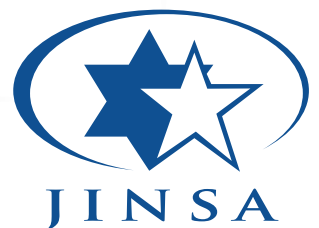


# Strategy to Restore U.S. Leverage Against Iran

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*JINSA's Gemunder Center Iran Task Force*

Co-Chairs Ambassador Eric Edelman and General Charles Wald, USAF (ret.)  
July 2017



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# Task Force and Staff

## Co-Chairs

.....

**Ambassador Eric Edelman**  
*Former Under Secretary of Defense for Policy*

**General Charles Wald, USAF (ret.)**  
*Former Deputy Commander of United States European Command*

## Members

.....

**VADM John Bird, USN (ret.)**  
*Former Commander, U.S. Seventh Fleet*

**Steve Rademaker**  
*Former Assistant Secretary of State for Arms Control and Nonproliferation*

**Professor Eliot Cohen**  
*Director of Strategic Studies Program at Johns Hopkins School of Advanced International Studies*

**Maj Gen Lawrence Stutzriem, USAF (ret.)**  
*Former Director, Plans, Policy and Strategy at North American Aerospace Defense Command*

**General James Conway, USMC (ret.)**  
*Former Commandant of the Marine Corps*

**Ray Takeyh**  
*Senior Fellow for Middle Eastern Studies, Council on Foreign Relations*

**Lt Gen David Deptula, USAF (ret.)**  
*Former Deputy Chief of Staff for Intelligence, Surveillance and Reconnaissance, U.S. Air Force Headquarters*

**Roger Zakheim**  
*Former General Counsel and Deputy Staff Director of U.S. House Armed Services Committee*

**Larry Goldstein**  
*Founder and Director of Energy Policy Research Foundation, Inc.*

**Mort Zuckerman**  
*CEO and Chairman of the Board of Directors, Boston Properties, Inc.*

**John Hannah**  
*Former Assistant for National Security Affairs to the Vice President*

**Lt Gen Henry Obering, USAF (ret.)**  
*Former Director of the Missile Defense Agency*

## Gemunder Center Staff

.....

**Michael Makovsky, PhD**  
*President & CEO*

**Jonathan Ruhe**  
*Associate Director*

**Blake Fleisher**  
*Policy Analyst*



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# Executive Summary

So disastrous is the agreement struck by the Obama administration to limit Iran’s nuclear program, that neither continuing in this arrangement nor exiting from it currently serves the national interests and security of the United States. As the Trump administration confronts this dangerous inheritance, its preeminent priority should be restoring U.S. credibility, leverage and options to confront the entire range of Iran’s menacing behavior: its undeterred nuclear ambitions; its expanding ballistic missile program; its destabilizing engagement in regional conflicts; and its unending support for terrorism.

Until such credibility is restored, the United States incurs too great a risk from either continuing to abide by the Joint Comprehensive Plan of Action (JCPOA), as the agreement is known, or walking away from it.

Under the agreement Iran accrues great financial, military and geopolitical benefits while having to make only the smallest of concessions on its nuclear program – mothballing some installations and limiting some of its activities, but only for a decade and a half at most. Allowing the JCPOA to run its course means acquiescing to the emergence of a nuclear and hegemonic Iran.

Meanwhile, the agreement forced the United States to give up what leverage it did have over Iran – in the form of economic sanctions – with no ability to rapidly restore it or re-exert pressure on Tehran. Exiting from the JCPOA now would free Iran to sprint for a nuclear weapons capability in a year or less, while the United States would face years of diplomatic wrangling to rebuild the international sanctions regime that eventually brought Iran to the negotiating table.

