: Let's go to the -- in the front row, and then -- yes, just start right here.

And I just want to throw this out on the table. You may want to deal with or not. It may be that it is useful to talk about what the world would be like if there were to be a -- an oil-rich, jihadist nuclear-armed regime in Tehran.

GOLDBERG: How do you feel about it?

(LAUGHTER)

MAY: On the balance, I think it would be negative.

(LAUGHTER)

It's like a 49/51, but I'm just the moderator, so I don't want to..

QUESTION: Reuel, as you know, for my 60th birthday I bought myself a BMW motorcycle, so...

(LAUGHTER)

I've heard described such an operation, Mr. Pollack, as tactical, as opposed to strategic, and -- but in a strategic sense, if Israel were to begin it, I think the U.S. would actually see not finishing the job as a lost opportunity, one that could be disaster at the polls.

So, assuming it was a one-two punch, could the regime survive such a bombing?

As -- as I suspect that these people really want to get rid of that regime, and rather than rallying around the flag, I think this would be the opportunity not only for a much greater revolt of the people, but also an opportunity for us this time, as Mr. Timmerman suggests, to help the people and solve many, many problems and literally win half the long war.

POLLACK: First, will the U.S. lose the opportunity?

Oh, sure, we lose lots of opportunities. The numbers of opportunities we actually take advantage of I can count on my hands, so let's not bank on that.

But more importantly, I -- I understand the sentiment behind the question, and I can certainly sympathize with it in the desire, but again, I'm a student of military history.

I teach courses on it. I've spent my whole life on it. And the idea that you've just put forth is an incredibly seductive one that people have believed for decades, and the problem is we have tremendous amounts of evidence it has never happened -- never.

People do not rise up in response to enemy bombing attacks. OK?

So we can wish that it would be the case, but the evidence argues compellingly the opposite. That's not to say that there aren't things that bombing accomplishes. Bombing can accomplish certain things. It doesn't -- it has never accomplished that.

So if that's what you're looking for, you've got to look to some of the other stuff that I'm talking about doing, in terms of helping the Iranian people, in terms of putting pressure on the Iranian regime, in terms of naming and shaming and sanctions. That's the way you go about it.

But bombing doesn't produce popular revolution.

(CROSSTALK)

AMIDROR: Yes, but at the same time -- at the same time, if I may, bombing does -- do not leave before rallying around the flag, as far as it is going to be -- to be experienced in the Middle East.

In 2006 we had -- we had an operation against Hezbollah. Hezbollah is not stronger within the Lebanese population today than it was before -- before the operation.

Someone crashed the nuclear reactor in -- in (inaudible) and (inaudible) is not -- is not now stronger within the population than it was before. Saddam Hussein was not stronger after the reactor in -- in the '80s.

So I agree that it might not lead to a -- to a stronger opposition and revolution if that will be a -- even if it could be a very successful attempt.

But on the other side, I think that there is the myth that it will bring the opposition around the government to support the government if that project (inaudible) by military forces from the outside.

(CROSSTALK)

GERECHT: ... defend Ken Pollack. I mean, I -- I would disagree with -- a little with Ken in that I don't think that a -- bombing runs on the nuclear facilities are going to make people in Iran who loathe Khamenei and the Revolutionary Guard Corps love Khamenei and the Revolutionary Guard Corps.

However, we have just -- we have just witnessed the regime successfully dismantle a -- a -- a civilian protest that put over 2 million people on the streets. They have deployed rape and torture quite effectively. They have borrowed a page from Saddam Hussein.

I am deeply skeptical that any -- any type of American military operation short of an invasion would change the dynamic of political control inside of the country, at least on the short term, and the mid to long term I don't know.

I do believe that, if you lose a battle, and if the United States were to actually destroy those nuclear facilities -- and the regime has repeatedly -- or if the Israelis -- which is even more embarrassing -- if the Israelis are capable of doing that, that to lose a battle is not something that wins you a -- a -- a long-term approval in the court of your own people.

So -- and the Iranian government has said repeatedly that the Americans, and particularly the Israelis, do not have the will and the means to destroy their nuclear programs.

So if it actually were destroyed, I think in the mid to long term, the regime would have some answering to do.

(CROSSTALK)

MAY: Very quickly.

GOLDBERG: I mean, just going back to -- there's a huge debate in -- in the Israeli defense and intelligence community about this.

There are a lot of Israelis who believe that a bombing attack would emasculate the regime and -- and therefore allow the people to rise up.

I think a more compelling argument is that the regime would use any -- any attack as -- as a cover to kill -- literally kill or at least imprison and rape and -- and torture what remains of the green movement.

I think it's a perfect cover for a dastardly regime, and I would see it said -- I would see a - - I tend to see an attack as setting back the democracy movement, not -- not giving it legs.

MAY: I'm going to go to Joe Rosenberg.

I'm going to ask (OFF-MIKE) go quickly through these questions because there are a lot of hands up. I want not a lot of people to be angry at me when this is over if we don't get to it. So let's go.

QUESTION: OK.

MAY: Quick...

(CROSSTALK)

QUESTION: Thank you, Clifford -- Cliff.

Jeffrey, your assessment of Netanyahu, because I think the interesting thing is your article was the cover story, the article -- the interview you did with him hours before he took the oath of office, talked about an apocalyptic, messianic, you know, regime in Iran.

I think assessing him assessing Obama, and assessing him assessing the Iranian regime -- that's the question.

Because if Netanyahu can't get Obama to do what he wants him to do, the question is -- is -- does Netanyahu believe it's his role in history to -- to do what is necessary, come what may?

GOLDBERG: I think so, but I don't know.

I mean, you're -- you're dealing with a couple of contradictions within the same person.

He is a person -- those of you who know Israeli politics, he -- he does not like to make decisions.

He is a person who is -- you know, as Ariel Sharon said, it's, you know, the -- the view from the chair, the prime minister's chair, is always different than the view from the opposition, and -- and he would be more cautious.

However, I do think -- I tend to think that, at the end of the day, he would feel as if he had failed Jewish history if Iran crossed the nuclear threshold on his watch.

And so ultimately I think he -- if -- if all else failed, he would make the decision to at least try to stop the Iranian nuclear program.

MAY: Right here?

QUESTION: I'm just curious. Everyone seems to be of the opinion that a war would be a disaster, (inaudible) it should be a last resort.

We certainly have tried ineffectively to bring about sanctions that are meaningful. It would seem to me that the administration could bring about sanctions that would be formidable, that would bring about a major change in a rapid time.

Sanctions haven't worked because they haven't been effective by this administration in bringing pressures, economically, that would prevent everything you were talking about from happening.

Sanctions against Iran, effective sanctions, in a short order would bring about a revolution and all the other things we're about.

I've been to Iran. I know the situation there. I could tell you that the green movement don't have a chance of succeeding. It's an absolute police state. There is no way they're going to be able to rise up. They have no guns. They have no ammunition. They have nothing, except strong feelings.

So the answer really -- peaceful answer, the real cure, is effective sanctions.

Congress, 99 senators voted in favor of sanctions. What has happened? Nothing. Nothing.

A new bank just opened, half-owned by Cairo, half-owned by Egypt, becoming an international -- everyone knows about it.

MAY: Thank...

TATE: New York hasn't done anything about it.

MAY: We...

TATE: We can do all these things internationally by economic means. Sanctions is the answer now, but effective sanctions.

MAY: We have sanctions on the books, but we haven't enforced them yet. And who wants to just tackle Stanley's question on what -- whether that would work and whether we should?

Ken, that's probably good for you.

POLLACK: First, I agree with you that we need to be putting a greater emphasis on sanctions, and I think that there is more that we could be doing.

Let me make two refinements perhaps to the points you made, which is, first, I actually give the administration credit for getting a lot more effective sanctions than I would have expected.

Going into Resolution 1929, I had very low expectations, and the resolution was a lot harsher than I expected, but I think that that helps to make the case further.

With sanctions, though, my biggest concern about it is that, while you're right, there are cases where a rapid imposition of heavy sanctions have brought about rapid changes in regime behavior. There are also cases out there where it has not been the case.

Again, you know, Iraq seared into my own memory from personal experience. You know, we set up resolutions in -- sorry -- we set up sanctions in Resolution 687 that should have been the most draconian in history, (inaudible) draconian in history, and we thought that they would force the Iraqis to change their behaviors in 145 days. And Saddam's basic feeling was, OK, you know, you want to stop my -- you want my people to starve? Fine. I have no problem with that. It's helpful to me.

And we then had to deal with a sanctions regime that stretched out for 12 years, and again, as one of the people who had to make that thing work, within three years it was falling apart.

So one of my great concerns, as we set up sanctions now, is we've got to be prepared that they won't last in the short term and we've got to be able to make them work in the long term, and we've got to be thinking about sanctions that can actually have staying power, that can be sustained in terms of international public opinion.

It's why, for me, the right model for Iran is not Iraq. It's South Africa.

May: You in the back, all the way in the back? I'm sorry -- all the way in the back.

QUESTION: Thank you. This is a question for General Amidror.

Could you comment on why it seems Israeli estimates of the Iranian program have been one to two years away for about 10 years now?

Does this reflect the failure of your analysts or the success of your saboteurs?

(LAUGHTER)

MAY: That's an easy-to-answer question.

QUESTION: Yes.

(LAUGHTER)

AMIDROR: (OFF-MIKE) the one who in '95 tried to convince you people that Iran is going nuclear and the -- what they got is a very cold shoulder, and it took us another two years to convince there is a plan in Iran -- in Iran.

The answer to the question is both.

In some cases, we didn't make the real calculation. We didn't understand what -- and it -- and it is understood, because what we took into account is the worst possible case in which they don't have any problem, in which they don't face any -- any technical and/or knowledge (inaudible) that they can take time to solve.

And of course, from the minute it was understood here in Washington, in other places, that Iran is going nuclear, from the outside people tried to put as much barriers and to stop Iran from (inaudible) and it is -- it is -- it is going on (inaudible). There's a very dynamic -- without any interference from the outside, what we said in -- in '95 was a real calculation that could bring Iran to have nuclear capability in 2005.

But then that all changed from the minute that it was understood that, if nothing will be done in 2005, the Iranians will have that capability.

MAY: But as we go -- oh, I'm sorry. But as we go fast now, just because we're going into the last five, 10 minutes here, (inaudible), and I'll -- then we'll try to get a few more in.

QUESTION: This is a comment that I'd like, kind of, your reaction, and to move to the other part of the world in North Korea.

I just came back from Japan, and I won't say whom, but a member of the current ruling party said the following: Will the United States defend Japan with nuclear weapons if North Korea uses nuclear weapons against Japan?

And the second question is, when do you think is appropriate for Japan to develop its own nuclear weapons?

That is what you're facing with respect to Iran.

AMIDROR: I think that it's -- it's not only -- if you -- if you look at the Middle East, you will see Saudi Arabia and Egypt, and it's not my assessment. They told you people that that -- they're going to do.

It will not take a long time with Turkey. I understand that it cannot be a superpower in the area without having nuclear capability. I don't know what will be the reaction in Greece after the Turks have nuclear capability.

It will be a disaster, and think about Al Qaida and Hezbollah and others.

Remember, Syria gave Hezbollah the Scud missile, something which was unheard of.

If you'd asked me if (inaudible) would give Nasrallah to see, to look at and to touch a Scud from 200 meters, I'd tell you no. And what (inaudible) did; he gave Nasrallah a Scud.

The meaning of this change is that, if we will not be strong enough and determined enough, we will find nuclear capability in the hands of Al Qaida, Hezbollah and others, not -- not mentioning Saudi Arabia, Egypt, Turkey and I don't know -- you know better

than -- Europe better than me. Who will be next in Europe to defend itself from a Turkish nuclear capability?

MAY: I'm going to ask for three quick questions, and hold your answers. Then you'll respond to those answers.

Start right there -- yes. Thank you. Yes. Yes. Yes.

QUESTION: There's this implicit assumption that any kinetic action is only an air strike, but what about a naval blockade with very limited, you know, air activity in order to defend that.

I mean, that's something that requires a lot less collateral damage.

MAY: OK, I'm going to take several quick questions right here. That one right here, this woman -- no, this one right here, right here. Yes.

QUESTION: I -- I just want to follow up with Jeffrey's point earlier, which is Obama's capacity to -- or stomach for a military strike.

My question is what happens after Israel strikes alone? Will the Obama administration stand up for Israel?

Will it help Israel rearm and deal with Hezbollah attacks?

Will it stand up at the U.N. when the U.N., you know, tries to sanction Israel for the attack?

MAY: And right next to you?

(CROSSTALK)

QUESTION: North Korea: the message that you need to send here is that being a nuclear power does not make you bulletproof.

Just to throw this in at the very last, what about shifting the focus? Cut off the head of the snake in North Korea, and -- which is going through a dicey transition right now, and let the people in Iran look at that.

Thank you.

MAY: OK. Two more questions -- one right here?

QUESTION: Yes. What would the panelists say about -- what would the panelists say about a briefing we had on the Hill November 27th, three years ago, by a prominent Air Force general, now retired -- I won't name his name in case I have some of the facts wrong -- but he said 2,500 strikes in 48 hours with special ops on the ground, there'll be little collateral damage, no after effects, and implicitly he was saying there was -- there would be a regime change, and that it would not -- not include nuclear strikes but only conventional weapons?

And recently I checked and he's still of that mind. Is that really what we would do as an America today, and would Israel not do it perhaps more effectively and efficiently, as they've shown in Osirak and on the Euphrates?

MAY: There's one more question there, and then we're going to take answers -- yes, yes -
- thank you.

(CROSSTALK)

QUESTION: I wonder whether any of you have noticed, if you believe it's true that Israel may have made a strategic decision to persuade the Obama administration to move toward military strikes, Israel saying you're going to have to; we're not big enough?

Was that a decision Israel may have made to really push the U.S. to do it?

MAY: All right, I'm going to let the panel respond to any and all of that, but just one housekeeping -- after -- after this is over, there will be an address (inaudible) by Gary -- Dr. Gary Samore, White House coordinator for weapons of mass destruction, counterterrorism, arms control. It will start right here about two minutes after I've left. Extensive responses take place, so -- but you want to stay in your place for that because we're going to move right along.

Who wants to respond to any and all of that that they've heard?

Go ahead.

AMIDROR: First of all, we -- we don't have the capability for making a naval blockade in -- in Iran.

We don't have the capabilities to attack North Korea.

(LAUGHTER)

I -- I want to be very clear about both, so don't expect Israel to take the job of -- of both.

MAY: The Jewish community in North Korea (inaudible) as well. It could happen.

(LAUGHTER)

AMIDROR: I -- I want to answer to the last -- the last question is very open.

No. We are not pushing America to take the military action. This is the reason why Israel prepared itself to do the job.

We think that America has to make the decision if it is American interest, not Israeli interest, to attack Iran.

If the decision of this -- of this or any other administration will be that it is not the interest of the United States of America, Israel is not pushing America to do -- to do the job.

Yes, we are pushing you to be more determined with the -- with the sanctions. It is in -- it's in your hands, not in our hands.

We cannot do what you can do in this area, and -- and if you can do a -- lead for a change in the regime, it is not for sure you have better capabilities than -- than us.

The reason that Israel is preparing itself to do the job by itself is because we understand that we should not push you to do it if you don't think that it is your interest.

As always, Israel is not asking someone to do the job of defending Israel.

We ask for money for weapon systems, kind of a -- of capabilities that we can buy and we cannot produce, but in the end, the basic philosophy is that, if it is not the interest of the United States of America, you should not attack. We will have to do the job if it is our interest.

MAY: Ken? Good.

POLLACK: Very quickly, just on the naval blockade. You know, it's an interesting idea, and if we get to that point in time when force really is on the table, it's something worth considering.

But it goes back to the point that Bob Dreyfuss made that actually is worth keeping in mind, which is that there is no basis in international law for any military action against Iran right now.

And as a result, that's something the United States would have to build and have to generate support for, and that's important not just because the United States is a government of laws and tries not to flout international law, but more important than that, the naval blockade in particular has to be sustainable.

