

# WHAT “YES” WITH IRAN LOOKS LIKE

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## EXECUTIVE SUMMARY

- Any sort of comprehensive agreement with Iran will need to follow an extended period of intense U.S. sanctions. Before and during any negotiations, the administration should build a sanctions wall – of deeper and broader sanctions – to ensure that a future administration cannot easily eliminate sanctions against the Islamic Republic unless the regime’s actions – nuclear and non-nuclear – change fundamentally. The Islamic Republic should know it cannot wait-out the Trump administration.
- Washington must not only guard against premature diplomacy, which would undercut its leverage and lead to early sanctions relief, but against a limited agreement that fails to address adequately both nuclear and non-nuclear threats. Any diplomacy that attempts to separate the nuclear issue from Tehran’s other actions runs the serious risk of repeating the path of the Obama administration: limited nuclear restraints in exchange for no surcease to the Islamic Republic’s regional aggression and aggrandizement. In effect, the United States would again be underwriting Iranian hegemony.
- For Washington to know if an Iranian offer to negotiate is “genuine,” it will need to look for indicators of macro-economic contraction and political duress. The absence of those signs would surely mean that the offer is meant to buy time and offset sanctions pressure.
- With any agreement, the Islamic Republic’s concessions will take one of two basic forms: the physical destruction of a capability or a political promise to forgo a certain activity. To avoid being bested at the negotiating table, Washington will have to know in advance what mechanism sufficiently addresses each threat.
- There are at least three domains that a comprehensive agreement should seek to address: nuclear, missile/military, and regional aggression/support for terrorism.
- Should Washington and Tehran meet, the Trump administration should not hesitate to add human rights into the mix. Ignoring human rights and the cause of representative government would only vindicate the regime narrative that Washington does not really care about the plight of the Iranian people. The United States should always advance what the clerical regime fears most.<sup>1</sup> The Islamic Republic is not going to change its behavior unless the regime believes it has no other option.

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 1. Conceptually, this is amplified by a finding from noted political scientist Robert Jervis, who said, “to the extent possible, the actor should design his behavior to work with, rather than against, the other’s expectations.” Robert Jervis, *Perception and Misperception in International Politics* (Princeton: Princeton University Press, 1976), page 410.

## INTRODUCTION

Even amidst a flurry of press reporting about U.S. military deployments to the Persian Gulf,<sup>2</sup> President Donald Trump appears to remain committed to negotiations for a new deal with Iran.<sup>3</sup> But what should the contours of such an agreement be, and how should the U.S. conduct diplomacy with the Islamic Republic? This memorandum aims to provide a crash course in such diplomacy, focusing on how to address Iranian intentions, strategies, and capabilities.

## PRESSURING IRAN TO REACH A COMPREHENSIVE AGREEMENT

Since the Islamic Revolution in 1979, Tehran has attacked the United States directly and indirectly, created and generously funded radical Islamic groups, developed the Islamic Revolutionary Guard Corps (IRGC) into an expeditionary military force, and, in a multitude of other ways, undercut U.S. interests and allied security in the Middle East. The clerical regime has persevered in its ambitions even when Washington has marshaled considerable political, economic, and military resources against it. The impact of sanctions must be massive to force the regime into a comprehensive agreement that rolls back Tehran's nuclear and missile programs, as well their foreign interventions.

Such an agreement would have to release pressure slowly or risk Iranian recidivism. Washington should avoid at all costs any immediate sanctions relief early in negotiations – the Obama administration released \$7 billion with the interim nuclear deal in November 2013<sup>4</sup> – since the White House must retain maximum leverage against the Islamic Republic throughout the talks.

Furthermore, any negotiations that split the nuclear question from the regime's regional ambitions would repeat an even larger mistake made by the previous administration. As it did under Obama, a nuclear-only agreement would give a green light to the Islamic Republic's hegemonic aspirations, encourage the clerical regime to continue its mission to radicalize and dominate Arab Shiites, and suggest to Sunni Arab states that the United States has no real intention to counter Tehran. The more ardent supporters of the nuclear deal have understandably tried to recast the Islamic Republic as a tolerable, not particularly threatening “bad actor” in the Middle East – one certainly less troublesome than Saudi Arabia. The Islamic Republic's revolutionary ideology and intentions – including its extraordinary success in organizing foreign Shiite militias under its command – are inevitably downplayed.

Revisionist powers, let alone those motivated by a revolutionary religious ideology, do not pull back the limes of empire and influence unless troubles at home or a countervailing force abroad oblige them to do so.<sup>5</sup> Any

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2. The authors believe these moves to be an effort to underwrite American deterrence, not a prelude to war. Nicole Gaouette, “US narrative on Iran questioned as allies call for ‘restraint,’” *CNN*, May 15, 2019. (<https://www.cnn.com/2019/05/14/politics/us-iran-warns-against-conflict/index.html>)

3. Kylie Atwood, “White House passes phone number to Swiss, in case Iran wants to call,” *CNN*, May 10, 2019. (<https://www.cnn.com/2019/05/10/politics/white-house-iran-phone-number/index.html>); Matthew Lee, “Pompeo says US ready to talk to Iran with ‘no preconditions,’” *Associated Press*, June 2, 2019. (<https://www.apnews.com/010c095e66924bbba57002bfe985277d>)

4. The 2013 interim deal was known as the Joint Plan of Action (JPOA). Mark Dubowitz and Orde Kittre, “A Weak Agreement Likely to Get Worse,” *The Wall Street Journal*, November 24, 2013. (<https://www.fdd.org/analysis/2013/11/24/a-weak-agreement-likely-to-get-worse/>)