The Trump administration cannot and should not abide this strategic imbalance — with Iran accruing leverage over the United States, effectively able to deter it from exiting a diplomatic agreement that harms its national security. To reverse this dangerous and worsening trajectory, the United States needs a comprehensive strategy that rebuilds leverage. Given the short time horizon, the damage already done by the JCPOA, and advances already made by Iran, economic pressure alone will not suffice. A serious Iran strategy must call upon all forms of U.S. national power, not just sanctions. This requires sustained leadership and continued engagement by the White House.

Specifically, the United States must vigorously enforce the JCPOA, rebuild military pressures against Iran, cooperate closely with regional allies including Israel and Gulf countries, support these allies’ efforts to cooperate more closely with one another and use strategic communications to amplify all these steps and demonstrate newfound resolve to Iran.

## *JCPOA’s Fatal Flaws*

The JCPOA provides Tehran a direct and steady path to nuclear weapons capability over the next decade, and has already undermined U.S. deterrence against Iran’s plans for nuclear weapons capability and Middle East predominance.

These growing challenges stem from earlier failures to develop compelling pressure against Iran. Most fundamentally, the Obama Administration and Congress relied too exclusively on sanctions for bargaining leverage, while abjuring additional, more impactful forms of pressure – including credible military options to neutralize Iran’s nuclear program and thwart its regional aggression. Sanctions brought Iran to the table, and helped keep it there, but without firm enforcement and additional measures, could not force it into an acceptable agreement.

The U.S. strategy behind the JCPOA was further flawed by focusing only on Iran’s nuclear program, sidestepping its other destabilizing behaviors. Even before the agreement was reached, Tehran understood it could amplify its regional belligerence and support for terrorist proxies without fear of punishment. Moreover, American diplomats concentrated on Iran’s ostensibly civilian enrichment program, effectively ignoring its robust ongoing drive for a usable, deliverable nuclear weapon. This flawed negotiating strategy robbed U.S. redlines of any credibility, creating a deal that meets Iran’s, not America’s, security objectives.

The result is a deal that does not prevent a nuclear Iran or eliminate its nuclear program. In the best case, it temporarily lengthens Iran’s timeframe for producing a nuclear weapon to twelve months.

Beginning January 2026, this timeframe will begin shrinking once again – potentially below the window for inspectors to reliably detect and report any attempted dash for a bomb – thanks to a combination of growing enrichment capacity, poor transparency, sanctions relief and Tehran’s proven ability to push the envelope of compliance. All of this is underwritten by a lack of U.S. leverage.

And no later than 2031, and much sooner if it cheats, Iran will be able to build as many advanced centrifuges as it wants, enrich as much uranium as it wants, to whatever level it wants, creating as large a stockpile of dangerous nuclear material as it wants. In short, even before it expires, the JCPOA grants Iran the right to become a de facto nuclear power.

Nor do the agreement’s shortcomings stop there.

It does not impose a vigorous and robust verification and monitoring regime on Iran, making it hard to detect potential cheating. It blesses Tehran’s self-proclaimed “right” to enrich, allowing Iran to portray itself as a responsible member of the global nonproliferation regime. It has already legalized Iran’s ballistic missile program, and eventually permits Iran to resume its conventional weapons and missile proliferation efforts.

The JCPOA further rewards Iran by forcing the United States and its partners to suspend their sanctions immediately, and then terminate them well before the agreement lapses. This is already enriching the regime, granting it access to resources that could advance its nuclear program and help the hardline Islamic Revolutionary Guard Corps (IRGC) and Hezbollah further expand their disruptive region-wide aggression.

Consequently, the JCPOA places Iran on a trajectory to become as intractable a challenge as North Korea is today, and very possibly worse. Both are rogue regimes with abiding ambitions to threaten the United States and its allies, including with nuclear weapons. Yet while Pyongyang’s relentless pursuit of this goal has only deepened its isolation and driven it close to bankruptcy, the JCPOA has done the exact opposite for Iran.



Indeed, North Korea can only dream of what continuation of the JCPOA offers Iran: the penumbra of a nuclear weapons capability directly threatening the U.S. homeland, underneath the veneer of a legitimized industrial-scale enrichment program exonerated of its extensive criminal past, relieved of external pressure, available to international assistance and open to revision when Tehran desires.