It is something that will take a long time, like sanctions, to have an impact. And so it has to be sustainable. You have to get international support for it.

Last thing, I just wanted to thank you, Cliff, for allowing, you know, a registered Democrat from the left-leaning Brookings Institution to come to your party today.

It was an honor, Jeff and General Amidror, to be on the panel with you, and in particular, Reuel, it's always a pleasure to be with you.

I always learn something from our debates, and I look forward to the next one.

MAY: (OFF-MIKE) Ken, how thrilled we are to have you, and also the sympathy we have -- don't read the left-wing blogs for the next few days.

(LAUGHTER)

Do not read them.

And I'd just like to note that Brookings now has Bob Kagan.

(LAUGHTER)

GOLDBERG: Can we stop the love-fest for a second here?

MAY: Yeah, sure. Yeah, yeah.

(LAUGHTER)

GOLDBERG: Just -- just, I mean, they're very adorable, though, those two, when they get going. They really are. They're really adorable.

(LAUGHTER)

GOLDBERG: The -- I can answer the answer on Obama and Israel.

I -- I asked -- this was a year ago, already -- I asked an Arab foreign minister who I won't name, though you can see his name in WikiLeaks, what his ideal vision of how this -- this drama would play out, and he said his -- his dream is that Israel will attack Iran's nuclear facilities, screw it up.

The hornet nest being aroused, the Iranians will begin to attack American interests in the Persian Gulf, forcing President Obama to come in and wipe Iran off the map, to borrow some language.

And at the end of the day, he said what -- what we'll get -- we, meaning the Arabs -- is the Persian threat will be neutralized, and that -- and the Americans will be pissed off at Israel, leaving the Arabs as their only friends, the Arabs having done actually nothing to achieve -- to achieve their -- the goal.

And I think this is actually borne out by what we've read in the last couple of weeks.

So I don't -- I -- all I can say is that -- is that President Obama is -- is no different than any other president in that he does not want to be forced by a small country to go to war when he doesn't feel like going to -- to war. I think that's -- that's a fair assessment to make.

He's also not unaware that -- that many Americans, Jewish and non-Jewish, see Iran as an enemy. And he understands that it would not necessarily be an unpopular war if it went quickly and well.

But that being said, he's certainly not in the mindset of -- of going to war with Iran right now.

When I say that there's a -- there's a possibility that he would look at the -- the treat to nonproliferation and go to war, I think that's -- that is -- it's plausible, but not probable.

MAY: Our time is basically up.

But, Reuel, if you want to do about 10 seconds?

GERECHT: Yes, I was going to say, if -- if Billy Bob Thornton can play Santa Claus, President Obama could conceivably, you know, go to war with Iran.

(LAUGHTER)

I -- I mean, I -- yes, you know, it's -- it takes time. I mean, people tend to forget -- I mean, the Europeans got into playing the EU3, negotiating with Iran on the nuclear program in 2003. After the (inaudible) revealed the program in 2002, they initially went into that not because they fear the Iranian nuclear program. They went into it because they feared George W. Bush.

It has taken the Europeans eight years, but now they're beginning to actually fear a nuclear Iran.

They became invested in the negotiations. It was a very astute move -- move by Nicholas Burns. He should get credit for that. He doesn't get as much credit for it. It was a good call.

But these unfortunately take time. The notion of a blockade, the notion of tightening sanctions, the notion of taking sanctions where they need to go, where if you do certain things they should go, which is hitting oil and gas, regrettably takes a lot of time.

I don't know whether that time clock works against the nuclear clock. We all will have to see.

MAY: Let me just thank Ken and Reuel, General Amidror, and even Jeffrey Goldberg...

(LAUGHTER)

... for bringing so much insight and even humor to a very serious, difficult subject.

Thank you so much.

(APPLAUSE)

(RECESS)

DUBOWITZ: All right, for those of you who are just joining us, Welcome to FDD's Washington forum.

My name is Mark Dubowitz, and I'm the executive director at FDD, and I head up FDD's Iran Energy Project, which, as many of you know, focuses intensely on Iranian energy sanctions.

Now, FDD has been focused on the Iranian march to a nuclear bomb and its human rights abuses since we were founded briefly after 9/11, and we've conducted extensive research on -- on sanctions.

And I have to -- to stop for this brief second and -- and really commend the Obama administration. I think in the past 18 months we've seen an extraordinary effort by this administration and an extraordinary international effort to put together a comprehensive Iran sanctions package, as well as an international coalition.

And just to emphasize that, by my count there are about 32 countries that have actually passed sanctions against Iran, representing about a billion people.

So this is a pretty impressive international sanctions coalition. And certainly FDD has been very privileged to work with this administration and with members of Congress on both sides of the aisles. And again as a reminder, the most recent Iran sanctions law was passed by a vote of 507 to 8 in both houses, and signed into law on July 1st by President Obama.

It's worth emphasizing, in a time of bitter partisanship in this town, Iran is a bipartisan issue.

Now I want to introduce Dr. Samore. I've been following his work for many years. He's a tremendously successful government official. He's been focused on a topic of deep concern to all of us for a number of years, the issue of weapons of mass destruction and -- and proliferation.

He is the White House coordinator for WMD, counterterrorism and arms control. He serves as the principal adviser to President Obama on all these matters. He -- he served as the special assistant of the president and senior director for nonproliferation export controls during the Clinton administration.

He's devoted much of his life to this very, very serious issue, and I look forward to his remarks, and thank you for attending.

SAMORE: Thank you very much, Mark.

And thanks to all of you and best holiday wishes.

I caught the tail end of the last panel discussion which I thought was very high-spirited and very enjoyable, and I agreed with a great deal of what was said -- probably more than I can publicly admit to.

(LAUGHTER)

I think it's very appropriate that the Foundation for the Defense of Democracies has chosen for this year's forum to focus on the Iranian threat.

To me, Iran's efforts to acquire a nuclear weapons capability poses one of the most serious international security threats that this country faces.

President Obama has stressed many times that we are determined to prevent Iran from developing nuclear weapons, because we understand that if Iran were to acquire nuclear weapons, it would profoundly destabilize the Middle East and it would have serious consequences for our efforts worldwide to control the spread of nuclear weapons.

I want to focus my remarks on the role that international sanctions play in the president's strategy to prevent Iran from acquiring nuclear weapons.

Sanctions have three functions.

First, in the broadest sense, sanctions against countries that violate the nonproliferation rules are essential to enforce the credibility and the integrity of the international regime of treaties and institutions and norms that make up the international nonproliferation system.

In the case of Iran, they violated the NPT, they violated their IAEA safeguards, they're in defiance of five U.N. Security Council resolutions which require them to fully cooperate with the IAEA to resolve questions about their nuclear activities and which require them to suspend their enrichment and reprocessing activities under IAEA supervision.

So this is a, you know, poster child for a country that is in violation of all of the instruments of the international nonproliferation regime.

The higher price that Iran pays for its violations and its defiance, the less likely it is that other countries will be tempted to follow in Iran's footsteps.

Conversely, if Iran is seen as successfully defying the U.N. Security Council in its bid to acquire nuclear weapons, other countries are less likely to be deterred by the threat of Security Council action.

As President Obama said in his April 2009 Prague speech, quote, "Rules must be binding. Violations must be punished. Words must mean something."

And I think this is particularly important for other countries in the Middle East who feel most directly threatened by Iran's aggressive behavior and by their efforts to develop a nuclear weapons capability, and who are most likely to respond by trying to develop nuclear weapons of their own.

Second, sanctions have a direct impact on the pace of Iran's nuclear program by making it more difficult for Iran to obtain essential materials and components for its nuclear program.

Under the relevant U.N. Security Council resolutions, all countries are legally required to, quote, "take all necessary means to prevent the supply, sale or transfer, directly or indirectly, from their territories or by their nationals or using their flagged vessels or aircraft, of all items, materials, equipment, goods and technology which could contribute to Iran's enrichment-related reprocessing or heavy water-related activities, or to the development of nuclear weapons delivery systems."

That's a pretty airtight, legally-binding requirement on countries to -- to deny Iran access to those essential components.

In addition, individuals and entities involved in Iran's nuclear and missile program have been specifically targeted with travel restrictions and financial bans. You can see the lists in the various U.N. Security Council resolutions.

The most recent resolution adds a ban on Iranian investment in nuclear industries abroad, which is primarily intended to block any effort by Iran to invest in foreign mines or other deposits of natural uranium.

And the latest resolution provides a robust mechanism for inspecting Iranian cargo and seizing contraband.

These U.N. Security Council sanctions, combined with enforcement by the U.S. and its allies, have had a significant impact on Iran's nuclear program.

With restricted access to supplies of specialized raw materials and finished components, that has contributed to Iran's technical problems in their enrichment program.

It's helped to -- it's helped to limit both the number and the reliability of the centrifuges that they're able to build, and it's also complicated their efforts to develop more advanced centrifuge machines.

In addition, the completion of the 40-megawatt heavy water research reactor, which is a potential source of plutonium, has also been seriously delayed by Iran's inability to acquire essential components from foreign sources.

Now delaying Iran's nuclear program is essential to buy time for the dual -- dual-track strategy that the administration is pursuing.

And this takes me to the third row of sanctions, to affect Iran's calculation of the costs and benefits of continuing to pursue its nuclear weapons program.

On the benefit side, President Obama has offered to engage Iran unconditionally on the basis of mutual interests and mutual respect, and to improve U.S./Iranian relations as Iran complies with its international obligations.

As President Obama said in Prague, we want Iran to take its rightful place in the community of nations, politically and economically. We support Iran's right to peaceful nuclear energy with vigorous inspections. This is the path the Islamic Republic can take.

Of course, Iran has failed to take advantage of that offer. As a consequence, we've moved to increase the cost side of the ledger, including economic sanctions.

And, frankly, Iran's clear rejection of our offer of engagement, as well as President Obama's personal involvement in building our international coalition, such as his direct interventions with Russian President Medvedev and Chinese President Hu, has enabled us to produce U.N. Security Council Resolution 1929 in June of this year, which establishes the most comprehensive set of U.N. sanctions on Iran to date.

As you all know, Iran tried to block U.N. Security Council resolution action with last-minute diplomatic maneuvers, but President Obama was determined to demonstrate that the threat of increased pressure is real.

Following the passage of 1929, we've seen the E.U. and other countries from Australia, Canada, Norway, Japan, South Korea and others, have adopted measures which go beyond the strict requirements of 1929.

In other words, 1929 was always intended to provide a platform which would allow other countries to have the political basis to take additional measures.

The E.U., for example, has prohibited the opening of new outlets of Iranian banks, the establishment of any new correspondent accounts by Iranian banks, and the provision of insurance or reinsurance to any Iranian entity.

In the U.S., as Mark mentioned, the Comprehensive Iran Sanctions, Accountability and Divestment Act, which the president signed on July 1st, has significantly amplified this effect by making it difficult for companies doing -- some businesses in Iran to also do business in the United States.

Now, there's no doubt that these unprecedented sanctions have caused real economic dislocation inside Iran, especially in the financial and the energy-development sectors.

Iran is effectively unable to access financial services from most banks all around the world, and it's increasingly unable to conduct transactions in dollars, the pound or -- or the euro.

International companies, including in the energy sector, have recognized the risk of doing business in Iran and are abandoning existing business opportunities and not taking advantage, or not seeking new ones.

This trend has been replicated across a broad range of industries. Such companies who have made a strategic decision to limit their exposure in Iran include Shell, Total, ENI, Tokyo Lukoil (ph) and many others.

I think this is particularly important in terms of Iran's ability to attract foreign investment to modernize its energy infrastructure.

These economic consequences of sanctions has been amplified by the Iranian government's own mismanagement of their economy, which has led to high employment and high inflation, and together, sanctions and mismanagement are adding to a sense of political discontent among broad sections of the Iranian public, who of course have other grievances, including their -- their dissatisfaction with the election.

Of course it remains to be seen how high Iran's pain threshold is, and whether Iran is ultimately prepared to comply with U.N. Security Council demands to suspend its reprocessing and enrichment programs in exchange for suspension of sanctions measures as provided for in U.N. Security Council Resolution 1929.

It may be that Iran has decided to resume talks with the P-5- plus-1 at the recent Geneva meeting because it believes it can manipulate the appearance of negotiations to weaken existing sanctions and avoid additional measures.

This ploy is not going to work. In the wake of the Geneva talks, we and our allies are determined to maintain and even increase pressure.

We need to send a message to Iran that sanctions will only increase as Iran avoids serious negotiations, and will not be lifted until our concerns are fully addressed.

Iran has the opportunity to be integrated into the international community or face further isolation.

It has the chance to benefit technologically, financially and politically, and not continue to be squeezed economically.

Iran can gain much by fulfilling its obligations, or it can continue to pay an increasing price by continuing its pursuit of nuclear weapons.

The choice is Iran's, but it's up to us to make sure that they're confronted and have to make that choice.

Thank you very much. I'd be happy to take some questions from the audience.

(APPLAUSE)

DUBOWITZ: OK, folks.

Eli Lake?

QUESTION: Eli Lake, Washington Times.

How would you characterize China's compliance with UNCR 1929, and what do you say to allies who complain, particularly maybe in Japan, that while they're giving up business opportunities, China's just filling the gap?

SAMORE: I think China is complying with 1929. I think Chinese, you may have noticed that there have been no big new oil or gas development contracts signed since 1929.

I think Chinese companies and the Chinese government recognize that the objective of preventing Iran from developing nuclear weapons is one that is in China's national interest, and I think the Chinese also recognize that if their companies are seen as exploiting the restraint that other countries and companies are exercising, that will have consequences for U.S. -- for U.S.-Chinese relations, and also have direct -- and have direct economic consequences for those Chinese companies.

Now, obviously the extent to which -- as I said in my speech -- the extent to which we're going to make this strategy work is going to require international cooperation, and as the -- as the diplomatic process plays out, the challenge for us will be to keep the pressure up.

I think we want to make sure that during the process of negotiations, the Iranians don't feel that the pressure is letting up, and I think that's going to be -- and we'll be working obviously very hard with not only the Chinese but other countries to make sure that we not only comply with 1929, but take additional measures in order to produce a successful outcome at the bargaining table.

DUBOWITZ: Hilary?

QUESTION: Hi. Hilary Krieger from the Jerusalem Post.

There are reports that Iran could be supplying Venezuela now with missiles that could have some capability if used against the United States, and I'm wondering how you see that changing the strategic environment, if you think that's going to go forward, and what the United States is doing to counter these kinds of efforts by Iran in South America.

SAMORE: I'm not sure I can specifically comment on the question of missile sales to Venezuela, in part because I don't think I actually know what the situation is.

But the U.S. -- I mean, under, you know, the various U.N. Security Council resolutions, Iran is prohibited from selling arms to anybody, not just missiles, but small arms.

So we're -- you know, we have a very intensive program in place to intercept and prevent arm sales, you know, from Iran from taking place. So we'll continue to do that.

DUBOWITZ: David?

QUESTION: Gary, David Sanger from the New York Times.

There were some reports last week, some of which came out of the State Department documents, about Iran obtaining from North Korea this BM-25 missile, and then there was some question on the part of the Russians and others about whether they'd really obtained it.

What have (ph) you come out on that, and if they did obtain it, would it make any significant difference or not in the capabilities as we now understand them?

SAMORE: We've been told not to comment on any of the -- any of the documents or any of the information contained in -- in the leaked cables.

But -- but I do want to make a general point about Iran's missile program.

I think Iran's missile program has moved forward with more success than its nuclear program, you know, and in large part that's because of the very substantial assistance they've received from North Korea going back almost 20 years now.

And I think one of the reasons why we've been successful in convincing the Europeans and even Russia that we need to move ahead with a missile defense program in Europe is because people recognize that the facts on the ground are very convincing.

Iran is developing liquid- and solid-fueled intermediate-range systems. They're -- they -- they are developing a very large-scale production capability.

And in the face of that, I think we and our allies, and working with our partners like Russia, we have an obligation to put in place an effective missile defense system.