5. This is, of course, despite Iranian attestations to the contrary that they do not negotiate under pressure. See: “واکنش سردار جوانی به پیشنهاد: ‘The Response of Commander Javani: The Iranian Nation Will Not Turn To Negotiations Under Pressure,’” *Tasnim News Agency* (Iran), May 10, 2019. (<https://www.tasnimnews.com/fa/news/1398/02/20/2008158/-سردار-واکنش-جوانی-به-پیشنهاد-ترامپ-ملت-ایران-به-مذاکره-تحت-فشار-تن-نخواهد-داد>)

American administration attempting to negotiate with Iran would therefore have to push the clerical regime to the edge of collapse before the ruling clergy and the IRGC, who have overseen the nuclear advance, would contemplate abandoning a program backed consistently and ardently by all the factions of the ruling elite. A historical parallel: Only when Iran's military forces were cracking and fleeing, and when the revolutionary clergy realized that a collapse on the front lines might topple the Islamic Republic, did the first supreme leader, Ayatollah Ruhollah Khomeini, seek to end the Iran-Iraq War.<sup>6</sup> The importance of the nuclear program to the Islamic Republic is probably similar to the importance that the ruling clergy attached to the campaign against Saddam Hussein.

Even under extreme duress, Tehran will want to make any potential agreement transactional and not transformational. This will lead it to 1) run the clock on any negotiations; 2) make any agreement that is reached limited in scope and phased in its implementation; and 3) resist strenuously trading away key capabilities, both nuclear and conventional, so as to retain leverage against American pressure.

Limited agreements are in Iran's interest. On the nuclear front, the Islamic Republic has invested a lot of time, pride, principle, and money to develop an atomic weapons capacity and nuclear-capable ballistic missiles. It has been an integral part of how the regime has approached its defense budget and security strategy for over 20 years. Supreme Leader Ali Khamenei and President Hassan Rouhani have both been involved with this effort since the beginning; they both can lay claim to being among its founding fathers.

That is why Iranian personnel matter just as much as policy. The principal reason Rouhani is in any negotiation more dangerous than his Holocaust-denying predecessor is because he is more competent. The same is true for the foreign minister, Mohammad Javad Zarif, who is socially the polar opposite of Iran's preceding nuclear negotiator, Saeed Jalili, the one-legged, reverently religious war veteran who loathed being in the company of Westerners. Until Trump's decision to withdraw from the 2015 nuclear deal, formally known as the Joint Comprehensive Plan of Action (JCPOA), Rouhani and Zarif could position themselves domestically and internationally to make the case for a limited nuclear agreement. To foreigners, they could present themselves as the best hope for a more responsible Iran without actually needing to deliver. At home, they could say to the ruling elite how they got rid of the bulk of sanctions without requiring the Islamic Republic to change fundamentally and end its nuclear ambitions. This duo will surely try to resurrect the same approach with the Trump administration if the White House and Tehran engage diplomatically.

Assuming the supreme leader can overcome both his pride and any domestic political calculation that would prevent him from engaging Trump, he is sure to resist any comprehensive settlement with the United States. He will want what the previous nuclear deal offered: Tehran could adhere to its terms while acting aggressively in areas not covered by the accord, such as Syria, missile testing, the cyber domain, and the general expansion of Shiite proxies in the Middle East.<sup>7</sup> A comprehensive agreement avoids this problem. Broadening the scope of issues with Iran while increasing pressure tells Tehran one thing: If the regime wants an end to economic

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6. For more on the importance of the war (both in terms of understanding Iran, as well as potential historical parallel), see: Behnam Ben Taleblu, "The Long Shadow of the Iran-Iraq War," *The National Interest*, October 23, 2014. (<https://nationalinterest.org/feature/the-long-shadow-the-iran-iraq-war-11535>). Note that Iranian President Hassan Rouhani has likened the current sanctions regime to being tougher on Iran than the pressure Iran felt during that war. This is a significant development. See: Vivian Yee, "U.S. Sanctions Cut Deep, but Iran Seems Unlikely to Budge," *The New York Times*, May 12, 2019. (<https://www.nytimes.com/2019/05/12/world/middleeast/us-iran-sanctions-rouhani.html>)

7. Dan De Luce and Robert Windrem, "Iran uses proxies to punch above its weight in the Middle East, experts say," *NBC News*, May 24, 2019. (<https://www.nbcnews.com/politics/national-security/iran-uses-proxies-punch-above-its-weight-middle-east-experts-n1008731>)

pain, then it must reconsider its foreign and security policies wholesale, not selectively. If it is unprepared to do so, then the United States is willing to maintain severe economic pressure and check Iran's ambitions with the means required.

Accordingly, the Trump administration should not begin negotiations, as the Obama administration did, with nuclear, economic,<sup>8</sup> and other<sup>9</sup> concessions, which clearly signaled Washington was prepared to make more. President Trump should want to shut down hope that a Democratic administration can resurrect the JCPOA with the same, or even more, economic inducements. He should build a wall of additional sanctions that a successor could not easily dismantle. These measures would be directed not against the nuclear program but the regime's role as the leading state sponsor of terrorism, including the terrorism-financing central bank; the missile program, which is increasing range and accuracy; and the clerical regime's human rights abuses and corruption.