## *Already Bad, JCPOA is Getting Worse*

In the meantime, Iran is exploiting the vast room for maneuver carved out by the JCPOA.

For the first time in decades, Iran is at daggers drawn with U.S. forces in the Persian Gulf, and it assists its proxy in Yemen with attacks on U.S. ships and allies. Flush with increased revenues from sanctions relief, Iran is also consolidating control over the heart of the Middle East and directly undermining U.S. efforts in Syria and Iraq. Both the IRGC – which enjoys an increasingly central role in Iranian policymaking – and its terrorist proxy Hezbollah are becoming professional combined-arms forces that can act decisively to alter the course of conflicts across the region, establishing new beachheads to threaten U.S. allies.

At home, President Rouhani’s reelection belies any claim that improved relations with Iran are in the offing. His administration cracks down brutally on domestic opponents and hypocritically impugns the United States. Just as the JCPOA lends unwarranted legitimacy and civilian cover to what is fundamentally a nuclear weapons program, Rouhani’s reelection offers foreign investors and diplomats an approachable façade to an inherently rogue regime.

Many of these trends are set to go from bad to worse under the JCPOA as money rolls into Iran and embargos roll away. Rising regime revenues from sanctions relief, and with it growing influence across the Middle East, will further fuel the Iranian aggression that exacerbates the region’s many sectarian conflicts and threatens a region-wide conflict, very likely including the United States.

## *Recommendations*

To chart a new path that truly prevents a nuclear Iran and rolls back its gains, the United States needs now what it clearly lacked before: a comprehensive strategy, using all elements of American power to address the full spectrum of Iran’s destabilizing nuclear and non-nuclear behaviors alike.

The first step is to increase pressure across the board. The United States must fully enforce the JCPOA – including potentially re-imposing suspended sanctions – as a clear signal that Iran’s days of flouting its obligations are over. An ongoing strategic review by the Trump Administration is not enough on this score, especially as time goes on and the window to reapply pressure steadily closes.

In parallel to intensified enforcement of the deal, U.S. policymakers must rebuild military leverage over Iran. This includes updating contingency plans to neutralize Iran’s nuclear facilities if it materially breaches or withdraws from the JCPOA. It also entails a robust U.S.

missile defense posture. Just like it already appears to be doing against North Korea, the Pentagon must develop credible capabilities in preparation for a possible shoot-down of future Iranian ballistic missile tests, if necessary. U.S. Navy ships must also fully utilize rules of engagement to defend themselves and the Persian Gulf against rising Iranian harassment. Each of these changes needs to be conveyed unequivocally to Tehran.

It is equally important the United States cooperates closely with regional allies. President Trump's recent visit to Saudi Arabia and Israel set the proper tone and sense of urgency for the United States and its regional partners to work more closely together to isolate Iran. Now it is time to translate words into actions.

The recent ten-year Memorandum of Understanding (MoU) on defense assistance to Israel should be treated as the floor for cooperation. In particular, greater missile defense cooperation is vital to protect the United States, Israel and its neighbors from Iran's and Hezbollah's growing presence and combat capabilities, including increasingly sophisticated missiles.

Simultaneously, the United States needs to foster stronger regional collective defense. Saudi Arabia and the United Arab Emirates are taking it upon themselves, together, to push back against Iran. Formal U.S. military backing, and possible support from Israel, are crucial to direct these energies in concert against Iran. President Trump's visit to the Kingdom of Saudi Arabia and meeting with Gulf Cooperation Council (GCC) leaders there was a good first step.

The Trump Administration must also fully reverse its predecessor's attempts to assuage Iran's never-ending litany of imagined grievances. Its willingness to call out Iran's destructive behavior and the release of certain side deals to the JCPOA are a good start. This must be bolstered by public announcements of every step being taken to redevelop leverage, as well as military exercises in each of these areas to make intentions, capabilities and allied unity abundantly clear to Tehran. Strategic communications must also be employed to amplify investors' wariness of the Iranian market and, in combination with human rights, terrorism and missile sanctions, to increase internal strains on the Iranian regime.