And you saw in the Lisbon summit progress on that issue, I think, precisely because Iran is driving us in that direction.

DUBOWITZ: Reuel?

QUESTION: Assuming the Europeans, the Chinese and the Russians are actually compliant with all the sanctions, do you think the Iranians have the native talent,

manufacturing and scientific, to more or less get the bomb, even if these sanctions are quite effective?

SAMORE: Well, it's a good question.

I mean, I think Iran obviously, based on the technology that they received from A.Q. Khan in the mid-1980s, I mean, that technology can be used to produce nuclear weapons material.

And the, you know, basic technology for, you know, for producing nuclear weapons is, that's also a very old technology going back to 1945, of course.

So, I mean, in that sense I think they have the basic knowledge.

Translating that into actual capability, of course, can take a long time. I mean, as I said, the Iranians have been working on achieving a nuclear weapons capability since the mid-1980s, and I think we've been quite effective in slowing that down, and I think we still have good opportunities for slowing it down.

But I do think at the end of the day there are many countries in the world, including Iran, which if they're absolutely determined to develop nuclear weapons, they probably have that within their capability.

DUBOWITZ: Laura?

QUESTION: Hi. Since part of the strategy you describe involves using pressure to try to get Iran to make concessions at the bargaining table, after the Geneva meeting can you evaluate a little bit how you see the negotiations bargaining table process developing with Iran?

SAMORE: Well, the Geneva meeting was, of course, just a first meeting, and I think one of my colleagues said that we had low expectations, and we did not exceed them, and I think that's probably the best way to describe the meeting.

I mean, as I said, we are not -- you know, the Geneva meeting has not in any way changed our determination to maintain pressure, and in my view, makes it even more important that we visibly increase pressure, precisely because the Geneva meeting did not produce what I would consider to be any real progress on trying to resolve this issue.

And I think you will see the U.S. and its allies continuing to take steps even before the next round which is scheduled to take place in Istanbul in late January.

DUBOWITZ: Daniel?

DOMBEY: Dan Dombey, Financial Times.

Two questions, if I may.

First of all, you've talked about the importance of slowing the Iranians down.

I don't want to get into the attribution of where it comes from, but given in recent days people have come out with exactly how centrifuges at Natanz have been affected by Stuxnet, and President Ahmadinejad himself has acknowledged that they have been affected, has that been helpful? A simple yes or no.

And the other question is...

(LAUGHTER)

More than six year -- almost six years after the seals at Natanz were broken, is there really any practical prospect of Iran having a complete freeze of all enrichment on its territory?

SAMORE: Well, the first question, I'm glad to hear they're having problems with their centrifuge machines, and I think that, you know, the U.S. and its allies are doing everything we can to try to make sure that we complicate matters for them.

But I also think that their technical problems are -- go beyond, you know, steps that outside countries are taking.

I think Iran has some very significant limitations in terms of both the technology they're working with, the particular type of centrifuge machine they have is, you know, not a very efficient, you know, or a very reliable machine, so there's some inherent technical limits.

And I just think Iran as a Third World country just has some, you know -- just has inherent limits in terms of their, you know, industrial infrastructure and their -- and their human talent. Not anything they couldn't overcome over a long period of time, but, you know, this is not an advanced industrial country, and so there are limits to how quickly they can do things.

As to the second question, I think what Iran is prepared to do depends upon their cost-benefit analysis. And I believe that if the cost and the risk and the threat is high enough, they will accept suspension.

So, to me, it's simply a matter of, to the extent that we're able to bring pressure to bear on them, so that they feel that the price, the cost, the risk of proceeding in defiance of the Security Council is high enough, I think they will accept suspension, as they have in the past. I mean, in 2003 to 2005 they suspended their enrichment program.

DUBOWITZ: Actually, Gary, if I could ask you a question, because we talk a lot about the economic impact of sanctions, but what I've been taught is one of the fundamental rules of strategic communications is put your opponent in the wrong and keep him there.

And that -- could you comment on the political benefits or strategic communications benefits of sanctions, and have you seen a sea change in attitudes, particularly in Europe, with respect to Iran over the past 18 to 24 months?

SAMORE: I think that at the end of the Bush administration, I think the United States made a genuine effort to try to engage Iran diplomatically and the Iranians rejected that.

But I think that it was difficult for the Bush administration to convince other countries that the real obstacle to diplomatic progress was Iran and not the United States.

I think President Obama has removed any doubt. I mean, he has made it abundantly clear that the -- the obstacle to a diplomatic solution is not the United States. It is Iran.

And I think that has helped us tremendously to exploit that, to take advantage of that, to build international support for sanctions.

And I think we're going to be able -- I believe we will be able to maintain the upper hand, and I think that as, you know, you'll see this P-5-plus-1 process work its way through, we

will need to continue to make it clear that the country that is blocking agreement is Iran and not the United States or its allies.

And as long as we can do that, I think we'll be in a much stronger position to make the case for increasing economic pressure.

DUBOWITZ: Claudia Rosett?

QUESTION: Two-part question. Can you rule out that the uranium facility that Sig Hecker reported on in North Korea is in any way connected with Iran? Could you rule that out?

And if you have no concrete information, could you tell us a little bit -- give us some of your thoughts on this apparent business of nuclear outsourcing that was going on with the Syrian reactor facility, the discussion of what might be happening in Venezuela and so forth?

Thank you.

SAMORE: Well, on the first question, I would say that the -- we can't confirm, of course what Sig Hecker saw. We're just going by what he said.

Assuming that what he saw and what the North Koreans told him is accurate, then there's a very big discrepancy between the North Korean program, which appears to be much more advanced and efficient, and the North -- and -- and the program in Iran, which appears -- which is -- it's a different technology and appears to be having some pretty significant technical problems. So that would suggest no connection.

But in response to your second question, I'm very concerned about the risk of North Korea transferring technology or even nuclear materials.

And of course we have examples in the past where they have done that, you know, apparently providing some nuclear material to Libya, certainly helping the Syrians build a reactor which was destroyed by Israel in 2007.

So I think in the future one of the most important elements of our diplomacy with North Korea and with the other countries in the six-party talks has to be to ensure that North Korea does not sell or transfer nuclear technology or materials to countries in the Middle East.

Because I think that could fundamentally change the pace of the nuclear clock that I talked about, and to the extent that that -- in the case in Iran -- to the extent that that clock has accelerated, then we lose time for this dual-track strategy that we're pursuing, which will take months, you know, if it's going to be successful.

DUBOWITZ: OK.

Gary, do you have time for one or two more questions? Great.

Barbara?

QUESTION: (inaudible) Assuming that you were underwhelmed by what happened in Geneva, can you give us a little bit more detail on -- on your sanctions strategy going forward?

Are you looking toward better enforcement of the sanctions that are already on the books, or are there some new measures that you're contemplating pushing for even before the next round of talks take place?

Thank you.

SAMORE: I think it would be an important message to send to take additional measures in the near future, because I think that's a way of correcting any misimpression the Iranians might have that just talking for the sake of talking is going to in any way get them out of the sanctions noose that is tightening around their throats.

So I think it's important that we take additional measures.

QUESTION: (OFF-MIKE)

SAMORE: No, I can't talk to discuss what those are. Those are under -- under consideration. It's something the U.S. and its allies have to do together.

DUBOWITZ: Robert?

QUESTION: Last week Senator Lieberman and a number of other senators sent a letter to the White House saying under no circumstances should you acknowledge Iran's right to enrich uranium, yet it seems that they did that precisely because that's being discussed in the administration, which seems to me like a workable end result or compromise.

Is there any discussion in the White House about that sort of end state, not that you may put it on the table right away, but that -- that from -- getting from here to there, that might be a path that the administration could take, or were these senators just all wet?

SAMORE: Well, our objection -- what we're trying to achieve is compliance with U.N. Security Council resolution. That requires suspension of their enrichment program.

There could be interim steps to achieve that objective, just as the Bush administration proposed freeze for freeze, but the objective of the talks is suspension. And I think given the history of Iran's nuclear activities, given the fact that they're still, you know, not being honest with the IAEA about what they're doing, I think there's very good grounds to suspect that they still seek a nuclear weapons capability.

And to me only full suspension is going to give us confidence that they're not continuing to pursue that.

You know, in the meantime, even if they fully suspended at the known sites, we, based on their past behavior, we'd have pretty good grounds to believe that they might be trying to do something secretly somewhere else.

So I think that even if they complied with U.N. Security Council resolutions, that would not remove, in my view, the need for a very intrusive inspection system, as well as continuing to carry out our own national means to make sure they're not cheating, because that's certainly been their record up to now.

DUBOWITZ: Question over there?

QUESTION: Thank you.

My name is (inaudible). I'm from TAS news agency, Russia.

My question: How you would characterize U.S.-Russian preparations in -- in terms of Iran.

Thank you.

SAMORE: Thank you. I think -- well, the U.S. and Russia have different national interests and so they behave in different ways.

But on the particular issue of working together to pressure or persuade Iran to give up its nuclear program, I think there's been extraordinarily good cooperation.

It's not perfect, because we do have different interests. You have, you know, a much bigger relationship with Iran than we do, and of course countries will act in their own national interest.

But I think the -- a combination of things including the disclosure of the Qom facility, I think the reset in U.S.-Russian relations, I think the good relationship between President Obama and President Medvedev, I think all of that has led to a much more constructive working relationship between Moscow and Washington on this issue.

And I think that's been critical because, frankly, we would not have gotten U.N. Security Council Resolution 1929 unless Russia was prepared to agree to it.

And that -- and through that we were able to, you know, to achieve consensus among the P-5.

DUBOWITZ: I have to apologize to everybody. There's a lot of press here, and I'm angling to be the next White House press secretary, so I'm trying to curry favor.

(LAUGHTER)

Let's take one more question.

Is Keith Johnson from the Wall Street Journal here?

QUESTION: Yeah.

DUBOWITZ: OK.

QUESTION: (inaudible) I just had a question about the -- we've seen a couple of oblique references to Stuxnet and I wanted to ask about these possibilities we heard in -- in the prior panel. A lot of discussion about the efficacy of an actual physical strike, and especially we've come back to this idea of the -- the unknown unknowns and the hidden things.

And I just wondered in general terms if you could sort of talk about what we may be seeing as the wisdom of using new sorts of tools and attacks to automatically hit the unknowns. We don't even know where they are. And if you could just talk in general terms about the ability to do things through virtual measures like that.

SAMORE: I don't think it would be wise for me to try to construct an answer to that.

(LAUGHTER)

All I'll -- all I'll say is this, is that the -- the history of Iran's program, and if you look at their options from a rational standpoint, I mean from their perspective of what -- what --

what approach poses the least risk, seeking a covert capability is by far the most safest way for them to try to develop a nuclear weapons capacity.

And we know that all of their enrichment plants started as secret facilities. Natanz was originally secret before it was disclosed. Qom was secret before it was disclosed.

So I think we should assume that in the future Iran is going to try to proceed to build, you know, secret facilities. And I think our intelligence agencies, both the U.S. and our allies, have done a marvelously good job up to now of tracking those issues.

And I hope we're able to do that in the future, because that has really, you know, given us tremendous diplomatic leverage, and -- and -- and hopefully in the future we will be able to do -- you know, to have that similar kind of advantage.

DUBOWITZ: Great.

Gary, thank you very much. We really appreciate your time, your efforts.

(APPLAUSE)

SAMORE: Thank you all. Have a good holiday.

DUBOWITZ: Folks, we have another panel starting right away on cyber-terrorism and intelligence and the green movement. So if you want to hear more about the Stuxnet worm and what intelligence agencies are doing, please stick around, we'll be starting in about three minutes.

Thank you.

NAFTALY: How are you?

Could I ask everybody to please take a seat?

Good afternoon. My name is David Naftaly and I'm a proud member of FDD's board of directors and the Washington Forum 2010 host committee.

By now there is wide consensus among the international community about the dangers of a nuclear Iran.

This panel explores the variety of options, including nonconventional approaches to confronting this issue.

What will be most effective? Is it cyber-warfare, including sophisticated viruses such as Stuxnet, which according to reports sought to sabotage Iran's nuclear facilities by changing the speed of the centrifuges?

Is it supporting Iran's reform movement?

How good is our intelligence about what really is happening on the ground?

To address these issues, we are privileged to have with us Congressman Pete Hoekstra, ranking member of the House Permanent Select Committee on Intelligence, who will share his insights with us from a well-positioned vantage point.

Congressman Hoekstra will be joined by Rodney Joffe, a preeminent cyber-security expert who regularly briefs the military and intelligent (sic) community and government agencies on these issues.

We also have Tom Joscelyn, senior editor of FDD's The Long War journal, and an expert on Iran's connections to Al Qaida and other terrorist groups.

Finally, joining -- joining us is Dr. Michael Ledeen, FDD's freedom scholar and author of many publications on Iran, including the recent "Accomplice to Evil: Iran and the War against the West."

Please join me in welcoming Congressman Pete Hoekstra to begin our conversation.

(APPLAUSE)

HOEKSTRA: Thank you. And it's good to be here, and it's great to be part of an organization that supports the kind of research and intellectual thinking that the Foundation for the Defense of Democracies does.

You know, I was recently in a congressional district, in actually Michele Bachmann's congressional district, and they went through and she raised \$14 million for a congressional race.

Think about this, like, whoa. And this is from a guy who spent \$45,000 in his first race in 1992 and beat the chairman of the National Republican Campaign Committee, and that's now moved up to \$14 million.

And -- but their campaign manager gave an overview as to where and what issues were most important in that campaign in Michele's congressional district. Jobs, economy, taxes, jobs, economy, taxes, jobs, jobs, jobs, and finally when you get down to the bottom here it's national security. And I don't think any mention of Iran or anything like that.

And so you kind of say to Michele, "Michele, why would you have me here? It's clear that people in your congressional district care nothing about national security," and it's kind of where we are as a nation. The only time we appear to care about it is when something happens.

I tell my friends and elders (ph) that say, you know, if you see me on FOX, if you see me on CNN or ABC, turn the TV off because only bad things have happened. If good things are happening there's no interest, and that's where we are.

But you get an organization like this that focuses on the issue and it focuses on the threats that one of these days may materialize, and only because of the work of organizations like this do we have the possibility to get out in front of these types of issues and actually have a serious discussion and a serious dialogue about the policies and the strategies that we need to put in place.

And nowhere is that more important than, from my perspective, is what we are doing in the intelligence world and some of the issues that we are talking about today.

And I've been asked just to give a -- a very quick and a brief overview of where we are from an intelligence standpoint.

You know, it's interesting. Intelligence should be the tip of the spear, because there's plenty of threats out there: North Korea, Iran, radical jihadism, we're now seeing cyber and these types of things.

And we have an administration that where have they put the intelligence community, and when you're a grassroots intelligence professional somewhere in the world, what are you seeing coming out?

I came out of the business world. Are, you know -- is the leadership in the executive branch, are they telling the people in the intelligence community, "We value your work, we need your work to keep America safe, and we're going to support you and give you the resources and the tools that you need to be successful"? And the answer is clearly no.

How can you say that? We've got an attorney general and a president that have said, even though the Bush administration has gone through it a couple of times, the Justice Department has gone through it a couple of times, we think it's important to go through it a third or a fourth time to determine whether you, as an intelligence professional -- professional -- should be tried for activities that the president and Congress asked you to do. This is all about the enhanced interrogation techniques.

And remember, this has now been hanging out there not for three months, not for six months, not for a year, it's been out there for 18 -- or it's been out there for more -- almost two years now, that professionals within the intelligence community are being investigated and potentially prosecuted for the activities that the political leaders of this country asked them to do and which they have been cleared the number of times in saying you've done the lawful things.

You're an intelligence professional, you're out there, and you see this cloud hanging over you, personally -- and I've met with some of the folks that, you know, that were part of these programs -- they're worried.

And more importantly their colleagues are worried because they're thinking, "Wow, if this president or political leaders ask us to do things, what is our protection in the future, or will -- will we find ourselves in the same position?" That's the executive branch.

