

**Remarks of the Honorable Dan Burton  
Chairman of the Subcommittee on Europe and Eurasia  
Committee on Foreign Affairs  
U.S. House of Representatives**

**Hearing on: “Iranian Influence in the South Caucasus and Surrounding Region”**

**\*\*\*As prepared for delivery\*\*\***

**December 5, 2012**

The purpose of this hearing is to better understand Iran’s influence in the South Caucasus and the surrounding region. I traveled to Azerbaijan and Armenia in early September. In both countries I met with the President as well as the Speaker of Parliament, cabinet officials, and businesses leaders. I also had the opportunity to meet with Georgian President Misha Saakashvili while passing through Tbilisi. Iran was a common theme in all of these meetings as well as my meetings with our Ambassadors and their teams.

Iran was bound to come up. The Islamic Republic currently forms the southern border of a region long squeezed between three historic powers. However, it was the way in which Iran entered my conversations in the region that caused me to call this hearing. Iranian policy in the South Caucasus seeks to attack what it views as “soft” Western targets within easy reach of Tehran, to take advantage of regional geopolitical realities to undermine Western efforts to sanction Iran’s nuclear weapons program, and to counter Western attempts to develop the region as an energy production center and transportation corridor.

Iranian sponsored terrorism is hardly unique to the South Caucasus. We have seen the Iranian regime, operating through organizations such as the Republican Guard, employ such tactics around the globe—including right here in Washington, DC. However, the proximity of the South Caucasus to Iran as well the strong relationship that Armenia, Azerbaijan and Georgia have with both the United States and Israel increases the appeal of targets in the region. I applaud governments in the region for their vigilance against this Iranian threat. However, I am particularly concerned about security at the US Embassy in Baku as the age and location of the facility leave our people there particularly venerable.

I often find myself comparing the geopolitics of the South Caucasus to a Gordian Knot. The tangle of historical and current events leaves countries in the region isolated from their neighbors. Unfortunately such isolation can play into the hands of powers lying on the periphery of the region. Press reports and conversations that I had while in the region indicate that Iran is taking—or at the least has the potential to take—advantage of Armenia’s regional isolation and thus the country’s economic dependence on their common border to use Armenian banks and enterprises to skirt international sanctions. The United States and our regional partners—including Armenia—must be vigilant by fully applying current laws and regulations and by

amending sanctions as needed to close loopholes. I hope that legislation currently working its way through this Congress will do just that.

Sanctions are an essential tool in our continued attempts to isolate the Iranian regime. However, we must recognize that for many countries in this Subcommittee's jurisdiction decreasing consumption of Iranian energy means increasing consumption of Russian energy. Such a chain reaction is not in the national interest of the United States. The solution to this problem requires renewed American leadership to increase the development of resources that lie across the South Caucasus and Central Asia as well as the infrastructure—the pipelines—needed to transport these resources to European consumers.

The Iranian threat in the South Caucasus reminds us of the strategic importance of this outpost of Europe, a region that the United States has attempted to integrate into the West since the fall of the Soviet Union two decades ago. After a couple weeks, I will not be here to see this project to its completion. It is my hope that my colleagues seated here, with the intellectual support of these witnesses, will finish the job.