These concentric pressures on Iran's regime, nuclear program, economy and regional ambitions offer the best prospects to force Tehran back to the table under far more favorable circumstances. If these measures – none of which violate the JCPOA – compel Iran to abandon the deal or to see it through, this rebuilt leverage could still deter or deny any Iranian breakout attempt.

If Iran returns to the table, a renegotiated agreement must include "anytime, anywhere" inspections and robust reporting to verify the absence of weaponization activities and secret facilities, as well as dismantling Iran's nuclear-capable missile program. The deal must also place far more airtight enrichment restrictions to ensure Iran could never enrich enough fissile material for a nuclear weapon. Finally, there can be no sunset, no termination of sanctions or embargoes, until inspectors verify the completely peaceful nature of Iran's nuclear program.

# Fatal Flaws in the JCPOA

Many of the current Iran policy challenges flow from earlier failures by the United States to develop a comprehensive strategy that would address the multiple threats posed by Iran's hostile ambitions and actions in the Middle East. This was a failure in multiple senses. The United States never built sufficient pressure to convince Iran it must end its drive for nuclear weapons capability, deal or no deal. Nuclear diplomacy was divorced from Iran's other destabilizing behaviors and focused primarily on enrichment, effectively ignoring Tehran's robust efforts to create a usable, deliverable nuclear weapon.

## *Insufficient Pressure Overall on Iran*

The Obama Administration and Congress relied on sanctions to develop negotiating leverage against Iran, while abjuring additional, more impactful, forms of pressure – including credible military options to neutralize its nuclear program. These sanctions compelled Tehran to come to the table, and even to remain there, but alone they could not force it to negotiate in good faith.

These so-called “crippling” sanctions essentially quarantined Iran from the global energy, automotive, shipping, insurance and arms markets, as well as international financial and banking systems, that provided most of the regime's revenues and hard power resources. Aided by lower oil prices, sanctions cut Iran's oil export earnings by an estimated 70 percent from 2011 to 2013, from \$120 billion to \$35 billion. They also cost the regime more than \$160 billion in lost revenue – more than its average annual budget – and caused the economy to contract by eight percent and already-high inflation rates to skyrocket. These pressures were exacerbated by the concurrent hit to foreign direct investment in Iran, which plunged by three-fourths under sanctions.<sup>1</sup>

Therefore, unlike the previous six attempts to broker a deal before crippling sanctions began to bite, Iran did not walk away or ramp up its nuclear program. It felt just enough pressure to negotiate for significant sanctions relief, but without offering a genuine, permanent halt to its nuclear ambitions.

Iran's position was aided by the steady draining of U.S. credibility to resort to stiffer measures. Talks beginning autumn 2013 were merely the latest in a series of increasingly favorable P5+1 offers to Iran, as the United States and its allies walked back their previous demands on enrichment, stockpiles and other issues. Meanwhile, even as sanctions escalated, Obama Administration officials stopped promising to “keep all options on the table,” and instead publicly lamented the “unintended consequences” of military action.<sup>2</sup>

Tehran also noted the administration's reliance on waivers to minimize the diplomatic and economic costs to the United States of enforcing sanctions, even though this undermined its stated goal of isolating Iran. Furthermore, by negotiating over the heads of its regional allies, the United States isolated itself instead. Finally, in September 2013, Obama destroyed the credibility of any further pressure by failing to uphold his redline on chemical weapons usage by Iran's Syrian client – after Iran told U.S. negotiators it would pull out of the talks if the United States tried to enforce this redline.<sup>3</sup>

As a result, the first formal agreement between the United States and the Islamic Republic was very lopsided. The interim Joint Plan of Action (JPA) placed minimal, temporary, reversible caps on Iranian enrichment in exchange for significant sanctions relief. It also established parameters for a final agreement – one effectively based on Iran’s redlines – including legitimized enrichment and research and development (R&D) programs, further sanctions relief and a sunset clause, after which Iran could have an unrestricted nuclear program.