And then you go over to the legislative branch, and you still have Nancy Pelosi out there who has said, and has never retracted this statement, and says the CIA lies, they lie all the time.

And so this is the position that we find ourselves in, and this is the position that the community finds itself in.

We will not have an intelligence community that is strong until we have a leadership in both the executive and the legislative branch that supports the intelligence community.

And at the same time that doesn't mean we let them do whatever they want. We have to hold them accountable, and we have to hold them accountable for excellence. It's a second step that we have to drive for.

It's clear that, you know, it's very interesting, that would anybody -- would anybody define as what is happened with the WikiLeaks thing over the last couple of -- well, actually over the last couple of years, which is when we first started identifying that we had problems in keeping classified information secure -- would anybody define that as excellence?

It's kinda like, no, we lost, what, 500,000 documents and who knows how many gigabytes of information. And we lost it not because of a great penetration by a highly sophisticated enemy who was able to get through all of our safeguards and all of our protections and be able to get access to this information.

We lost this information because we didn't recognize the new realities of cyberspace. We had a State Department that was more than willing to -- in the concept of information sharing -- take huge amounts of data and hand it over to a Defense Department that was more than willing to put on -- put it on its Internet site, and no one ever really asked the question, "What's in this database, and who are we giving it to, and will it help keep America safe and secure?"

We failed to do the fundamentals in this.

When you're talking about Iran, you know, many of us go back and we remember the -- the NIE that came out in 2007.

Does anybody really believe that this was a mark of excellence by the intelligence community? And the answer is, absolutely not.

This was a report that from my perspective was driven by political considerations. It was driven by people who were nervous about having been wrong on Iraq and not willing to take a really objective view as to what was going on with Iran and publish this political -- or started developing and moving this political document through the administration.

And the administration, again because of political concerns, was afraid to confront the intelligence community and say, "When you're looking at this kind of data and this kind of information, how do you come to these types of conclusions?"

And what we have now seen, you know, three years later, and we're waiting for a new NIE to come out, is that his NIE that came out in 2007 was just about totally wrong.

I mean, you know, and I know if you read the fine print what it says, but the perception that the intelligence community and then the administration gave when this document came out was what? Iran has suspended its nuclear program.

And people within the intelligence community will say, well, if you go and read the fine print on page 29 it says, well, really we didn't say they gave up their -- their nuclear program. They only suspended parts of it.

It's kind of like, you know, the perception that you gave to the American public when you made this document public was that they had given up their -- they had given up and suspended their nuclear program.

The third thing that we need to work on in building a strong intelligence community after we hold them accountable for excellence is that we need to make sure that we have an independent framework for the intelligence community.

Now, what do I mean by that?

Too often, now, the intelligence community, rather than recognizing that it's an independent force out there that doesn't -- that may influence public policy, it shouldn't be there to support public policy. It should be brutally honest about its assessments.

And I think the intelligence community right now finds itself in a very difficult spot. Why? It's being asked to provide assessments on climate change. That is not a natural place for the intelligence community to go and conduct its business.

But it -- you know -- there - there -- there's -- the -- the -- the government -- this administration has an agenda on climate change, so we've now tasked, and you say, you

know, we're going to use satellites and these types of things to, you know, do climate change.

And I kind of come back at this and say, where exactly are we going to employ intelligence professionals to steal information so that we get a better understanding of what's going on in climate change?

Now, how does this relate to Iran?

It relates to Iran because I think -- I believe that we have a policy that's not very effective when we're looking at Iran.

But at the same time, are there people in the community who believe that they've got to do and develop intelligence that supports a policy out there that really doesn't have any -- that isn't -- that doesn't reflect the reality out there?

We have a policy out there that says by the power of my personality as president of the United States, I single-handedly can change the behavior of Iran, and that by going out and reaching out to Iran in a way that President Bush didn't, the Iranians will negotiate with us. And they will become, you know, better partners on the world stage.

And I think most people within -- in the intelligence community who have been looking at Iran for years would say, no, it wasn't that they didn't like President Bush and that they may now like President Obama, and that that's going to change their behavior.

They are a rogue state that is focused on its national interest and they believe that it's in their best national interest to become a nuclear power and to have nuclear weapons capabilities.

And so we need an independent analysis coming out of the -- out of the intelligence community that if what they see is a country that is focused on their national interest and not influenced by what or how the United States acts towards them, and that if we reach - - you know -- reach out that they will respond, we need an intelligence community that is not trying to develop intelligence that supports the current policy, but just says this is the way it is, this is a country that is focused on developing nuclear weapons because it is what they believe is in their national best interest, and that is the direction that we need to be moving in.

And so, you know, if we develop strong support for an intelligence -- we need to be moving on a path that develops strong support for an intelligence community. We need to demand excellence and hold them accountable for their performance. And we need them to be an independent voice to an administration and to a Congress about what they really do see going on in the areas that we have tasked them to do.

And then we will be able to shape public policy in a much more effective way than what we have been over the last number of years.

I look forward to your questions and comments in the discussion as we move forward.

(APPLAUSE)

NAFTALY: Congressman Hoekstra, thanks so much for that.

I want to launch this into a discussion, so I'm going to ask a couple of questions to start off with.

But again, as before, let me know if you have questions that you want to -- to -- to ask.

Let me start with Rodney Joffe, if I may.

And, Rodney, my sort of thesis would be, and feel free to tell me that I'm wrong, is that the cyber battlefield -- cyberspace is not the battlefield of the future; it's the battlefield of the present.

And two examples of that are WikiLeaks, which as the congressman said was something -- are -- those who protect America's secrets should have been well-prepared to respond to, first to protect the secrets, then to do something else, something about.

After July, for example, after the first Wikileaks document dunk -- dump -- something could have happened suspiciously to Julian Assange's servers, and a lot of material might have disappeared, and that didn't seem to happen.

And the Pentagon is not saying that they couldn't do that, but they're -- it's not clear that they also could.

And of course the Stuxnet worm and the damage it seems to have done to the nuclear facilities in Iran tells us a great deal.

Maybe just give us a sort of tour d'horizon of the cyber- battlefield and whether there is a cyber arms race taking place as well right now.

And by the way I want to say one other thing. There are a lot of questions here that Congressman Hoekstra probably knows answers to and can't give us. And I'm not going to press him so he can say all over again, "Oh, I can't talk about that."

But anytime you want to say, "This I can address," I know you'll do so, and we'll let you do so.

Rodney, Dr. Joffe, thank you.

JOFFE: So an interesting, interesting question.

The cyber-battlefield has been around for probably 10 or 15 years. Fifteen years ago someone like me would not have been involved in any kind of meaningful discussion about, you know, global terrorism.

But in the last 10 years things have changed quite dramatically, and one of the problems is that as we get older, there's sort of an inversion of age and knowledge where traditionally the older you got, the more knowledge you had.

(LAUGHTER)

What we're finding now is that's not the case.

In fact, the people we're having to deal with are in their teens and perhaps early 20s, not yet taken seriously by national governments, but that's changing.

So the battlefield has been here for about 10 or 12 years. It started out purely as a matter of bragging rights with the young kids and defacements in the late 90s, and it's migrated to the point now where we're actually seeing this year two totally different developments.

You first of all see the issue of community activism that doesn't require very much organization, that doesn't require very much knowledge, but is able to do enormous damage. The effects, not from WikiLeaks directly, but the attacks against the organizations that have -- are felt to have been supporting Wiki. The -- the -- the damage to WikiLeaks has been quite tremendous over the last two or three days.

You've seen the credit card companies, the e-commerce companies. And the funny thing is that, we have -- I think yesterday evening we saw 10,500 individuals part of this attack against, you know, the traditional economy. Of them, you probably would find that 99 percent of them actually don't know how to run computer programs other than being able to click on a button.

There was a -- there's a little cookbook that's available. Three or four clicks, you actually download what's actually a piece of malicious software onto your computer, and you're now part of the global attack. It -- it's not done in any coordinated way, and yet it does enormous damage. So if a group of rag-tag, unsophisticated people around the world, generally young, are capable of causing this kind of damage, what is a nation state able to do? It's quite frightening.

We talked, you know, for many years about the fact that there were no real kinetic events. Something's that's now, you know, known publicly, if you remember is about three ago we had Project Aurora, an (inaudible) Aurora, Project Aurora with Idaho National Labs and DOE, that was able to destroy a power generator in about 60 seconds based on a piece of malicious software that attacked (inaudible) a protected piece of infrastructure.

What we have seen theoretically in Iran in the last few months is the -- is the identical mechanism that was tested and shown publicly three years ago with the generator, which is varying the speed -- or the phases of the electrical device, and causing it to self-destruct, where you had pieces of metal flying. You had a 75-ton generator that -- that destroyed itself just from software.

So when you start to look on what's going on now with, you know, with Iran, with the -- the -- the centrifuges in the power station, not unreasonable and it's here today. It's not coming in the future. It's here today and it's been here for a while. And it's naive for us to think that it's the good forces only who make use of it. That's not the case.

We're sort of guided by a different kind of moral compass outside, you know, perhaps some, you know, black helicopter organizations and so on. But the bad guys are going to use the same thing to us, and one of the questions I was asked beforehand was -- the question was asked: Did I think that Iran and North Korea and so on were capable of actually using the same kind of technology against us? And the answer was, "You bet."

If they -- if they aren't doing it already, they learned a great lesson in the summer. They've learned how to do it. We've now seen criminals in the underground teaching a child how to do this, and this is a thing that's going to really -- really affect us going forward if it isn't already affecting us now. It's quite possible that we currently have been compromised using this kind of mechanism, and their designed not to be visible.

MAY: Michael, my next question is to you. You've been at the -- you've worked at the Pentagon. You've worked at the White House. You worked in the State Department. You have been a consumer of intelligence. You have -- have also, I venture to say, some familiarity with clandestine operations.

Is it your sense that there are -- are any clandestine operations taking place that would be useful and helpful to the green movement, or -- as complain as we have at this conference that we're not overtly helping the freedom fighters, the dissidents in Iran.

Do you have any reason to believe that on a clandestine basis we may be providing some sort of aid?

LEDEEN: No.

MAY: Thank you very much, Michael.

(LAUGHTER)

I won't force -- I will not force you to elaborate, but you may if you wish.

LEDEEN: No, I mean, I would -- no, I would love it since I think we should be helping the green movement and supporting the green movement. And if I can talk for just a couple of minutes about the things that baffle me about what is generally said about the green movement, some of it said here by some of my best friends and some of the smartest people in town. And -- and one is the notion that the green movement's been broken, destroyed and is no longer a force in Iran.

Just yesterday, various important people in Iran stopped and said, "Well, we failed. We failed to break it and we failed to crush it, because there it is." And we just saw it again two days ago on National Student Day all over the country. Every major university campus, students out challenging revolutionary guards and besieged and fighting in the streets and so forth. So that's number one.

Number two is the incredible shortage of people who -- who don't call for support of the Iranian people and of democratic revolution in Iran at this time. It's something you hardly ever hear. We didn't hear it from Gary Samore. We don't hear it from the secretary of state. We don't hear it from the president. We don't hear it period. And we don't hear it from pundits and we don't hear it from writers and analysts and so forth.

How can that be? I mean, there was so much enthusiasm for revolution, for democratic revolution once upon a time, and I think that democratic revolution against tyranny got a bad name in the left, among the left, when -- when the Soviet Union fell and the Soviet Empire fell.

And I remember saying to a friend after we had worked for many years trying to accomplish this and to -- to destroy the evil empire. I said, (inaudible). He said, "Well, great. We can have a party. We can celebrate." And I said, "Yes, but remember they will never forgive us, because we have destroyed their dream." Because the Soviet Union is gone, and whatever else happens in the future, that's not coming back, not like that, not in that form, not with that strength.

And I think that support for revolution -- and -- and they couldn't bear the thought that revolution had suddenly become something that had helped their political enemies, because they had thought that revolution was their monopoly, and only they could be called progressives or revolutionaries or things like that.

And so what happened in the language? The most amazing thing happened which is that people who support democratic revolution are now called conservatives, right? I mean, that's what that means, right? They couldn't let us democratic revolutionaries be called democratic revolutionaries so they called us neoconservatives.

OK. Then a couple of thoughts about revolution itself, because we've heard a lot of things said about revolution, a subject which remains fairly opaque. It's not easy to talk about it. But there is a big literature in social science about revolution. And one of the basic things

that needs to be said about it is that revolutions are not acts of despair. It is not a thing that a person does as a last desperate throw of the dice.

And they say, "Well, all is lost. I'm getting crushed. I'm being destroyed. If -- if I don't do something, then we're all going to die or we're all going to be miserable. Why not give revolution a try?"

That is not what it is about. Revolution is an act of hope. Revolutions are carried out by people who are optimistic. Think about the last great period of -- of revolutions, democratic revolutions in the world that we've just lived through. It was the last quarter of the 20th century. Who were the great revolutionary leaders? All optimists -- the Reagans, the Thatchers, the John Paul IIs, the Havel, the Walesas, the Lee Quon Yews -- just look at them all over the world.

These are all people who inspired their followers to act because they convinced them that great things could happen, wonderful things could happen. That's what revolution is all about. So that when we think about how do you want to bring down the regime in Iran, greater misery for the Iranian people is not going to be as helpful as encouraging the Iranian people, giving them reason to believe that they can win and that wonderful things await them.

And one of the reasons why Mousavi, Karroubi, Khatami, so forth are such effective leaders of this movement is because that is what they do.

Then finally one last point. There's another reason why they are effective leaders, and that is that they are the most lethal people imaginable to the Khomeinis and Ahmadinejads. You'll hear a lot about what lousy leaders they are. And yet the reason that they're so threatening to the Islamic republic is that these are the people who built that regime. They know where every bone is buried. They know who sits at the end of every corridor in every important building in Tehran and elsewhere, and they are a mortal threat.

And the regime knows it. And we all know it. And you don't need an intelligence service to know it. The intelligence services on Iran have been, as far as I can tell since the mid-1970s, almost invariably wrong. Almost all the forecasts they made were wrong. They didn't see the '79 revolution coming. They didn't see -- they predicted the results of the 2009 election wrong. They were amazed when they suddenly saw for the first time the green movement. Then they thought the green movement had been destroyed. Now they've been amazed again to see, no actually, it's really there in some form, et cetera.

So you don't need an intelligence service. All you have to do is consider the fact, the dramatic fact that Mousavi and Karroubi have not been touched. And that's because Khomeini is afraid to go after them directly. If he weren't afraid, they wouldn't be alive today.

The people that he thinks he can kill or arrest and torture and so forth without the whole country blowing up in his face, he does that. But he's afraid of Khomeini and -- he's afraid of Mousavi and Karroubi. And it's a fascinating business.

And someday we will sit down and write the secret history of the green movement, and all I'll say about it is that you will read all the time in all the current literature that the green movement began in 2009. The green movement began, that we know of for sure and that we can document, in the mid-1980s. It was already there, and it has gone through various evolutions to this thing that it has today.

But I'm going to stop there. I'll have more to say.

MAY: Absolutely.

Tom, I want to come to you for a moment here. And I don't mean to -- I don't mean to flatter you, but I -- in a way, I will. More than any journalist I know, you deal with raw information, much of it open source, but much of it neglected, it seems to me, by the media. And you analyze it incisively and connect the dots.

I'm curious to know if you think that intelligence analysts are doing the same thing and doing it well or not, and on what basis. And if dots are not being connected, what are the most important patterns you're seeing that they are not coming up with?

JOSCELYN: Well, the answer to the first question is no. I think much of the intelligence analysis does not connect the dots. I think, you know, we're sitting here in 2010 and it's amazing. I just got done arguing in several articles that in fact the Iranian regime works with Al Qaida and its allies. And for some reason, I can't understand why, this is -- for some reason, this is still not accepted as even a possibility.

And you see that in terms of a lot of analysts who say, you know, well, the Iranians are, you know, a Shiite theology and Al Qaida's a Sunni theology, and so therefore they have these deep theological differences so they can never cooperate.