Erecting a sanctions wall would deter foreign financial institutions and companies from returning to the Iranian market by weaponizing both fear and doubt. Should any bank, business, or government pin their hopes on a new administration inking another limited deal, they should know that these sanctions would remain in place. Congressional Republicans are already clarifying that they will not support a return to a resurrected JCPOA, and should their party re-enter office, they would not hesitate to restore sanctions and target any entity or person who violates them.<sup>10</sup>

By issuing, for example, a terrorist designation against Iran's Central Bank – whose past leadership has been implicated in support for terrorism<sup>11</sup> – the administration could “freeze out” Iran's major bank should a different administration return to the JCPOA in search of a “nuclear-only” deal. The administration can certainly impede Europe's attempts to bypass American sanctions on Iran<sup>12</sup> and go after the Iranian financial entity designed to transact with Europe.<sup>13</sup> The administration could also issue advisories, through FinCEN at the Treasury Department, stigmatizing sectors of the Iranian economy that contribute to Iran's most dangerous

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8. In addition to the interim sanctions relief granted to Iran during the JPOA, it is entirely plausible that Washington's decision to leave a sanctions loophole for Iran when it came to precious metals sanctions could have been intended as a sweetener/incentive to get Iran to come the negotiating table. For more on the loophole, see: Gary Clark, Rachel Ziembra, and Mark Dubowitz, “Iran's Golden Loophole,” *Roubini Global Economics and Foundation for Defense of Democracies*, May 13, 2013. ([https://s3.us-east-2.amazonaws.com/defenddemocracy/uploads/documents/FDD\\_RGE\\_Iran\\_Gol\\_Report\\_May\\_2013\\_FINAL\\_2.pdf](https://s3.us-east-2.amazonaws.com/defenddemocracy/uploads/documents/FDD_RGE_Iran_Gol_Report_May_2013_FINAL_2.pdf)). For how gold sales ultimately fed into a case of major sanctions busting, see: Jonathan Schanzer, “The Biggest Sanctions-Evasion Scheme in Recent History,” *The Atlantic*, January 4, 2018. (<https://www.theatlantic.com/international/archive/2018/01/iran-turkey-gold-sanctions-nuclear-zarrab-atilla/549665/>)

9. As noted in: Pamela Engel, “Obama reportedly declined to enforce red line in Syria after Iran threatened to back out of nuclear deal,” *Business Insider*, August 23, 2016. (<https://www.businessinsider.com/obama-red-line-syria-iran-2016-8>). Also see the case of Project Cassandra: Josh Meyer, “The secret backstory of how Obama let Hezbollah off the hook,” *Politico*, accessed June 18, 2019. (<https://www.politico.com/interactives/2017/obama-hezbollah-drug-trafficking-investigation/>)

10. For more, see: Mark Dubowitz, “Build an Iranian Sanctions Wall,” *The Wall Street Journal*, April 2, 2019. (<https://www.wsj.com/articles/build-an-iranian-sanctions-wall-11554246565>)

11. U.S. Department of the Treasury, Press Release, “Treasury Targets Iran's Central Bank Governor and an Iraqi Bank Moving Millions of Dollars for IRGC-Qods Force,” May 15, 2018. (<https://home.treasury.gov/news/press-releases/sm0385>)

12. Eric Lorber and Behnam Ben Taleblu, “Europe Takes Steps to Bypass U.S. Sanctions on Iran,” *Foundation for Defense of Democracies*, February 12, 2019. (<https://www.fdd.org/analysis/2019/02/12/europe-takes-steps-to-bypass-u-s-sanctions-on-iran/>)

13. Mark Dubowitz and Saeed Ghasseminejad, “Sanctions Alert: Iran's New Financial Channel with Europe is Linked to Sanctioned Entities,” *Foundation for Defense of Democracies*, May 16, 2019. (<https://www.fdd.org/analysis/2019/05/16/sanctions-alert-irans-new-financial-channel-with-europe-is-linked-to-sanctioned-entities/>)

activities – such as its ballistic missile program.<sup>14</sup> Washington can complement these sanctions moves – even with negotiations underway – with other measures such as stepping up interdictions of missile technology procurement or proliferation, working with like-minded partners to tighten export controls, and putting the spotlight on missile tests. If Iran is to negotiate seriously and comprehensively, it must know that it has no escape from the pressure the Trump administration has arrayed against it.

## HOW TO KNOW IF AN IRANIAN OFFER TO TALK IS GENUINE

Just because Iran comes to the table or offers to talk does not mean an Iranian offer to negotiate is genuine. Iran is more cognizant of American domestic politics<sup>15</sup> than ever before and has every incentive to run the clock out, using talks until the 2020 election to see if its position would improve under a Democratic administration.<sup>16</sup> Washington can use the political and economic markers in the below chart to assess if the clerical regime is serious about negotiations that could yield a comprehensive agreement.

Taken together, the presence of all markers would indicate that Tehran is facing significant political duress and severe macro-economic contraction. Entering into negotiations with Tehran absent most of these conditions would likely end badly for the United States. These conditions should also be enduring, although the recommended duration for these markers is not the result of a rigorous calculation, but rather a rough, or “back of the envelope,” analysis based on the authors’ judgement about the state of Iran’s economy and society.

While Washington formally left the previous nuclear deal on May 8, 2018, it gradually restored sanctions pressure on Iran in two tranches, in August and November 2018.<sup>17</sup> This phased implementation meant that the administration’s “maximum pressure” policy took full effect about a year after the U.S. left the nuclear deal.<sup>18</sup> Hence, for those assessing macro-economic contraction, May 2019 should be considered the baseline.

The markers below do not precisely account for perhaps the most significant political factor: regime consensus on the advantages to be gained from negotiations and its assessment of whether the American president is resolute or likely to make concessions. Obama clearly signaled in 2012 that he was willing to give the clerical regime uranium enrichment, a position that no Western power had hitherto granted. The Trump administration has a much harder task: It must signal that the Iranians cannot get what they want and that eventual economic ruin awaits them.