All of this set the tone for the final deal. Because Tehran’s good faith was never tested with a complete end-game proposal and a clear deadline at the outset, it dragged out negotiations over the JPA’s open-ended parameters for the final agreement. It also tested U.S. resolve with small violations, all while receiving greater sanctions relief every month the deal was prolonged. Thus, the P5+1 squandered its remaining leverage as the initial six-month JPA was extended four times, leading to a framework final agreement in March 2015 and ultimately the Joint Comprehensive Plan of Action (JCPOA) that July.

Ultimately, the agreement reflected the flawed U.S. negotiating strategy behind it, falling short even of the administration’s own terms for an acceptable deal. Rather than making Iran’s nuclear program unprecedentedly transparent, the JCPOA rolled back much less of that program than the Obama Administration promised at the outset, and made that program even less transparent than before the deal was reached.

## *No Pressure on Non-Nuclear Issues*

In pursuing the JCPOA, the Obama Administration did not address what it called Iran’s “non-nuclear” portfolio, chiefly terrorism, weapons proliferation and human rights abuses. By relying heavily on relief of “nuclear-related” sanctions – those measures designed expressly to coerce Iran to negotiate limits on its nuclear program – to induce Iranian concessions, U.S. diplomats signaled Tehran faced no new pressure to moderate its aggression beyond its nuclear program.

Once the deal was announced, then Secretary of State John Kerry portrayed it as a confidence-building measure that could improve Iran’s other behaviors: “[this] is an agreement addressing the threat posed by Iran’s nuclear program – period – just the nuclear program. And anybody who knows the conduct of international affairs knows that it is better to deal with a country if you have problems with it if they don’t have a nuclear weapon.” This reflected President Obama’s stated belief that a new balance of power was needed in the Middle East – one where traditional U.S. allies shared the region with Iran. However, Iran moved in the opposite direction, most clearly around JCPOA Implementation Day when it illegally took U.S. Sailors hostage in the Persian Gulf.<sup>4</sup>

## *Only Restricts Parts of Iran’s Nuclear Program*

Despite its name, the JCPOA is not comprehensive. It does not stop Iran’s ability to produce fissile material, a delivery vehicle and a warhead mating the two. The JPA failed to mention Iran’s extensive work on the latter two. Then, as JCPOA talks dragged on and U.S. leverage deteriorated further, Iran secured concessions softening restrictions on its ballistic missile

arsenal – the largest in the region – despite widespread concerns these missiles are designed to carry nuclear warheads. Indeed, these concerns had been codified in a series of U.N. Security Council Resolutions sanctioning Iran’s ballistic missile program.<sup>5</sup>

Nor did the JCPOA resolve International Atomic Energy Agency (IAEA) concerns over the possible military dimensions (PMD) of Iran’s nuclear program. Despite years investigating Tehran’s efforts to develop nuclear warheads, the terms of the JCPOA forced inspectors to shut down their investigation in a cursory fashion, powerless to induce Tehran to cooperate in resolving the IAEA’s outstanding concerns.

## Iran Will Be North Korea, or Worse

These three “no’s” that characterized the Obama Administration’s policies – no pressure on Iran to negotiate in good faith, no action against its non-nuclear activities, and no curbs on weaponization and delivery vehicles – provide Tehran a direct path to nuclear weapons capability in the next decade-plus. As the new administration reviews its policy options, and as the threats from Iran grow, the JCPOA should be examined in light of the current – and seemingly insurmountable – challenge from North Korea. Both are rogue regimes with abiding ambitions to threaten the United States and its allies, including with nuclear weapons. Yet while Pyongyang’s relentless pursuit of this goal has only deepened its isolation and driven it toward total bankruptcy, the JCPOA does the exact opposite for Iran. It is possible therefore that the worst scenario might be Iran’s continued adherence to the terms of the JCPOA while exploiting them to shorten its breakout time.