And all I can say to that is if you look back now, what we know is -- nobody would even deny this in Afghanistan -- that one of the principal sponsors of the Taliban in western Afghanistan is, in fact, Iran. The Taliban and Iran were on the verge of war in the late 1990s, OK? They hated each other more than two parties you could imagine.

You know, you had Iranian forces who were even being threatened to go to the border. You had Iranian diplomats being slaughtered in Mazar-i-Sharif by the Taliban. It was just an awful scene. And yet for some reason, you know, people think that -- that -- that these situations are stagnant. They'll tell you they almost think these things are stagnant. Therefore, since they were on the verge of conflict then, they couldn't possibly cooperate now.

Well, back in 2007 I argued, you know, there's mounting evidence that in fact Iran is playing a game here where they're sponsoring Taliban in Afghanistan. That's now the received wisdom.

Unfortunately, the same cannot be said about Al Qaida, and it's -- the same cannot be said about a ton of jihadist groups around the world that Iran is the principal or the next-in-line sponsor of. And Al Qaida has multiple sponsors so I'm not going to say that they're, you know, a proxy of Iran or anything like that.

But what I want to turn this conversation to in terms of sponsor of terrorism and where I think there's a common interest here that's often overlooked is that the principal mechanism the Iranian regime uses to sponsor these terrorist groups is the Revolutionary Guard Corp, OK? This is -- they -- everywhere you go where you see Iran is sponsoring terrorism, the Revolutionary Guard Corps is there, whether it be in Iraq, you know, targeting our -- our forces and Iran's enemies; whether it be in Afghanistan, the primary conduit to the Taliban is the Revolutionary Guard Corps; or whether it be in Sudan in the 1990s.

Well, who is the principal enemy of the green movement in Iran? Who is it that -- that really sort of targets them and sort of oppresses the green movement on behalf of the regime? It's the Revolutionary Guard Corps. It's the same body, the same organization.

And a lot times you hear in this town that there is a -- a basis for negotiating with the Iranian regime on our common interests in Afghanistan and elsewhere. I think that those assumptions are all flawed and they're just not based in fact or reality.

The real common interests lie in who the enemy of the Iranian people is and who our enemy is. And that's the Iranian Revolutionary Guard Corps. It's the same enemy, you know. Where you go in -- inside Iran today, if you remember the green movement, you have to worry about the Revolutionary Guard Corps, the besieged militia. You have to worry about these same forces that are in fact exporting terrorism around the globe.

And so, you know, I'm not going to argue that somehow sponsoring the democratic opposition or opposition leaders in Iran is an easy task or it's some panacea for us to pursue, but I would highlight the fact that there is a common interest between the American people and Iran. It's with the Iranian people in terms of who oppresses them and sort of, you know, tries to quell their -- their desires on a political stage.

MAY: I'm going to ask one more question and then I'm going to go to questions so let me know.

Steve, you'll have the first question, so prepare yourself.

For Congressman Hoekstra, Congressman, you spoke about the 2007 national intelligence estimate and how misleading it was. My question for you, if you could answer it, is: Was it so misleading because those preparing it were mistaken? Or was it so misleading because those preparing it were attempting to usurp policy-making power from the White House?

HOEKSTRA: The -- I -- I think I said it in my comments. I think they -- I think they were trying to usurp policy-making from the White House. They were going to frame this NIE in such a way that the policy options by the Bush administration were going to be very, very limited. And the disappointing thing is they were so wrong. That administration should have stood up and said, "No, we're not going to accept this," and they would have had various tools that they could have -- that they could have employed to do that.

You know, it's very interesting listening to Tom and -- the -- because, you know, I was part of the group that did intelligence reform, because we did have, I think, a tremendous amount of dysfunctional behavior and those types of things within the community. But one of the things that has now come out of the -- the DNI that I am disappointed with is group-think, all right?

It is now taking 16 different agencies and trying to reach to a consensus on something. And when you reach a consensus with all of these agencies, what you really end up with is you end up with mush. It doesn't tell you anything and it's not very enlightening. It's not very thoughtful, because you've got all of these -- you know, you got 30 or 40 people sitting around the table and before they move forward they all have to agree.

And so one of the things that we've been pushing for very, very aggressively, and I can't quite understand why this is not a bipartisan issue, because it's all about public policy, it is to do the red teaming. Go out either within the intelligence community or get a group of outside experts to do their own independent analysis so that we as policy-makers can recognize that there are -- there are divergent opinions out there, and -- and recognize the fact that so often, intelligence people do get stuff wrong because this is very, very hard work.

So there's a need for red teaming so that some of these other opinions can be brought forward and, you know, this -- I think the NIE in 2007 was -- was a great example. A lot

of it was mush, but the overall statement was very, very clear and it was designed to limit the policy options by the Bush administration.

Because once they came out and said the programs have been suspended, it's like everything that the Bush administration or any administration was thinking about limiting it, those options were taken off the table.

MAY: Since it wasn't just a mistake, and the reason I ask -- I was pressing hard on motives, it would seem to me that in response to that, insubordination is really what you're really speaking of at the very least, there should have been some penalty for those involved. I kind of know the answer, but I'm going to let you say. Was anyone punished or were they rewarded for that insubordination?

HOEKSTRA: Well, I mean the -- there's no accountability. They -- many of the same people are working there. Many of them are now developing the new NIE that is going to come out sometime. We've expected it for -- for months, but it's going to come out and it's going to be written in such a way that it will recognize that the 2007 NIE was wrong, but it will say that it was right.

All right? So they will -- they will change or they evolve their conclusions, but it will be because of all the things that they found out about 2007 and say, "We were right in 2007, but we're now in 2010 and some things have changed, but in no way were we wrong." It will be the same people.

It's the same thing that's happening with this WikiLeaks. I -- I can't tell you how frustrating it is to see -- to go in there and see that cyber 101 was not applied to some of this most sensitive data that we have in our government. And at the end of the day, no one will be held accountable.

The -- the discussion that's going on in the media today is totally wrong. They are focused at exactly the wrong place. They are all talking about Julian Assange. They're talking about WikiLeaks. The question is: Why is the media not focusing on the key problem which is how did America get into its position with an NSA out there with thousands of employees, with the -- the Department of Defense and a foreign -- how did we get into a position that all of this information it appears was downloaded by a private first class in Baghdad? Where is that discussion?

(APPLAUSE)

And where is the accountability in this administration and in a bureaucracy, in an executive branch that says, "We really screwed up and we're going to hold some people accountable because we didn't do the basics when we merged these systems and put them together."

MAY: Let me go to right over here, go ahead,

(CROSSTALK)

MAY: Steve, can I ask you to stand up for -- for the cameras and and for everything else. I'm going to ask people to stand up when they're speaking.

QUESTION: Good morning and thank you for this opportunity.

This question relates to WikiLeaks. And as a normal mortal, it's just much too much to absorb, but you are experts and you focused on those things that related to Iran. My question is whether -- was there any information there that changed the perception of the

people who were in support of taking out Iran either to reinforce or to make them feel less sure about doing it? And was there any information in these WikiLeaks that changed the perception of those people who felt Iran was not a problem and who may have now felt that it would become a problem?

MAY: Anybody who wants to tackle that. Anybody?

Go ahead, Michael.

LEDEEN: Well, Steve, it's quaint to see there are still people who believe that information changes opinion.

(LAUGHTER)

Not in this town.

(LAUGHTER)

QUESTION: Then NIE was correct.

LEDEEN: Well, when the new NIE comes out, I think you'll see an imaginative use of the word "really," and sometimes repetitively -- really, really right. Really right. Really, really, really right," and so on.

No, I don't think so. I think to change opinion requires 10, 100, 1,000 WikiLeaks. I mean, it has to happen over and over and over and over again. I mean, on the subject of Iran, there's really no serious debate about the facts. There's only debate about what to do.

So, I mean, everybody knows what Iran does. Everybody knows that it's an evil regime. Everybody know it rapes, tortures, kills its own people. Everybody knows it has a nuclear program. Everybody knows it's the world's biggest source of terrorism sponsor, et cetera.

I mean, all of this is known. There's no challenge to that. The only debate is, you know, need we bother to do anything about it. And on that, more information reinforcing what we already knew isn't going to change anybody's mind.

MAY: Congressman?

(CROSSTALK)

HOEKSTRA: Let me just add one thing. I think this has been said multiple times. The -- the bottom line is people are going to be nervous about negotiating with us and being truthful and forthright because it's kind of like America can't keep a secret.

OK, that is where we now move forward. And, you know, some of the policy -- as we do try to identify what we need to do against Iran and other problem areas, people are just going to be very reluctant and saying, "Boy, if I talk to the U.S. I can expect that relatively soon, everybody's going to know."

Remember, because -- think about this. When I went to Yemen on January 1 of this year - - yes, and I went in and I asked to get briefed by the ambassador, you know, other folks in the embassy, and they very kindly told me "Congressman, we can't share that information with you."

OK, it had never happened to me in nine years on the committee, all right? You're the ranking Republican, gang of four, gang of eight information, we get that. And they said "Sorry." What do you mean? What -- What?

General Petraeus met with the president of Yemen the next day. On January 4, the ambassador wrote a summary of that meeting and sent it back to State. You know, and within a couple of days it was available to 500,000 people.

(UNKNOWN): Including Bradley Manning.

HOEKSTRA: Yes, including Private Bradley Manning.

This -- yesterday we had State in, and said: "Could we now have access to the cables?" And the answer is still, "We're going through an interagency legal process to determine whether Congress can have access to this because we really have to protect our equities." And it's kind of like you're spending more time protecting your equities than you are protecting the data. It's crazy.

MAY: Congressman Mike Coffman?

COFFMAN: The -- the intelligence community seems -- the intelligence community seems pretty dysfunctional right now. Does the Congress need to repeal the legislation that created the director of national intelligence and go back this task (inaudible)?

JOSCELYN: Well -- well, that's a tough question. I don't know. I don't think it's realistic at this point that they're going to repeal it. But unfortunately what the legislation did was it created a super bureaucracy. I mean, a lot of the problems have to do with bureaucratic mechanisms, and what's happened is you have this even larger bureaucracy now that slows things down even further.

You know, and to -- I think Congressman Hoekstra made the key point in terms of WikiLeaks or cyber-warfare and along those lines. You know, thinking back to the fact that the NSA, you know, this giant bureaucracy and all these other agencies of the U.S. government, you know, have taken no action really that we're aware of. You know, first, to shut down WikiLeaks or do anything to fight back. And they're getting paid billions and billions of dollars a year.

And I remember that White House Press Secretary Robert Gibbs came out and he said, you know, when the latest leak came out, he said, you know, we're -- we're stronger than one guy with a website, a \$35 website.

I was asked about this on the radio and I said apparently we're not stronger than one guy with a website. You know? I mean -- I mean this is the third time now in the last couple of months that this guy has released, you know, hundreds of thousands of documents, and there's been no response from this multi-billion-dollar intelligence establishment.

I've had many conversations with friends who are aware of the problems in the intelligence community. I'm very -- have very dim hopes it will ever be really reformed into anything that actually works in an efficient way.

So that's a long-winded way of saying you could repeal -- you -- you -- could wish the repeal of the -- the DNI and then the super- bureaucracy that was put in place. I just don't think there's any realistic hope of that ever happening.

HOEKSTRA: Yes, let -- let me just -- I'm on the defensive on this one, OK? The -- the DNI was structured because when I looked at it from a business standpoint, and others

looked at it, there was no -- there was no strategic direction for our intel community saying, "You know, hey, in the next five years we really need to get onto cyber because we are going to be involved in cyber war, so we've got to start putting some resources there."

We'd need to bring HUMINT back because satellites can only tell you so much, so, you know, they -- the DNI was intended to set a strategic framework and it hasn't done that. What it's become is it's become this huge bureaucracy. And, you know, I now look at it. We used to be able to call the CIA and say, "Hey, we need this information," and they'd say, "Great, you'll have it in a couple of days."

Now we call and we say we need the information and they say, "Great, you'll get it in a week and a half." And it's like wait a minute, the DNI was supposed to streamline this, and they said, well, they have because, you know, but it now has before we send it to you, we've got to run it by the DNI before we send it to you.

(CROSSTALK)

HOEKSTRA: And -- and the private, so yes.

(CROSSTALK)

LEDEEN: I just have one thought because Pete said another very smart thing that goes hand in hand with this before, when he said that everything is now homogenized, and that when there are disagreements within the intelligence and policy communities, they have to be resolved before they go forward.

I have to say, and Bud (ph) you can correct me if my memory fails again here, but the way I remember it when Reagan was president, and the -- and the secretary of state and secretary of defense, as I recall, did not always agree on every subject, right? Shultz and Weinberger.

And what Reagan wanted from the NSC was to have those disagreements defined for him so that he could then decide. And the NSC job, I mean you were national security, but that's right, isn't it? I mean that's the way it looked from two floors down to us, which was define the disagreement. Reagan wanted to hear the disagreement, right?

My impression of -- of at least this president and other recent presidents, is that either they or the people around them don't want to hear these disagreements. And that's, I mean, Bush, W., you know, famous -- people don't think about him this way -- but he didn't want to hear these disagreements. And Condi, surely when she was security adviser, always told -- whenever there were disagreements, she always said, "Alright, find a middle path. Find something that everybody can agree on."

But that's wrong. It's wrong for our system of government. It's wrong for making policy. The president's supposed to make these decisions, and if the intelligence stinks, the president's supposed to yell at the intelligence community, whatever it's called. Whatever the top guy is -- the DNI, the DCI -- whatever it is.

And I -- the other thing is that when you homogenize this stuff, you can't tell who's good and that's ultimately fatal. You have to be able to identify the good people.

MAY: (inaudible), do you want to respond to any of that? If you want to, I'm more than happy to -- Bud McFarlane, National Security Adviser under President Reagan .

MCFARLANE: Well, the president wanted to know what the truth is, what the best analysis is, from the best analysts. And there wasn't always agreement. The process that we encouraged was that if there was a disagreement between DIA and CIA, then you would footnote it. Yes, you would say, here's what the DCI thinks; here's what the director of defense intelligence thinks.

And you could chew on that, argue about it, but it would be a -- a full presentation of sound analysis from sound people who disagreed, but it helped.

MAY: Right. Let's go to David Naftaly, as long as he's right next to you there.

NAFTALY: I'd like to address.

MAY: Stand up too, Dave, we've got to mind the cameras.

NAFTALY: I'm sorry. I'd like to address this to Rodney because you've sort of scared the heck out of me, not that I haven't been scared for the last day and a half.

If we're capable of doing -- or whoever did Stuxnet -- it seems to me that they have the ability to do it on a global platform and perhaps create a black swan event that could take down our economy, and I'd like you to comment on that.

JOFFE: I'm going to comment more generally because I don't really want to scare any more people.

(LAUGHTER)

But one of the things that people haven't realized is that the Internet, which was never designed for what we use it today, has given enormous power to individuals who before would have been irrelevant. If you think about it, supercomputers have been replaced by what are called clusters, where you have very simple processors that connect to each other, and if you have enough of them, you have a supercomputer.

And about three or four years ago, the -- you know -- fastest processor in the world was about 1,000 computers. And universities have these clusters (inaudible) clusters.

Today, with a credit card with a credit limit of about \$1,000, you can actually build for a temporary period a cluster of up to 40,000 computers by going to one of the top computing companies like Amazon and so on. And it's available to you anywhere in the world. And it's almost impossible to keep track of what's being done in that particular case.

So there's the ability for a single person to get access to more computing power than was available to the, you know, the U.S. government 15 years ago. It's available today. So the ability is there for individuals.

The second thing is you don't have to have great knowledge because the tools have been built to allow these things to happen. So one of the things that we worry about more than the -- the traditional world where it's important for even terrorist organizations for the Internet to continue to work. They need it to do their recruiting. They need it to do their propaganda.

What you worry about is the group of five or 10 people or three people that get up one morning, have nothing to do, and decide to cause damage without understanding the effect, because we have things connected to the Internet that should never have been connected.