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14. Saeed Ghasseminejad, “Iran’s Ballistic Missile Program and Economic Sanctions,” *Foundation for Defense of Democracies*, March 2016. ([https://s3.us-east-2.amazonaws.com/defenddemocracy/uploads/documents/Ballistic\\_Missile\\_Sanctions.pdf](https://s3.us-east-2.amazonaws.com/defenddemocracy/uploads/documents/Ballistic_Missile_Sanctions.pdf))

15. Note the Zarif-Kerry meetings, for instance: “Report: Kerry Met Iranian Foreign Minister In Attempt To Salvage Nuclear Deal,” *The Jerusalem Post* (Israel), May 5, 2018. (<https://www.jpost.com/Arab-Israeli-Conflict/Report-Kerry-met-Iranian-foreign-minister-in-attempt-to-salvage-nuclear-deal-553545>); “Kerry Admits Meeting With Zarif Several Times, Says Did Not ‘Coach’ Him,” *Radio Farda*, September 13, 2018. (<https://en.radiofarda.com/a/kerry-met-iran-zarif-several-times/29488152.html>)

16. This is built into the Iranian argument for “patience” when confronted with the “maximum pressure” policy. See commentary in: Betsy Woodruff and Adam Rawnsley, “Trump Admin Moves Fueled Iran’s Aggression, U.S. Intel Says,” *The Daily Beast*, May 16, 2019. (<https://www.thedailybeast.com/trump-admin-moves-fueled-irans-aggression-us-intel-says>). See references to the candidates in the Democratic field that wish to return to the JCPOA: Bryant Harris, “2020 Democrats vow to re-enter Iran nuclear deal,” *Al Monitor*, March 19, 2019. (<https://www.al-monitor.com/pulse/originals/2019/03/2020-democrats-vow-reenter-iran-nuclear-deal-jcpoa.html#ixzz5oPEllzVE>)

17. Kevin Breuninger, “Here are the sanctions that will snap back into place now that Trump has pulled the US out of the Iran nuclear deal,” *CNBC*, May 9, 2018. (<https://www.cnbc.com/2018/05/08/here-are-iran-sanctions-returning-after-trump-leaves-nuclear-deal.html>)

18. Tom DiChristopher, “Trump aims to drive Iran’s oil exports to zero by ending sanctions waivers,” *CNBC*, April 22, 2019. (<https://www.cnbc.com/2019/04/22/trump-expected-to-end-iran-oil-waivers-try-to-drive-exports-to-zero.html>)

Domain	Marker	Visibility	Duration	Current Status
Political	Ruptures/divisions among political/military/religious elites	Public (but can happen behind closed doors)	Continual	While some elites have rallied, <sup>19</sup> Iran's supreme leader is looking to deflect blame <sup>20</sup>
Political	Continued protests showing dissonance between state policy and society	Public	Continual	Continuing, <sup>21</sup> though on a smaller scale than in December 2017
Political	Iran's regional proxies/partners bemoaning their financial situation	Public (but can happen behind closed doors)	N/A, but should be increasing since November 2018	Hezbollah is facing financial shortages <sup>22</sup> and is relying on donations <sup>23</sup>
Economic	Oil exports (crude and condensate) well below 1 million barrels per day (BPD)	Mostly public (relies on tanker tracking services)	At least six months	U.S. oil export waivers expired May 2019
Economic	Significant depreciation of the rial relative to the U.S. dollar (at unofficial rate)	Public	At least six months	Major depreciation began in first quarter of 2018
Economic	Confirmation that escrow accounts/humanitarian exemptions were/are not used to avoid sanctions and have successfully locked up Iranian revenue and prevented repatriation	Private	N/A, but preferably the entire time this payments system is in effect	Unknown
Economic	Significantly diminishing foreign exchange reserves	Private	N/A, but a downward trend since May 2019	Unknown, but likely declining reserves
Economic	Negative Iranian GDP growth	Public	A downward trend for at least three to six months since May 2019	According to the World Bank, Iran's GDP will contract by 3.8 percent in 2019 <sup>24</sup>

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19. For example, see: "Iranian Lawmakers Wear Guard's Uniforms As Show Of Support For IRGC," *Radio Farda*, April 9, 2019. (<https://en.radiofarda.com/a/iranian-lawmakers-wear-guard-s-uniforms-as-show-of-support-for-irgc/29870111.html>)

20. For example, see: Amir Vahdat and Jon Gambrell, "Supreme leader criticizes Iran's politicians amid US tension," *Associated Press*, May 22, 2019. (<https://www.apnews.com/6da4cc57a6ad4b50b11b880e29eb216a>)

21. @AlirezaNader, "Anti regime demonstrations in Qom, Iran's religious center. 'Death to the dictator,'" *Twitter*, August 4, 2018. (<https://twitter.com/alirezanader/status/1025858903303757825>); @AlirezaNader, "#Iranian Foolad factory strikers chant 'death to this deceptive regime,'" *Twitter*, November 21, 2018. (<https://twitter.com/AlirezaNader/status/1065272535904702464>)

22. Liz Sly and Suzan Haidamous, "Trump's sanctions on Iran are hitting Hezbollah, and it hurts," *The Washington Post*, May 18, 2019. ([https://www.washingtonpost.com/world/middle\\_east/trumps-sanctions-on-iran-are-hitting-hezbollah-hard/2019/05/18/970bc656-5d48-11e9-98d4-844088d135f2\\_story.html?utm\\_term=.96f4ae7e8c26](https://www.washingtonpost.com/world/middle_east/trumps-sanctions-on-iran-are-hitting-hezbollah-hard/2019/05/18/970bc656-5d48-11e9-98d4-844088d135f2_story.html?utm_term=.96f4ae7e8c26)); Ben Hubbard, "Iran's Allies Feel the Pain of American Sanctions," *The New York Times*, March 28, 2019. (<https://www.nytimes.com/2019/03/28/world/middleeast/iran-sanctions-arab-allies.html>); Joyce Karam, "US envoy Brian Hook: Sanctions are hurting Iran's \$700m support for Hezbollah," *The National (UAE)*, March 29, 2019. (<https://www.thenational.ae/world/the-america/us-envoy-brian-hook-sanctions-are-hurting-iran-s-700m-support-for-hezbollah-1.840133>)