One of the issues with, you know, I'm not going to talk about WikiLeaks, but data leaks, is that everything is connected. You may think it's smart, but we have evidence now that a nuclear facility was actually connected to the public Internet. No one drove into the facility, plugged in and caused damage. It was done from somewhere else in the world, and that's true of everything.

The reason that things like WikiLeaks happens is because data is connected and it shouldn't be. And it's impossible to put this genie back in the bottle.

So a single person with the wrong attitude or perhaps with no attitude at all, with nothing to do, has ability to cause a catastrophic failure to our economy.

MAY: I want to go back over there. Yes. Yes. And I just want to make one comment before you do, just to put this on the table, and in Senate testimony earlier this year, Mike McConnell, who was the director of the National Security Agency under President Clinton, said, and it wasn't that well reported, that the threat of cyber attacks, quote, "rivals nuclear weapons in terms of seriousness."

And I think what he meant by that is the possibility of knocking out the entire electrical grid and throwing the country into darkness for months. And that's not just darkness. That's refrigeration. That's all sorts of things. Or disrupting financial and banking systems so much that wealth disappears like that and we don't know how to get it back.

And we know -- and others would want to comment on this -- that China and Russia and Iran are all working on these offensive capabilities, and in some cases doing so in collaboration with cyber- criminals of tremendous cleverness and capabilities.

QUESTION: I have a question about between sanctions and a physical military attack on Iran, is there any efforts made into developing or putting -- using cyber means to support, educate the green movement, impede on the regime using softer means like e-mails, presentations, mass text messages, and so on?

MAY: Got you. And thank you.

I'm going to ask everybody to be real quick. Could you hand the mike over to the gentleman behind you for the next question, but go ahead. Anybody wants to respond to that? Stuxnet is -- well is a different, somewhat different use of cyber warfare, but...

LEDEEN: I mean, from time to time the government, State Department, et cetera, typically gets a pang of conscience and tries to do something nice for the greens. It's not always successful. Recently they adopted and licensed and approved software that was supposed to help Iranians beat the Internet censoring that the regime has put on them.

And -- and that was called "haystack." And unfortunately, haystack turned out to be a trap for users so that people actually adopted it and used it were instantly identified by the regime. So, you know, that was not a great success.

QUESTION: This is for the congressman. I think you hit the nail on the head with your groupthink point. When I was a briefer at the State Department, if the principal in the room had the sieve (ph) in his hand, all his deputies would grab the CIA red cell report, not the raw intel. They would go for the red cell report. They were very interested in, you know, the creative thinking aspect. It was a very popular product.

But the attitude was, well, that's OK for them. It's OK for this red cell to be thinking on the edge, but not for the individual analysts. You know, when I met with my counterparts at the agency, there may have been eight people in the room, but it was like just the one. And these are (inaudible) critical and military analysts.

So I think the question is: How do you incentivize individual analysts to think creatively? Because if they're not incentivized, there's -- they -- otherwise they risk their access. If -- if they are creative in their thinking, they -- they risk their access to meetings and their acceptance by their peers.

So that's the challenge. How do we incentivize these people to think on the edge?

HOEKSTRA: Well, the -- yes, I -- I think you got two things that you can take a look at. You know, can you go in and change the call (ph) through the agency? You know, put in new leadership and those type of things. I think we've tried that.

One of the things that I have found here in -- in watching bureaucracies work, you put in a change agent and all the antibodies start coming after it and they kill it and they spit it out, and it's like, whoa, this ain't going to work.

This is why I'm -- I'm much more in favor of doing -- and I think it's doable -- is make them compete with smart people on the outside. All right, say we're going to -- we're going to ask the intel community to do an analysis on Iran and what, you know, different strategies or whatever on Iran capabilities and those types of things. And then we're going to go to a group of smart people on the outside and ask them to do the same thing. Maybe do -- maybe do two groups on the outside. Give them all the same intelligence, all the same access.

And all of a sudden, you know, it's not -- the groupthink inside is going to be, whoa, you know, our piece of work rather than being accepted and, you know going to the president, being, you know, this is our piece of work. Our stuff now is going to be compared to people outside.

That may be the fastest way to change the culture inside. I think changing it from in is going to be almost impossible.

MAY: Tom?

JOSCELYN: I just wanted to add one quick footnote to that which is that you think about, you know, information today, so much of the information, the overwhelming majority of information that's available is open source stuff. I mean, if you think about how much money the worldwide media spends to accumulate information.

There's no reason to think that necessarily on any given issue the guys on the inside with their classified security clearances, you know, necessarily have better information than you on the outside reading and consuming median, you know? You just sort of -- there's always this bias I know in our intel analysts, anytime I talk to them, that if it's not classified then it's not seen as, you know, equally valuable or equally insightful.

And that's just nonsense. I mean a lot of times the better information is in fact on the outside.

HOEKSTRA: And the other thing is you get so much information, you get clutter. Sometimes having less information actually enables you to better insights.

MAY: Peter Ussi (ph)?

Oh, I'm sorry. Do you want to say something?

(CROSSTALK)

JOFFE: You know, the congressman's points that he just made now is probably the most important point of all. There is so much data. You know, we think about a 250,000 pages with WikiLeaks. That's a staggering amount of data, but I'll tell you, it's -- it's -- it's a drop in the ocean. The biggest problem that we have in the intelligence community and doing analysis is data reduction.

So maybe one of the best things going for us is if everything was opened. No one would have to -- you know, it wouldn't be that easy to know what was real and what wasn't and what wasn't and what mattered.

(LAUGHTER)

HOEKSTRA: WikiLeaks would have had -- potentially would have had more impact if they'd only had 1,000 documents, and they knew the context, the background and the implications of those documents than they are having with 250,000. They might have had more of an impact if they only had 500 documents.

MAY: Peter?

(UNKNOWN): I would like to ask Michael this question. It's a comment as well. When -- in the early part of the Reagan administration, Al Haig went up to testify for his confirmation hearings and he was asked about terrorism, and he says we have to go to the source. He says the source is the Soviet Union. This town went bananas.

Mr. Casey asked the CIA: Does the Soviet Union support terrorism? The answer that came back was no. Casey then said: Could you give me data that justifies this? The agency sent back to him a stack of Tass and Pravda editorials...

(LAUGHTER)

... where the -- where the Soviets denied any connection to terrorism. Casey then of course put a red team together.

Now the person that generated Al Haig's comment during his confirmation hearings in February of 1981 was Claire Sterling and her book on terrorism, which is all from open sources.

Secretary Gates published a book in the mid-1990s that went through this story and said Reagan and Casey actually underestimated the extent to which the Soviet Union was the father and mother of all terrorism.

I think there's enormous lessons there for our current issues with respect to Iran. Just parenthetically, Cliff, I wanted to thank you, Congressman, for your extraordinary service as ranking member and chairman.

(APPLAUSE)

MAY: If you want to respond to that go ahead if you like to, and then..

LEDEEN: Amen.

MAY: You don't have to.

LEDEEN: Amen. Amen. Yes.

And for sure, we underestimate -- I'm sure we underestimate all the evil things that Iranian -- that Iran and the Iranian regime is up to in the world right now. I mean the quiescence on -- the fact that people don't stand up and say: "But they're killing our people every day." The Iranians are killing American soldiers, Marines, and so on every single day.

And no one really seems to care about that. I mean, that's not the issue. The only issue is somehow nukes. But they don't need nukes to kill us. They're killing us -- you know -- they've been happily killing us for 30 years without nukes, so what's the...

MAY: Even the Bush administration didn't respond and didn't talk a lot about the fact that the Iranians were facilitating the killing of Americans in Iraq and -- their reason was because if you acknowledge it and say it's important, then you have to respond in a robust fashion, and they didn't want to do that.

Go ahead, I'll let you follow up on that question. Here. Right behind you. Right behind you.

Follow-up to that, and since we have two prominent members of Congress here at least, and since Congress, last time I took a look at the Constitution, very early today, you're a co-equal policy-making body on foreign policy, and we've identified, as Michael points out, four or five different things Iran is doing, like violating human rights and threatening genocide.

As Irwin Cotler said, it's an indictable offense in the international bodies and beyond, and killing our people in Iran, Afghanistan and beyond and threatening Israel, and it goes on and on.

What would a comprehensive policy look like, perhaps in legislation, in which the Congress, shall we say, urges or directs the administration to address in a more comprehensive way, perhaps diplomatic sanctions and incitement to genocide and some of these other things, and a more robust policy, shall we say?

HOEKSTRA: You don't want today's Congress to do that. No, you don't want next year's Congress -- you don't want -- you don't want next year's Congress to do it.

(CROSSTALK)

HOEKSTRA: Well, you may have faith in those of us in the House or the new majority in the House, but it's ill-placed, alright?

(LAUGHTER)

And just let me -- just let me tell you why, alright?

The -- you know, up until I got on the Intel Committee in 2000 -- in January of 2001, I hadn't spent any time on international affairs and foreign affairs. Congress, you know, Congress folks right now -- this -- this is why maybe in 10 years it'll get back where you actually get back to the Constitution, and then you say, "OK, Congress isn't going to be dealing with K through 12 education and the standards in the kindergarten in your school next door." Alright?

But we will get more calls on that than I will get about what's going on in Israel or what's going on in the Middle East or what's going on with North Korea.

You know, Congress responds to what their constituents are demanding of them and other than being the -- being on the Intel Committee, I probably got very, very few calls on foreign policy.

So most folks, it's -- it's not that they couldn't deal with foreign policy, but they haven't prepared themselves to debate and to construct policy in this area. They're -- they're working on a lot of other things. So don't ask them to do -- because -- and you know -- listen. We have come so far from where we need to be. And Congress departed (ph) us because they abused it themselves.

But, you know, most Congress people get what? Do they get criticized or rewarded for taking trips overseas? They get criticized. Right? I've travelled to over 75, 80 countries and the only -- you know, I come out of a marketing background -- the only way that you understand what's going on in a marketing standpoint is to walk up and down the streets of where you're thinking of marketing your products and doing these types of things.

The only thing -- the only way you're really going to really understand foreign policy is if you have the opportunity to go and be in Pakistan and walk the streets of Pakistan and talk to the Paks, the Afghans and these types of things. But citizens are critical of us and of my colleagues when we do these types of things.

(CROSSTALK)

MAY: I -- I -- want to put out this quick question, if I -- if I may, and anybody can, but Rodney in particular I'd like you do.

My perception, and I don't even know if this is right or wrong, is -- start with this, that the Stuxnet worm is encouraging because it -- whoever it is responsible for it has delayed and damaged the Iranian nuclear processes and therefore given more time, which is useful.

And the fact that it exists suggests something else to me which may or may not be right, but I want to know. There is a cyber arms race, it seems to me, taking place. My perception based on some evidence is the Israelis know this and are making heroic efforts to get out in front in the development of cyber weapons, both offensive and defensive, and that the NSA, that the U.S. government agency on this, is not doing that; is not prepared for an age of cyber warfare; is not developing either the offensive -- especially the offensive capabilities -- and I'm not even sure it's developing the defensive capabilities.

Rodney, do you think I'm right or wrong on this perception?

JOFFE: I can't answer that specifically, but in general in my experience there is tremendous ability in the United States to deal with this kind of thing.

You know, I used to have an outsider's view of this world because I'm just a regular computer scientist. But I -- I'm quite encouraged by the level of knowledge that I've discovered both in, oddly enough, you know, I had a jaundiced view of Congress as well. I've been very impressed by the knowledge in the committees, amongst the professional -- especially among the professional staffers, and among the folks involved in the cyber world in the U.S. government.

So I'm quite encouraged. But I will tell you, though, on the other hand, when I see the enormous investments by China, for example, in training of young people in cyber offensive capabilities, in the tens of thousands, and I look at what we do in the United States, it's quite sad. So I'm concerned from that point of view, but I do find ability within the -- within the U.S. government.

(CROSSTALK)

HOEKSTRA: I think the U.S. position on this is captured in two statements that we've talked about today, or two things we've talked about today: How good we are, or how bad we are.

WikiLeaks? And my jaw dropped when I heard Gibbs -- and remember, he's speaking for the president, so this is the discussion that's going on in the Oval Office -- says our foreign policy is stronger than a laptop and a \$35 domain name.

Obviously, the people in the Oval Office -- I mean, if you're -- if you're working on cyber somewhere in the government, do you now believe that this administration believes that cyber is a threat? And the answer is the leadership doesn't believe this is important because it's just -- they don't -- I don't know if the president understands, but clearly Gibbs does not understand, you know, today's world.

I think this -- this -- this kid in the Netherlands; I'm Dutch; I'm partial to the Dutch -- but what was it? A 16-year-old kid that did exactly what you did, connected a whole bunch of computers. How many was it? I -- I thought it was 100,000.

JOFFE: So -- so -- so the thing about that is that the 16-year-old was one of the 10,000, but there is no one person behind the attacks that we've seen. The problem is there are 10,000 of them.

MAY: I'm going to ask Ken for the last question and then -- at -- at -- I want to tell you that at 12:30, Representative -- Congressman Brad Sherman is going to be speaking and we're going to go right into that. I'll introduce him exactly at 12:30.

POLLACK: OK. I -- I -- I have a question -- I have a question for Mr. Hoekstra about accountability.

My outfit works a lot with defectors from Iranian intelligence. One of our guys helped get out General Askari who was senior revolutionary guards officer. He is the one who is credited with having convinced the intelligence community in May of 2007 that the Iranian nuclear weapons program had been shut down in 2003.

Well, after the NIE came out, I asked my contacts to talk to General Askari and see how does he feel about his information being used that way in the NIE, and he said, "That's not what I told them."

Now, here's the question. Is it that there are so many -- the -- the -- the clandestine services are wrapped in so many layers of secrecy and classification, there is no accountability and essentially they can falsify information. We see them now trying to shut down a civil lawsuit against the government of Iran involving their involvement in the 9/11 attacks and tampering with witnesses overseas.

So where's the accountability?

HOEKSTRA: Thank you. The accountability has to come out of Congress. I'm excited about the opportunity to have -- I think we'll have a strong leader on the Intel Committee

and I think they will have the tools that will go in and hold this administration and other administrations -- future administrations accountable for what happens in the community.

This is why I think on the Intel Committee, you know, for all intents and purposes, it's how I work. When I got on the Intel Committee and then shortly after 9/11, you know, for the last nine- and-a-half years, I probably spent 80 to 90 percent of the time that I was in Washington doing Intel Committee work and nothing else -- no other committee work, and that's the model that we could use.

That's the only way that you hold these huge bureaucracies accountable is if you focus and focus and focus, because otherwise they will just wait you out. They will wear you down, and they will win. And then America loses.

MAY: We literally have one minute left, so if anybody has a final comment they want to make, I'm going to let them make it. I apologize that we're being as quick as we are. These panels all could go twice as long. We're not trying to be exhaustive. We're trying to be provocative.

Michael?

LEDEEN: Well, just to summarize what a lot of people have said. My favorite contemporary line is the information war has -- the information revolution has happened and the information won.

(LAUGHTER)

(CROSSTALK)

MAY: Let me then thank the panels, particularly Congressman Hoekstra. Fascinating subject. We all need to learn a lot more. Please, if you can, stay, because Congressman Sherman is coming in here.

Thank you. As soon as they leave, I'm going to introduce him.

(CROSSTALK)

(RECESS)

MAY: Ladies and gentlemen, I can't imagine a more fitting conclusion to our conference on countering the Iranian threat than our next speaker. Rep. Brad Sherman has been a great friend to FDD over the years and a true leader in addressing the threat of a nuclear Iran.

As a leading member of the Foreign Affairs Committee, and chairman of its Subcommittee on Terrorism, Nonproliferation and Trade, he has sought every opportunity to persuade the regime in Tehran to end its nuclear quest, including his many significant contributions to the sanctions law passed in July.

Rep. Sherman has also served as an outspoken advocate for the people of Iran, supporting measures which are now part of the broader sanctions law to penalize Iranian human rights abusers by restricting their financial transactions and travels abroad.

In October, Congressman Sherman introduced the Stop Iran's Nuclear Weapons Program Act, which would make it harder for U.S. corporations to conduct business with Iran through foreign subsidiaries, sanction entities that provide loans to the Iranian government, and firms that prepay for future Iranian oil and gas deliveries, and reduce

U.S. contributions to international institutions that provide loans or other assistance to this regime in Iran.

Congressman Sherman has already done much to tighten the screws on the Iranian regime and I'm sure he won't stop until the centrifuges stop. We thank him for his ongoing work in the common defense of the United States and its allies, and we're deeply honored to welcome him here today.

Thank you so much, Congressman Sherman.

(APPLAUSE)

SHERMAN: Hello. I'm Brad Sherman from California's best-named city, Sherman Oaks.

I'm pleased to be with you. I see many of you have seen me speak even in the 1990s. I wish that my remarks would be completely different from what you heard in the 1990s, but unfortunately the most important change since then is that Iran has an awful lot more enriched uranium.

I know that this is a conference that's gone on for a day-and-a-half. My guess is that everything that could possibly be said has already been said, but I haven't said it. So I think I'm supposed to entertain you until quarter after one. I'll try to leave some time for questions, and try to review where we stand with Iran's nuclear program, and particularly the use of sanctions to try to end that program.

With me here are two members of my subcommittee staff. Where's Don McDonald, the brains of the operation? I chair the Subcommittee on Terrorism and Nonproliferation. Don has been with me every step of the way for 14 years, and this discussion shouldn't just be, you know, a quick half-hour of what Sherman's up to. Please give your card to Don McDonald or to Simak Kurdestani, and we'll keep in touch with you in the weeks and months to come.

Now, the question I get asked most often is can sanctions work?

The answer is an obvious yes, if you're talking about the most extreme conceivable sanctions. For example, what if we had absolute, total, extraterritorial secondary sanctions starting on Iran today?

That is to say we simply announce to the world that if any company in your country does any business with Iran at all, no company in your country can do business with the United States.

Now I haven't even proposed anything that extreme. It would clearly pose some risk to our foreign policy, some risk to the world economy. It would create an image of the United States telling other countries what to do, and putting the whole world economy at risk.

But clearly sanctions that prevented Iran from selling a single barrel of oil starting tomorrow, or importing a replacement part for any elevator in Tehran or any of the equipment throughout the country would force Iran to choose between regime survival on the one hand and its nuclear program on the other.

So the question isn't "can sanctions work?" The question is "can we get sanctions that will work?"

That's a more difficult question by far, in part because our goal here is not to inconvenience Iran, punish Iran, demonstrate how much we really dislike Iran's policy. We're trying to get them to give up their nuclear program, their firstborn.

They're not going to do it to avoid higher ATM fees. They will do it only if what is at stake is regime survival.

So your question has to be can the sanctions be so significant that it's going to cause the Tehran government to fear that their survival of their regime is at issue?

Now our policy so far throughout the '90s and the current decade ending, is to do everything we can through the State Department to put sanctions on Iran to the full extent possible without angering anyone or offering anything.

That is to say, we have a persuasion policy. We will not do anything that angers European governments or provides so much anger to European- or Japanese-based companies that that anger percolates up to the highest levels of their government. We will not offer anything to, for example, Russia.

I remember I was in Condoleezza Rice's office talking to her in early 2008, suggesting that we could get Russian cooperation on Iran if we were willing to tell them that that would affect our policy with regard to South Ossetia and Abkhazia and Trans-Dniester Moldova.

And she looked at me like a -- I had arrived from another planet, because talk like that was outside the scope of acceptable foreign policy discussion.

This was -- about six months later, you all heard of Abkhazia and South Ossetia because Russia accomplished on the ground through force what it wanted to accomplish, and now a possible change in U.S. policy on that issue I don't think will entice Russia to make dramatic changes in its Iran policy.

It is still possible, though, to offer Russia changes in our policy -- major changes, changes outside the pale, in order to secure their change.

And as to China, we have not even thought of hinting to Beijing that even one shipload of tennis shoes might be delayed in a U.S. port for an hour if China did not change its policy toward Iran. You can imagine the corporate power that would be arrayed against a policy of -- of -- of hinting that to China.

So we have continued consistently with a policy of doing everything we can through persuasion, but we're doing more now than we have at any time in the last 10 or 15 years. The reason for that is that we've become more persuasive.

Now, is that because today's diplomats are smarter or more eloquent than those of the past?

I know a few of them. I'd like to think so.

But the main reason, the main credit for that has got to go to the Iranian regime and those who have exposed its nuclear program, including the MEK.

The world is -- it is much easier to persuade people that Iran is developing nuclear weapons and that that is a development worthy of their current attention in 2010 than it was to persuade countries of that in 2005 or the year 2000 or 1998.

We have to, however, if we're going to achieve our goal, go far beyond a mere persuasion policy.

Do sanctions work? They worked vis-a-vis South Africa. A more apt example is Libya. We had the Iran-Libya Sanctions Act. We applied it against Libya.

We did so because Europeans were willing to go along with us because of Lockerbie, an event that happened to occur on European territory.

As a result, Gadhafi caved. He gave up a nuclear program that was less advanced than Iran but more advanced than we thought he had. And we had to rename the act the Iran Sanctions Act, rather than the Iran-Libya Sanctions Act.

But up until very recently, from 1998 until a few months ago, we had a policy of never applying the Iran Sanctions Act to Iran. We applied ILSA, the Iran-Libya Sanctions Act, to Libya until Gadhafi gave up his nuclear program.

Now, I fear -- I mean, I'll give you a -- a little insight into what I think my life has been since -- for the last 14 years in Congress. I feel like I've been in the backseat of a car driven by the State Department.

The car is headed toward Iran sanctions. I've been in that car since early 1998. And the car is going five miles an hour since 1998, and I'm shouting "go faster, go faster." Now, it's approaching 2011, and the car is finally going 15 or 20 miles an hour.

But having barely moved in the prior 12 years, 20 miles an hour will not get us to the destination on time.

Now I have to persuade a driver that thinks the world has changed because we're going at 15 miles an hour instead of 5 miles an hour that the pedal must hit the metal. And so far, I've not been successful.

Now, the key, then, is convincing U.S. public opinion and world public opinion that we need to do more. And that starts by explaining to the world what facts that you already well know.

And I'm going to waste a few minutes of your time explaining why Iran shouldn't have a nuclear weapon, not because I need to persuade any of you, but because you need to persuade everybody else. And you've thought of five or 10 ways to do that, and maybe one or two of my ways is different, and I want you to be -- to have all of your arguments and a few of my arguments.

Because to the extent we have more sanctions now, it's because we've accomplished something in the last 10 years in convincing people. Of course, the Iranian government has done much of that for us by continuing its nuclear program.

An Iranian nuclear bomb, first, means the end of the nonproliferation treaty and nonproliferation efforts worldwide. Because Iran does not have a hostile nuclear neighbor, it does not have a dispute, territorial or otherwise, with a nuclear neighbor, the way Pakistan and India do, is a signatory to the Non-Proliferation Treaty and has signed that it would not develop nuclear weapons.

So how is it any different from Brazil or Egypt or Saudi Arabia, all of which are kind of mid-sized, mid-level countries, Brazil at the one end of that, perhaps others at another end?

How do you then persuade any medium-sized country in the world that they should not keep up with Iran?

Now, first, in the region itself, Saudi Arabia, Egypt, the Gulf States, et cetera, are already moving toward a nuclear program in anticipation that Iran will develop nuclear weapons.

But in every region of the world, having nuclear weapons up until now has meant there was something special about your country. You were either on the permanent -- you were one of the five countries that won World War II and were on the U.N. Security Council with a permanent veto, or you had a territorial dispute with another nuclear power, or it is rumored that Israel has nuclear weapons, no one doubts that Israel has existential threats.

Nobody is calling for the end of Brazil's existence, so -- and no one's calling for the end of Iran's existence.

So the nonproliferation regime crumbles.

Second, you already have terrorism from Iran. Now, imagine terrorism with impunity.

Now, let's say -- I don't suspect that the powers that be in Iran are going to wake up on a sudden -- sudden -- sunny day, and everything's going fine, and they're going to dispatch all their nuclear weapons in an effort to bring back the return of the 12th imam. I don't think Ahmadinejad would do that. His crazy father-in-law might, OK, but even Ahmadinejad wouldn't do that.

But Iran has conflicts with the United States and others on every day -- or every month -- a U.S. destroyer, the Strait of Hormuz, an Iranian gunboat. Now, with a nuclear Iran, that is a confrontation between two hostile nuclear states. That's a Cuban missile crisis.

Now, we had one Cuban missile crisis. We survived. But imagine a series of Cuban missile crises (sic), whether it be confrontations in the Gulf or confrontations about acts of terrorism, a series of -- of -- of eyeball-to-eyeball crises with a hostile nuclear state. And imagine the other side is considerably less sane than Khrushchev.

How many of those are all going to turn out OK?

And then, let's say the Iranian regime is -- faces a popular uprising, insallah.

Gorbachev faced an uprising, had nuclear weapons, shrugged his shoulders, walked off the world stage.

I think this group, instead, would use their nuclear weapons, perhaps against Israel, to -- in a hope to regain popularity on the streets of Tehran, or against the United States, feeling that if they're going to go out, they might as well go out with a bang.

I do not think they're going to shrug their shoulders, hand the keys to a -- to democratic forces in Iran, and go off on a book tour.

Now, a lot has been said about missile defense, and it's become a bit of a partisan issue. And I'm going to put aside whether missile defense works technologically and bring up one problem.

Now, Iran is developing intermediate and even long-range missiles, and of course they would, because a nuclear-tipped missile is the Viagra of tyrants. There is nothing cooler than being there at the parade and seeing the missiles go by, and everybody knows that they could be nuclear armed, even if they aren't in the parade.

That's big time. That's what Khrushchev did, that's what America, you know.

But if there's serious thinking in Tehran, they will realize that developing -- delivering the weapon by smuggling it is a much better option, for two reasons.

First, they get pinpoint accuracy without relying on technology. No North Korean technology, no Iranian technology has more than a 90 percent assurance of getting within half a mile of where they want to hit.

Second, they get plausible deniability. Remember even bin Laden denied, then admitted, then hinted that he was behind the events of 9/11.

Now, we've strengthened our border to the point where some people who otherwise would aspire to wash dishes in the United States feel it's not worth \$1,500 to \$3,000 to be smuggled into the United States.

And if we do more at the border, we will discourage those -- some of those economic migrants.

But a nuclear weapon's about the size of a person. They vary in size. You could smuggle one into this country inside a bale of marijuana. And any -- you do not have to be a rocket scientist to smuggle across the United States.

And just to give you how -- how strong our Border Patrol is, we have zero agents on the Canadian/Alaskan border, so we devote zero resources to say, Anchorage.

So it's -- we may improve our border. We may be able to create and make it a \$10,000 or \$20,000 project to sneak something the size of a person into the United States and to be sure that it -- that it makes it and it's not intercepted. That will deter those who aspire to minimum wage or lower than minimum wage jobs. It will not affect those with nuclear weapons.

Now, I do want to digress a little bit and talk about the military option against Iran. I have strongly opposed any effort in the United States Congress to take the military option off the table. I regard that as Ambien for Ahmadinejad -- it would help him sleep better.

There are two reasons to leave it on, even if you don't think we'd ultimately use it. One is to strengthen the argument of those in Iran who say we ought to give up our nuclear program because we may lose it for a variety of reasons, either to sanctions or to military action.

Second, it provides an impetus for Europe to get serious on sanctions since those crazy Americans might do something -- or just might do something crazy, or Israel might do something that I'm sure most European governments would oppose.

There hasn't been a lot of talk about how the military action would work. Most assume that whether it be U.S. or Israeli, there would be a week or two just hitting nuclear sites. I don't think that that would prevent Iran's nuclear program from going forward. I think it would delay it for two or three years.

Another approach that is not being talked about all that openly is what I call sanctions from the air. That is to say a threat to every -- to every strategic asset in Iran until it agrees to total inspection, perhaps forced expatriation of some of their top scientists, abandonment of facilities, et cetera.

Whether Israel or the United States would, well, whether Israel would have the capacity to sustain this over a period of time and whether Israel chooses to do so, I don't know.

But the assumption that military -- that air action over Iran has got to be directed exclusively to nuclear sites fails to recognize that many of those sites are hidden, could be hidden, could be underground, et cetera and that if Iran feels free after a week or two to resume its program, we may have delayed them by only a few years.

Again, I don't -- I don't think that either the United States or Israel will use military action, and I think there are a lot of problems with it, not to say that I'm confident in sanctions.

It's always fun to have me as the last speaker, because I'm really not an optimist on these subjects.

But, clearly, that -- you know, when -- when we think of the military option, we really have to think of two military options, one aimed exclusively at the nuclear sites and one aimed at basically telling the Iranian people and government that they will face constant strategic bombing of all valuable sites in accordance with the rules of law -- or the law of war until they get a award of participation from the IAEA and more.

Now, in terms of sanctions, the original idea was the Iran-Libya Sanctions Act to prevent companies from making a \$20 million or more investment in the energy sector in Iran. This made a tremendous amount of sense in 1996 when it was adopted.

Since Iran at that time was not known to be moving toward nuclear weapons, certainly was nowhere close, the goal was constant slow pressure on Iran to get it to change, punish Iran for the activities that it engaged in in the 1990s.

Now -- and, of course, we didn't apply it. Had we done so we might be in a very different circumstance.

But now preventing investments from being made in Iran that will add to Iran's economic viability 10 or 20 years down the road is not going to get them to give up their nuclear program.

It's a part of it. And there are going to be people in Iran who argue if we can't get an investment and an improvement in this oil field in 2011, then in 2015, revenues from that oil field are going to decline, and that's bad and it hurts, and it may mean half -- one half of 1 percent of our GDP.

But if you're looking for fast-acting sanctions, there are really two ways to look.

One is discussed at length -- refined petroleum. The world is clamping down on refined petroleum. Iran has responded, in part, by using their petrochemical facilities, turning them into gasoline refining facilities, in part by getting some other entities to sell them refined petroleum.

If you had to pick one thing to do, hitting refined petroleum makes sense, but there are no silver bullets.

Another way to go, and it would be very difficult to arrange this, even more difficult than anything we've had, is to deal with replacement parts. Iran is not self-sufficient. Everything -- every major asset they've imported from abroad needs service and replacement parts.

The best example of how we haven't used this is that in 2005 the administration granted a special waiver to allow Boeing to sell replacement parts for its planes.

The argument was made "well, we want those planes to be safe."

I think what we should have done is announce that we want those planes grounded until the nuclear program's grounded.

And we should have constantly repeated warnings both for international and domestic flights, don't fly on any Boeing plane operated by the Iranian Airline, because it doesn't have replacement parts. That would adversely affect Boeing's ability to sell planes to other governments whose actions are perhaps half as bad as those of Iran.

In any case, a decision was made. Even up until now, Boeing is free to sell its replacement parts, and of course Airbus is good -- is as well.

Whether it's an elevator in an office building, whether it's equipment for a refinery, whether it be a petrochemical refinery or a gasoline refinery, whether it's an airplane or a train, the replacement parts are necessary and easily available to the Iranian government.

Now, I want to review where we stand as far as congressional enactments. I've mentioned the Iran-Libya Sanctions Act, now the Iran Sanctions Act.

In 1998, the Clinton administration identified sanctionable actions and then waived any -- any penalty. But merely naming and shaming caused the Europeans to be very upset, and we haven't done it since, up until last month, when we named and shamed a company owned by the Iranian government.

Needless to say that wasn't a tremendous act of courage, but what we have also done is we've persuaded major European firms to disengage from Iran. And we have told them they will not be sanctioned if they disengage and do not reengage.

And so increasingly, if Iran wants investment in its energy sector, it has to turn to China. There are three major Chinese companies -- I've been -- I expect that they are under investigation by our State Department. And it will be interesting to see whether those companies are named and sanctioned.