23. Caleb Weiss, "Yemen's Houthis fundraise for Hezbollah," *FDD's Long War Journal*, May 29, 2019. (<https://www.longwarjournal.org/archives/2019/05/yemens-houthis-fundraise-for-hezbollah.php>)

24. Dalga Khatinoglu, "World Bank And IMF More Pessimistic About Iran's Economy," *Radio Farda*, April 9, 2019. (<https://en.radiofarda.com/a/world-bank-and-imf-more-pessimist-about-iran-s-economy/29870972.html>)

## EVALUATING CONCESSIONS

Under the auspices of a genuinely comprehensive deal, Iran's concessions will take one of two basic forms:

- 1) **Physical:** The removal, destruction, dismantlement, or erosion of an existing capability.
  - *Examples:* Destroying centrifuges; shipping out low-enriched uranium; complete, unchallenged access to Revolutionary Guard sites where the U.S. and others have long suspected nuclear activity; or the elimination of missiles that meet the Missile Technology Control Regime (MTCR) “nuclear capable” threshold.<sup>25</sup>
- 2) **Political:** Adhering to a commitment to constrain or not use present capabilities and to forego their use in the future, although the capabilities themselves remain extant.
  - *Examples:* Retaining small arms production capability but not transferring weapons already produced, retaining the ability to enrich uranium without doing it, or retaining missiles that fall under the MTCR threshold without testing or transferring them.

For any comprehensive agreement to hold, Washington will have to make Tehran see the utility of agreeing to, where necessary, destroying physically certain infrastructure or foregoing select activities if it wants its regime to remain intact. More importantly, Washington will have to know in advance which mechanism – physical or political – sufficiently deals with each sort of Iranian threat, and then hold the line. The JCPOA experience illustrates the danger of agreeing to political constraints when physical ones are necessary. While the Obama administration once claimed that the “size and configuration” of the underground Fordow enrichment plant was “inconsistent with a peaceful program,”<sup>26</sup> it ultimately caved in negotiations to Iran<sup>27</sup> and enabled the clerical regime to keep the facility open (so long as no uranium was enriched there until 2030).

Tehran will likely counter American demands for physical concessions with a narrative about needing to keep select materials, technologies, and weapons because of legitimate defensive and scientific needs. Washington should be prepared for an Iranian public relations onslaught, which some Europeans may second.<sup>28</sup> To temper a likely European readiness to tolerate Iranian prevarication, the administration should highlight illicit Iranian actions on European soil. These include the attempted assassinations of Iranian dissidents in Europe, and the attempted bombing of an Iranian opposition rally in Paris.<sup>29</sup> Such actions were, in all probability, authorized by

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25. Kelsey Davenport, “The Missile Technology Control Regime at a Glance,” *Arms Control Association*, July 2017. (<https://www.armscontrol.org/factsheets/mtrc>)

26. President Obama, in: The White House, Press Release, “Statements By President Obama French President Sarkozy And British Prime Minister Brown On Iranian Nuclear Facility,” September 25, 2009. (<https://obamawhitehouse.archives.gov/the-press-office/2009/09/25/statements-president-obama-french-president-sarkozy-and-british-prime-mi>)

27. Michael Singh, “Is Iran out-negotiating the Obama administration?” *Foreign Policy*, March 4, 2013. (<https://foreignpolicy.com/2013/03/04/is-iran-out-negotiating-the-obama-administration/>)

28. Examples of such arguments could include getting European powers to sanction Iran on missile grounds: Behnam Ben Taleblu, “As Europe Dithers, Iran's Arsenal Gets More Deadly,” *Bloomberg*, December 13, 2018. (<https://www.bloomberg.com/opinion/articles/2018-12-13/iran-s-arsenal-gets-more-deadly-as-europe-dithers>). Elsewhere, it means praising/supporting Europe when it takes steps in the right direction. See: Behnam Ben Taleblu, “European powers express growing concern about Iranian missiles,” *Axios*, April 8, 2013. (<https://www.axios.com/european-powers-express-growing-concern-about-iranian-missiles-05d9552c-9e81-41a7-8c70-01c3f22c2f18.html>)

29. “EU sanctions Iran over assassination plots,” *France 24* (France), January 9, 2019. (<https://www.france24.com/en/20190109-eu-sanctions-iran-over-assassinations-peoples-mujahedeen-france-bomb-plot>)

Khamenei, whose contempt for the Europeans has grown noticeably since they failed to counter effectively the resurrection of American sanctions.<sup>30</sup>

## ISSUE AREAS AND POLICY GOALS

This section provides baselines for any “good” comprehensive settlement with the Islamic Republic. It categorizes current threats by their domain (nuclear, missile/military, and regional), identifies the main driver for each threat, and at provides least one policy option. These options seek to address the issues raised in Secretary of State Mike Pompeo’s “12 points” speech on Iran.<sup>31</sup> For threats where more than one option is provided, the policy options are, more often than not, complementary.

### NUCLEAR

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#### **THREAT: The domestic enrichment of uranium**

*Driver: Produce fuel for nuclear weapons.*

#### OPTION

Domestic enrichment should be prohibited in Iran at all costs, and the Islamic Republic should be forced to shutter any subterranean enrichment facilities and either scrap or ship out all material related to enrichment (be it hardware, software, or research material). Although it will be tempting to permit enrichment on a low level, for example, with primitive IR-1 centrifuges, any compromise opens up the possibility of further research and development of advanced centrifuges and the import of dual-use nuclear-related materiel. There is an abundant supply of enriched uranium on the open market that Tehran can buy for legitimate scientific and medical purposes. A peaceful program does not require domestic enrichment.

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#### **THREAT: Other nuclear fuel cycle-related activities and research**

*Driver: A hedge letting Tehran mask its interest in atomic weapons under the guise of scientific research.*

#### OPTION 1

Tehran must halt all fuel cycle-related activities, including centrifuge production, testing, operation, and modeling. It must also move to shut down any labs connected with the regime’s nuclear program as well as its network of domestic suppliers.

#### OPTION 2

Iran may only resume nuclear research and development after the International Atomic Energy Agency (IAEA) has come to a “broader conclusion” about the Islamic Republic’s nuclear program and can verify, through extensive inspections and interviews, that it is fully peaceful, and has resolved all outstanding questions related to the possible military dimensions of Iran’s atomic program.

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30. “بیانات در اجتماع زائران و مجاوران حرم مطهر رضوی” (Statements in the Gathering of Pilgrims and Neighbors of the Razavi Holy Shrine), *Khamenei Website* (Iran), March 21, 2014. (<http://farsi.khamenei.ir/speech-content?id=42061>); Parisa Hafezi, “Iran’s Khamenei warns government about deception by Europeans,” *Reuters*, February 18, 2019. (<https://www.reuters.com/article/us-iran-khamenei/irans-khamenei-warns-government-about-deception-by-europeans-idUSKCN1Q70T8>)

31. Secretary of State Michael R. Pompeo, “After the Deal: A New Iran Strategy,” *Remarks at the Heritage Foundation*, May 21, 2018. (<https://www.state.gov/after-the-deal-a-new-iran-strategy/>)

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## **THREAT: A heavy water reactor in Iran**

*Driver: Offers the Islamic Republic redundancy in its nuclear program, opening the door to a potential plutonium pathway for fissile material.*

### **OPTION**

Rather than filling the core of the reactor with cement, or disabling tubes that feed into the reactor core, all heavy water reactors should be converted to light water reactors to reduce the proliferation risk and have a fueling arrangement established by the IAEA through a competent national government approved by the Western nuclear powers.

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## **THREAT: Poor adherence to an inspection and verification regime**

*Driver: Iran has long taken advantage of the lack of an enforcement mechanism in the inspection regimes used by the IAEA.*

### **OPTION 1**

Before any sanctions relief is granted, the Iranian parliament – with the approval of the supreme leader – must formally ratify the Additional Protocol and allow the IAEA to inspect the Islamic Republic as it would any other party that had ratified the protocol.

### **OPTION 2**

Iran and the IAEA will have to negotiate a new inspections regime that expands upon the full authorities of the IAEA pursuant to the Additional Protocol and Iran’s current Comprehensive Safeguards Agreement. The regime will need to agree upfront to anytime-anywhere inspections, including at military bases and facilities not described as “nuclear” only. This option would include a full declaration of every single piece of material, person, paper, and supplier for its atomic program and agreeing to let all of its scientists and engineers be interviewed and assessed by the IAEA. Using the nuclear archives snatched by Mossad would be instrumental in this verification process.

## MISSILE/MILITARY

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## **THREAT: Iranian military modernization**

*Driver: Tehran seeks to upgrade and modernize select military systems, improving parts of its arsenal to enhance its deterrent and coercive capabilities vis-à-vis its neighbors and even the United States.*

### **OPTION**

Washington should work to extend the existing international arms embargo on the Islamic Republic through both formal and informal means. This requires a new UN Security Council resolution that enshrines a new embargo on Iran for at least another decade. The U.S. should also work with countries such as Germany<sup>32</sup> and Ukraine,<sup>33</sup> – where the Islamic Republic has traditionally gone arms shopping – to restrict the flow of used weapons and components through enhanced export controls and customs training.

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32. For a steady stream of annual reported procurement attempts using Germany, see: Ryan Browne, “German intelligence: Iran may have tried to violate nuclear deal,” *CNN*, July 8, 2016. (<https://www.cnn.com/2016/07/08/politics/germany-iran-violate-nuclear-deal/index.html>); Andrea Shahlal, “Iran still trying to buy items for missile development: Germany,” *Reuters*, October 11, 2017. (<https://www.reuters.com/article/us-germany-iran-missiles/iran-still-trying-to-buy-items-for-missile-development-germany-idUSKBN1CG2H8>); “German intelligence: Iran still working to acquire WMD technology,” *The Times of Israel* (Israel), June 2, 2018. (<https://www.timesofisrael.com/german-intelligence-iran-still-working-to-acquire-wmd-technology/>); Benjamin Weinthal, “Germany Refuses To Disclose Iranian Attempts To Buy Nuclear, Missile Technology,” *The Jerusalem Post* (Israel), March 25, 2019. (<https://www.jpost.com/Middle-East/Germany-refuses-to-disclose-Iranian-attempts-to-buy-nuclear-missile-technology-584512>)

33. For Ukraine examples, see: Paul Kerr, “Ukraine Admits Missile Transfers,” *Arms Control Association*, accessed June 18, 2019. ([https://www.armscontrol.org/act/2005\\_05/Ukraine](https://www.armscontrol.org/act/2005_05/Ukraine)); Betsy Woodruff and Adam Rawnsley, “Ukraine Intel: We Caught Iranians Smuggling a Ship-Killing Missile,” *The Daily Beast*, March 30, 2018. (<https://www.thedailybeast.com/ukraine-intel-we-caught-iranians-smuggling-a-ship-killing-missile>)

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## THREAT: Iranian ballistic missile flight-testing

**Driver:** Iran flight-tests its ballistic missiles both as a show of defiance and signal of resolve to domestic and foreign audiences, as well as to make the region's largest ballistic missile arsenal more battlefield ready, reliable, and durable should Tehran need to use them quickly.