If not, then we will have pretty much adopted the policy of the last 13 years of -- well, what the State Department does, they don't say they're intentionally violating the law. They say their copy of the Wall Street Journal announcing the particular investment was in the bushes, and they never got it.

So, it'll be interesting to see whether one of the three major Chinese companies -- oil companies is named and shamed and then subject to sanctions.

Now, I want to review CISADA, the Comprehensive Iran Sanctions Accountability and Divestment Act, to go through its -- has that already been done?

(CROSSTALK)

SHERMAN: OK. You all know it, but I'll go through it rather quickly. I know we have some C-SPAN viewers that may not watch the full 20 hours of this conference.

This was -- became law in July of this year. Should have been adopted certainly by 2002 when Iran's nuclear program was announced.

And what does it do? First, it turns the foreign banks that facilitate Iran WMD transactions or terrorism or transactions with the Iran Revolutionary Guard Corps, and makes it -- and makes it extremely difficult for them to do business with the United States.

The key to the effectiveness is to identify what is the Iran Revolutionary Guard Corps and its various agents and affiliates. Treasury has designated only 50 front companies. There are hundreds. We need to designate more.

Now, the key part of CISADA is sanctions on investments in the energy sector. The Iran Sanctions Act applied those to drilling operations. This adds them to those who help Iran refine petroleum or who sell refined petroleum or who provide insurance, financing or shipping of refined petroleum.

At the very minimum, what this has done is it's forced Iran to stop being able to export petrochemicals, to use refineries that were not built for gasoline but were built for petrochemicals to refine gasoline. And I'm told that that will adversely affect engines in -- in Iranian cars.

That's not the silver bullet or knockout blow, but it is in effect, and of course Iran is, for a variety of reasons, begun to reduce its subsidy to -- subsidized pricing on gasoline to Tehran motorists.

If -- there's a whole list of sanctions that can be applied, some major, some minor. I would be very satisfied for a while, it would make my day if the State Department would apply even the most minor sanction to the most egregious violation.

The best part of the bill deals with U.S. government contracts, and that's because it doesn't require affirmative action by any bureaucracy to enforce it.

The way it works is if you want to get a U.S. government contract and bid on it, you, the executive of a company, must sign on behalf of not only your own company, but all its affiliated corporations, that you are not engaging in sanctionable activity under CISADA.

The regulations have been put forward very recently, and I look forward to executives selling everything from soups to nuts to the U.S. government reading this over, and then calling all their affiliates and getting the message that you have to choose: Do you want to do business with Iran where doing business is difficult, or do you want to share the U.S. government business?

The other provisions include sanctions for those who export technology to the Iranian government that could be used to restrict the flow of unbiased information. A ban on imports -- this is from Iran. This has been something I've been working on since 1998, I - or 1999.

Madeleine Albright allowed Iranian imports into the United States. I went down to the floor and said there's blood in the caviar.

I hate to tell you but now the epicureans of this country will have to get by with Northern Caspian caviar.

(LAUGHTER)

And it's hard to tell other countries not to do business with Iran when you can't even stop the import of dried fruit and caviar.

And an important part of the bill deals with divestment. It used to be that fiduciaries, particularly of state and local pension plans but also other private trusts, were reluctant to divest from companies doing business with Iran in inappropriate ways because they faced the risk of junk lawsuits saying a local government can't have a foreign policy and/or that they have a fiduciary duty to seek the highest possible return and somehow failing to invest in terrorism adversely affected that rate of return.

We have liberated them from that concern, and a lot of us are working state by state, locality by locality. The law is very broad in how it's drawn and could probably be used in many cases to prevent companies from getting state and local contracts. So it's not just we'll sell your stock -- we may not buy your product if you're engaged in these activities in Iran.

Now that's as far as this law goes. There are a lot of things that weren't in it. That's why I've introduced the Stop Iran Nuclear Weapons Program Act, and I'm pleased to say that Senators Casey and Brown have introduced the same with -- a few changes -- act in the United States Senate. Clearly, we're not going to pass it this year, but it's the opening effort for next year.

What is it? First, it says whatever a U.S.-based company cannot do, they cannot do through their subsidiaries.

Second, with regard to the Iran Revolutionary Guard Corps, it pushes the Treasury Department to designate a lot more front organizations and it prohibits any commercial transaction. You can't sell paper clips to the IRGC or its front groups.

It sanctions those involved with the sale of sovereign bonds by the Iranian government or its entities, including its oil company. Now, this is important because the purpose of the Iran Sanctions Act was to prevent Iran from getting investment in its petroleum sector.

Well, they can achieve the same thing by borrowing the money and hiring the technicians themselves. Well, let's prevent them from either of those, especially borrowing the money.

It sanctions those who pay in advance for Iranian oil, since that's a way of loaning money to the Iranian government, or who sign long-term contracts for Iranian oil, since that's a way of providing them with price stability.

It denies tax benefits, chiefly faster amortization on exploration expenditures, to any corporate where any one of its subsidiaries has violated the Iran Sanctions Act prohibition on investment in the energy sector of Iran.

Now, a controversial part that I haven't persuaded the senators to include in their bill, and that is it prohibits the export of aircraft parts to Iran for the reasons I've identified.

It prohibits those who engage in sanctionable activity from getting -- from participating in contracts from OPIC, but we've achieved that administratively already. My subcommittee has jurisdiction of OPIC, and I'm pleased to see their board of directors has gone in the right direction -- also Ex-Im Bank, TDA, foreign aid programs. And it requires the 401(k) of the federal government, we call it TSP, from investing in firms that violate the act.

It prohibits providing mining and milling equipment to Iran if that could be used for mining uranium. It allows states to impose sanctions on insurance companies that invest in Iran, since insurance is regulated at the state level.

It focuses our attention, and this again is only in the House bill -- wasn't able to persuade the senators to include this -- and that is to aim at the World Bank and the IMF when they provide benefits to the Iranian government. There are still loans approved up until 2005, still disbursements in the pipeline, where World Bank money is being lent on concessionary terms to the Iranian government.

Likewise, a huge deal at the height of the crisis, the world economic crisis, was an increase in special drawing rights of \$250 billion at the IMF, basically underwritten by the U.S. taxpayer and others, a billion of those special drawing rights for hard currency vested in the Iranian government.

We need to pressure these two institutions and even condition our contributions to them to a change in their behavior toward Iran.

Got a provision some -- that only attacks (inaudible), and that is, if you divest from a company engaging in the wrong kinds of activities in Iran and reinvest that money in a company that is pure, you get a carryover basis and no capital gains tax.

And that pretty much summarizes the bill that we've introduced this year and that we will reintroduce next year. The bill we reintroduce next year will also include every good idea I can get from this room or anybody watching.

The design of the bill is to be a complete list of every kind of sanction that we can impose, all with the goal of forcing the government in -- in Iran to choose between its nuclear program on the one hand and its survival on the other.

I do want to point out, and I regret it, that any sanction to be effective will adversely affect the Iranian economy and the real people in Iran who are blameless.

All I'll say is that Nelson -- we did the same on South Africa. We hit South Africa with significant sanctions. We hurt the economy. Most of that pain was felt by the blacks in South Africa. Nelson Mandela has thanked us for those sanctions.

And I look forward to the day when a democratic Iranian leader, a leader of a country that complies with the Non-Proliferation Treaty, thanks us for the sanctions that we have imposed and that I would like to impose.

Why don't I open it up for questions, although I haven't left quite enough time?

Thank you.

(APPLAUSE)

QUESTION: An issue that's been battered around here, like a cat playing with a mouse, is helping the Green Movement. And that -- that can happen two ways. It can happen directly by the government, it can happen by private individuals.

But if private individuals are going to do this, they -- or NGOs, they need a license from Treasury. A license has been applied for a year ago, there's been zero response. No no, no yes, no nothing.

So part of your proposal as a legislation might include a provision mandating that Treasury grant such licenses upon application within a deadline, unless it can come up with a rationale that it jeopardizes directly the security of the United States.

For instance, secret technology. They can't just say, willynilly, we disagree, in effect.

SHERMAN: I've been pressuring the administration on this. We ought to do it by legislation as well. You're absolutely right. Our prohibitions on exporting certain things to Iran was never intended to make more difficult communications efforts of Iranian dissidents.

QUESTION: Yeah, and -- and perhaps a congressional inquiry on the Treasury about the pending requested license could be made, pending the legislation, to see -- see what could be done.

SHERMAN: Have done it, will -- and -- and will do it again. Thanks for reminding me.

QUESTION: Thank you, sir.

QUESTION: Have you seen divestment efforts on the state level? Especially in California, you had State Senator Joel Anderson, I believe, introduce legislation to successfully divest our unions.

Is there anything in the legislation that's addressing large publicly funded funds like the unions from divesting from Iran and aiming at removing not just our business with Iran, but also, you know, the money that's being floated around through like London funds and whatnot, find its way into the Iranian...

SHERMAN: The CISADA bill already allows every fiduciary, public or private, to divest and insulates them from a lawsuit. So if you were running a union trust fund or you were running a -- any kind of private pension plan and thought best to divest, and were worried that you'd get a lawsuit from somebody saying, ah, you could have got a better rate of return if you invested in terrorism, you're now protected from that kind of lawsuit.

So we have facilitated divestiture, not only by state and local governments, which faced an additional argument that because they were state and local governments they couldn't have their -- take foreign policy issues into concern, plus every entity faced the fiduciary highest rate of return argument. We've taken both arguments off the table.

Now, it's up to us to go union by union, company by company, city by city and state by state. and I -- you mention my state. I want to especially thank Controller John Chiang for his efforts on this.

QUESTION: Thank you, Congressman. I'm a long, long-term fan of yours. And I remember when we worked together on the U.S.-Israel Energy Cooperation -- alternative energy cooperation -- Act.

And, talking about that, I'm just a little curious as to, in terms of buying oil from Iran, why the provision is just for people who were paying upfront or long-term interest. Why can't we have a complete embargo of buying oil from Iran?

SHERMAN: I began this discussion by painting the most extreme sanctions. If it were within my power to do so, I might very well go in that direction. What we have to do, though, is see not only what can pass Congress, but also part of that is what level of anger you face from Europeans and the world.

The second thing is that as long as there's one country in the world -- or three or four kind of major countries in the world -- willing to buy Iranian oil, they'll sell it pretty much for the world price.

I guess if we could get them down to maybe only one or two buyers, that buyer would push them down on the price.

But the -- the bottom-line answer to your question and so many others as to why something else isn't in the bill is I'm not sure I can get this one passed.

MAY: If you don't mind, a follow-up on that, then we're going to go -- we'll go right there.

With this, it sounds to me, if I understood you correctly, Congressman, that you sort of have a ladder of things you'd like to see this progress.

I mean, first it was getting sanctions, a bill passed and signed, one that has real teeth, one that closes loopholes. Second is enforcing, because a sanctions bill without enforcement pretty soon falls apart. And then continuing to, I guess, turn the faucet more and more. Is that sort of the strategy...

(CROSSTALK)

SHERMAN: I can turn the faucet -- it's not like I'm all that incremental.

(LAUGHTER)

I'd like to turn the faucet a whole lot right now. But, unfortunately, there are 434 other numbers of the House of Representatives, not to mention the Senate, the president, all that other stuff.

(CROSSTALK)

MAY: So, let me, just to follow up with this, my impression is that you and your colleagues on the Hill are pretty much in accord. This was a remarkably bipartisan piece of legislation, the one that passed in July, but that as you have pointed out the State Department and in some cases the CIA, they're putting the brakes on the car, to use your metaphor.

SHERMAN: Look, we've been trying to pass new legislation. We passed some in 1996, we didn't pass any until 2010. That reflects mostly the lobbying of the foreign policy establishment headquartered in Foggy Bottom and it reflects mostly their ability to influence the Senate, where they have more influence than the House.

So we will continue to try to push. And I -- I guess I -- I can thank this administration for letting us get what we were able to get and we couldn't get it before. And yet there were things that, had they supported we would have gotten, and we've packaged them up into the next bill.

MAY: I'm going to ask for three questions to be taken in order, and -- because we're over time, and then you respond to those questions as you wish in a sort of summary fashion.

QUESTION: I was at the hearings, just about a week ago, where we talked about the enforcement about the sanctions. And one of the things that you mentioned was that you had been unable to get the CIA to give you a classified briefing.

I know nothing happens that quickly, it's just a week later, but in general, shouldn't Congress be able to get something like that from an executive branch office, really without question? And if we can't achieve that, what chance is there of getting real cooperation?

MAY: Let's get a couple more questions, then you'll -- you'll answer them as -- as you choose.

QUESTION: I wanted to ask you on your next legislation, there are -- there are something like \$8 billion of judgments on behalf of victims of terrorism that involve the Iranian government. They're unable to collect on those judgments.

The U.S. Treasury has not been very cooperative with the families of the victims. It would be very helpful if there was something in your legislation that would require the Treasury and the Board of Governors of the Fed to cooperate and identify, for example, money that comes into the New York banking system in U-turn transactions where it can be seized.

There's \$2 million that was seized in a Clearstream -- excuse me, that was frozen about two years ago in a Clearstream transaction, by chance. There's much more transiting the New York banking system every day. We could really put a crimp in Iran's support for terrorism by doing something like that.

QUESTION: It's not only -- in the U.N. system, it's not only the IMF and World Bank, there are also substantial programs in Iran which involve U.S. money for everything from climate to development and so forth. Have you given any thought to taking any measures against transfers for those?

MAY: I'm going to let you respond to those questions, and perhaps, because we're over -- I don't want to impose on your time, we're a little over in terms of this rental of this room.

(LAUGHTER)

SHERMAN: As to the first question, there's an issue as to whether the MEK should be taken off the terrorist list. Over 100 members of the House have cosponsored a bill to force the State Department to do that. Many of us would prefer that the State Department make those decisions entity by entity, rather than Congress legislating for a particular entity.

On the other hand, the U.S. Court of Appeals has ruled the State Department hasn't done its job on determining whether the MEK should be taken off the list, and the MEK is clearly the most useful to the United States organization that is on the list.

I'm not saying they're the greatest saint. I'm just saying they're the most useful of those who are on that list, a list that is supposed to include only sinners.

So what I asked for was a briefing from the State Department as to how it's going with their review as to whether to take MEK off the list. That would involve both the facts, what has the MEK done, and the law, how does the State Department apply that.

They refused on the theory, well, the courts are looking at it so we don't want to talk to Congress. That was pretty weak.

On the other hand, a CIA briefing was arranged for our State Department as to what the facts are.

And so the legal analysis is not available, but those of my colleagues who are interested know what the MEK did and when they -- and when they stopped doing it, and what the conjecture is as to what they might do again.

And I, again, hope very much that the State Department reaches the right conclusion expeditiously rather than having to legislate item by item. But at least the court thought that they had not done a very good job with regard to the MEK.

As to the U-turn transactions and the judgments, I want to take a look at that to see how much pressure it puts on the Iranian government and what my prospects are of getting it.

There is -- I have been supportive in general of those with judgments. And at the same time, those with judgments against -- those with legitimate claims against Iran exceed by far all the money we're ever going to get from Iran.

And you want to make sure that the pie is -- is cut. You want to take the Iranian government's pie, but you want to make sure that the slices go in some proportion to the claims.

And then, as to the U.N., I want to take a look at what the U.N. is doing in Iran and shouldn't be. We'll -- I face tremendous resistance dealing with the World Bank and the IMF. I am the only person to have voted against the huge IMF package that was a -- you know, in the economic crisis simply because it would benefit Iran.

So, I mean there are lots of issues on that, and there was a huge economic crisis and still is, but for me that was critical.

Are we done?

MAY: I want to just ask that we give a round of applause, not just for this but for all the service and all the hard work the congressman is doing on this vital, vital issue.

(APPLAUSE)

Thank you so much.

And thank you all for coming. We'll be passing out some questionnaires. You can suggest how we do a better job next year. That we call on you more often for your questions, I assume will be part of it.

(LAUGHTER)

Thanks so much.

END