OPTION 1	OPTION 2	OPTION 3	OPTION 4
Iran must provide full schematics of all of its re-entry vehicles to the IAEA to see which ones can fit known Iranian bomb designs, and those classes of missiles must be eliminated altogether from Tehran's inventory.	Iran must suspend in perpetuity the flight-testing of any system that meets the MTCR thresholds in terms of payload and range.	Iran should be made to join the MTCR and the Hague Code of Conduct <sup>34</sup> as a predicate to the waiving of sanctions.	Iran must refrain from all flight-tests of missiles with a ballistic trajectory for the duration of time that the IAEA is attempting to come to a broader conclusion about its nuclear program.

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## THREAT: Iranian ballistic and cruise missile development

**Driver:** Missiles not only serve as a powerful tool of coercion and deterrence for the Islamic Republic, but they also can be proliferated to non-state actors in the region to increase their lethality and change the regional power balance in Iran's favor.

OPTION 1	OPTION 2
The Islamic Republic must end the development (as well as research, design, testing, and procurement) of any new ballistic or cruise missile systems that meet or exceed the MTCR thresholds.	While the IAEA is attempting to come to a broader conclusion about the Iranian nuclear program, the clerical regime must not produce or test a new surface-to-surface missile system. <sup>35</sup>

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## THREAT: Iranian Space/Satellite-Launch Vehicles (SLV)

**Driver:** Iran's SLV program is a cover for the regime's long march towards a potential intercontinental ballistic missile (ICBM) capability.<sup>36</sup>

OPTION 1	OPTION 2
Iran must cease all SLV tests.	Iran must not produce any new SLV systems, and must dismantle any SLV that uses North Korean missile technology and engines. <sup>37</sup>

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34. For more, see: The Hague, "The Hague Code of Conduct against Ballistic Missile Proliferation (HCoC)," accessed June 18, 2019. (<https://www.hcoc.at/>)

35. For more prospects and policy ideas, see: "More Eyes on More Data: Prospects for Restricting Iran's Missile Program Using Open Sources," *Iran Watch*, February 13, 2019. (<https://www.iranwatch.org/our-publications/roundtables/more-eyes-data-prospects-restricting-irans-missile-program-using-open-sources>)

36. For a potential historical source of concern regarding the SLV-ICBM connection, see: "Indian Missiles," *Federation of American Scientists*, May 30, 1998. (<https://fas.org/nuke/guide/india/missile/overview.htm>)

37. Uzi Rubin, "Space Programs of North Korea, Iran: Covert Twins?" *Space News*, August 11, 2014. (<https://spacenews.com/41562space-programs-of-north-korea-iran-covert-twins/>); Behnam Ben Taleblu, "Making Sense of Iran's Latest Satellite-Launch Vehicle Test," *Foundation for Defense of Democracies*, July 31, 2017. (<https://www.fdd.org/analysis/2017/07/31/making-sense-of-irans-latest-satellite-launch-vehicle-test/>)

**THREAT: Iranian arms transfers**

*Driver: Iran’s proliferation of weapons (be they small arms, rockets, or even ballistic and cruise missiles)<sup>38</sup> is a driver of conflict and permits the Islamic Republic to partake in conflicts without directly involving its personnel.*

OPTION 1	OPTION 2	OPTION 3
Iran must cease the proliferation of weapons across the Middle East, whether to state or non-state actors, and commit to not exporting military equipment or technology.	The U.S. must work to get a new UN Security Council resolution that enshrines a new arms export ban on the Islamic Republic for at least another decade.	The U.S. must work with international partners to generate the authorities – at the national and international levels – to be able to interdict Iranian arms shipments across the Middle East and at sea.

**THREAT: The establishment and use of Shiite militias**

*Driver: The Islamic Republic’s ability to marshal zealous Shiites to fight and die helps insulate it from charges that it is fighting abroad, and also enables it to intervene more easily in multiple theaters concurrently.*

OPTION 1	OPTION 2	OPTION 3
Every Iranian-backed Shiite militia member, be they Arab or non-Arab, must leave Syrian territory.	Iran should work to demobilize the Iraqi Shiite militias that are subordinate to the Islamic Revolutionary Guard Corps Quds-Force (IRGC-QF).	A special UN mechanism should be established to deal with Iran’s abuse of refugee populations from South Asia (principally from Afghanistan and Pakistan) and find ways to disarm and repatriate those that the clerical regime has taken into combat or trained to fight in Syria.

**THREAT: Persian Gulf naval harassment<sup>39</sup>**

*Driver: Iran has harassed Persian Gulf traffic, and U.S. naval vessels in particular, as means of signaling resolve and retaliating against Western pressure.*

OPTION
Iran should cease harassment of U.S. military and commercial vessels in the Persian Gulf and commit to developing rules of the road with local navies for navigating shared waters. Iran should also accept a de-confliction hotline/red phone between the Iranian Navy/IRGC Navy and the U.S. Navy. Any Iranian mine-laying should incur a swift U.S. military response.

38. For example, see systems referenced in: Jim Garamone, “DoD Shows Iranian Weapons as Proof of Tehran’s Duplicitous Ambitions,” *U.S. Department of Defense*, December 14, 2017. (<https://dod.defense.gov/News/Article/Article/1396769/dod-shows-iranian-weapons-as-proof-of-tehrans-duplicitous-ambitions/>)

39. Courtney Kube, “Iranian boats approach Navy ship in Persian Gulf while U.S. general aboard,” *NBC News*, October 26, 2018. (<https://www.nbcnews.com/news/mideast/iranian-boats-approach-navy-ship-persian-gulf-while-u-s-n924876>); Jonathan Swan, “Inside the Oval: How Trump tormented Mattis,” *Axios*, January 13, 2019. (<https://www.axios.com/donald-trump-jim-mattis-sink-iranian-boats-e1370835-e819-40fb-a397-b38a7bc52506.html>)

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## THREAT: Political and material support for terrorism<sup>40</sup>

**Driver:** Iran remains the world's foremost state sponsor of terrorism. The conclusion of a declassified CIA report from 1987 is still true: "Terrorism is an important instrument of Iranian foreign policy... Tehran has never been made to pay a significant price for the use of terrorist tactics as a political weapon, a factor that reinforces its willingness to use them."<sup>41</sup>

### OPTION 1

In order to receive sanctions relief, Iranian banks – especially those tied to the Iranian government – must demonstrate that they have not supported the regime's proliferation, paramilitary activities, underwriting of terrorism, or any illicit financial activities that pose a threat to the integrity of the global financial system. Formally, the regime must renounce support for any entity or person that is designated by any branch of the U.S. government (State or Treasury) under anti-terrorism authorities.

### OPTION 2

The Islamic Republic must commit to respecting the sovereignty of its Arab and non-Arab neighbors (specifically, Syria, Iraq, Bahrain, Yemen, Lebanon, Afghanistan, and the Palestinian Territories). In each country, that means removing all intelligence and military assets. The clerical regime must commit to recalling any Iranian ambassador that was a member of, or has been affiliated with, the IRGC-QF.

## MAKING SPACE FOR MORE THAN JUST THE 12 POINTS

In 2009, the Green Movement's massive pro-democracy street demonstrations directly appealed to President Obama for support – not to European leaders – precisely because the United States, not the European Union, is seen in Iran as the lodestar of democracy. America still has at least the illusion of power and moral purpose; the Europeans do not. Pompeo's 12 points cover a broad array of Iranian threats, but they almost exclusively focus on Tehran's foreign actions, not the plight of the Iranian people at home.

In any engagement, Washington should seek to address human rights and the century-old Iranian quest for constitutional, representative government. Even "mainstream" Western analysis of Iranian foreign policy sees the connection between a different government (perhaps one more in line with the demands of those who have engaged in protests since 2009) and a friendlier, less anti-American foreign policy.<sup>42</sup> Although the Trump administration has rarely promoted democracy overseas, this may matter little to Iranians struggling against tyranny.<sup>43</sup> JCPOA proponents, as well a constellation of actors in the West, depict the Trump administration's sanctions as cruel, inflicting great suffering on the Iranian people. Yet there has been little anti-Americanism visible in widespread Iranian demonstrations since December 2017.<sup>44</sup> Meanwhile, regime-directed demonstrations against America

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40. U.S. Department of State, "Country Reports on Terrorism 2017," September 2018, page 28. ([https://www.state.gov/wp-content/uploads/2019/04/crt\\_2017.pdf](https://www.state.gov/wp-content/uploads/2019/04/crt_2017.pdf))

41. Director of Central Intelligence, "Iran's Use of Terrorism: Interagency Intelligence Assessment," *Central Intelligence Agency*, September 1987, approved for release December 4, 2013. (<https://www.cia.gov/library/readingroom/docs/CIA-RDP91T00498R000800100002-2.pdf>)

42. For example, see: Kenneth Katzman, "Iran's Foreign and Security Policies," *Congressional Research Service*, May 8, 2019, page 66. (<https://fas.org/sgp/crs/mideast/R44017.pdf>)

43. Protestors' slogans quickly turn into political attacks on the legitimacy of the regime. For more, see: Marwa Eltagouri, "Tens of thousands of people have protested in Iran. Here's why," *The Washington Post*, January 3, 2018. ([https://www.washingtonpost.com/news/worldviews/wp/2018/01/03/tens-of-thousands-of-people-protested-in-iran-this-week-heres-why/?utm\\_term=.094252900208](https://www.washingtonpost.com/news/worldviews/wp/2018/01/03/tens-of-thousands-of-people-protested-in-iran-this-week-heres-why/?utm_term=.094252900208))

44. Jason Rezaian, "Who will Trump's new Iran sanctions hurt most? Hint: It's not the mullahs," *The Washington Post*, May 9, 2018. ([https://www.washingtonpost.com/news/global-opinions/wp/2018/05/09/the-people-of-iran-not-the-regime-will-feel-the-pain-of-trumps-policy-change/?utm\\_term=.5dd821331ad4](https://www.washingtonpost.com/news/global-opinions/wp/2018/05/09/the-people-of-iran-not-the-regime-will-feel-the-pain-of-trumps-policy-change/?utm_term=.5dd821331ad4)); Dalia Dassa Kaye, "Sanctions mean all pain for Iranian people, no gain for US," *The Hill*, August 7, 2018. (<https://thehill.com/opinion/national-security/400702-sanctions-mean-all-pain-for-iranian-people-no-gain-for-us>); Barbara Slavin, "How U.S. Iran Policy Hurts Iran and America," *The American Conservative*, July 3, 2018. (<https://www.theamericanconservative.com/articles/how-u-s-iran-policy-hurts-iran-and-america/>)

appear small and feeble when compared to the large Stars-and-Stripes burning festivals of yesteryear. As discordant as it may seem to some, Trump could probably use human rights and Iranian democratic aspirations effectively against the Islamic Republic's ruling elite. To that effect, Washington should consider adding to Pompeo's 12 points a demand for free and fair elections where the Guardian Council no longer approves candidates. Washington should also demand that international election monitors assess the openness and integrity of the upcoming presidential and parliamentary elections in Iran.

## **CONCLUSION**

The more forcefully, publicly, and continuously the Trump administration makes a detailed case against the Islamic Republic, for both its nuclear and non-nuclear transgressions, the more difficult it will be for any subsequent administration to embrace a return to the JCPOA or another deficient agreement. As long as the administration is prepared to approach concurrently and inseparably the nuclear and conventional threats posed by the clerical regime in any direct diplomacy, then talks with Tehran need not lead to the large concessions made by the Obama administration. Broadening the scope of issues while increasing pressure is the only possible way the United States can severely weaken Iran's theocracy at home and abroad to the point where Tehran will have no choice but to negotiate a truly comprehensive agreement.