### *Clear Path to Nuclear Weapons Capability*

The JCPOA provides temporary, minimal breathing space for the United States and its allies, before allowing Iran to expand enrichment capacity and cut its breakout time to a dangerously low, undetectable level. This would give Iran a de facto nuclear deterrent, since the reduced timeframe could shrink below the window for IAEA inspectors to reliably detect a breakout attempt. The deal also enables Iran to hasten its approach to nuclear weapons capability under cover of producing fuel for its heavy water reactor. Despite this, Iran’s nuclear program has gained some measure of legitimacy under the agreement.

#### UNRESTRICTED ENRICHMENT PROGRAM

Over its course, the JCPOA cuts the amount of time Iran will need to produce enough fissile material for a nuclear weapon – generally referred to as “breakout time” – to near-zero. From now through January 2026, assuming Iran adheres to the agreement, it will need at least twelve months to produce this much fissile material. Between January 2026 and the JCPOA’s sunset in January 2031, Iran is permitted to shrink this timeframe to an estimated four months. Once the agreement sunsets, Iran will be able to enrich fissile material on short order and develop a significant nuclear arsenal.

##### a. One-Year Breakout Time Until January 2026

The JCPOA provides temporary breathing space. According to the Office of the Director of

National Intelligence and multiple civilian experts, prior to the JCPOA Iran's estimated breakout time was roughly three months. At best, this was barely enough time to detect and respond to any such attempt.<sup>6</sup> Through early 2026, a combination of restrictions raises this timeframe to at least twelve months, according to Obama Administration officials. It cuts Iran's low enriched uranium (LEU) stockpile – the single biggest factor in breakout time – by 97 percent to 300 kilograms (kg). It prohibits enrichment beyond 3.67 percent LEU, a level equivalent to four-fifths of the effort required to produce fissile material. It also cuts the number of operating centrifuges by almost half, and allows Iran to use only its relatively inefficient first-generation IR-1 centrifuges for this purpose.

*b. 2026-31: Breakout Time Shrinks to Near-Zero*

Beginning January 2026, Iran can expand its enrichment capacity and cut its breakout time by an estimated two-thirds. This would provide it with a de facto nuclear deterrent, since the reduced timeframe could shrink below the window for IAEA inspectors to reliably detect and report a breakout attempt.

The dramatic reduction in breakout time stems from Iran's enrichment R&D plan, which was agreed secretly between the JCPOA's parties and only leaked a year after the agreement was announced. Under this plan, for the first eight years of the JCPOA Iran can conduct limited R&D on small but steadily growing numbers of more efficient successors to the IR-1. It already tests these newer machines, including the highly advanced IR-6 and IR-8, in preparation to deploy them for full-scale enrichment. Over the following two years it can begin mass-producing these next-generation centrifuges and testing them on a larger scale.

This will give Iran a running start to phase out the IR-1 with better IR-2m and IR-4 centrifuges over the subsequent three years. It can also accelerate R&D on even more efficient IR-6 and IR-8 machines. By that point all restrictions will have ended on access to dual-use materials abroad, further advancing its enrichment program. For the JCPOA's final two years, Iran apparently can use as many IR-2m and IR-4 centrifuges as it wants.<sup>7</sup>

As a result, beginning January 2026 the amount of time Iran would need to produce a nuclear weapon could contract from twelve months to four months or less. Worse, this timeframe will approach zero once the remaining restrictions – on stockpile size, enrichment level and facilities – disappear no later than January 2031. Beyond that, there is no limit to the number of facilities and centrifuges Iran can operate, the stockpiles it can amass or the number of bombs' worth of fissile material it can produce.

These timeframes could in fact be optimistic. Iran already appears to be pushing beyond the boundaries of what seems permitted. In April, the president of Iran's Atomic Energy Organization claimed the country is already mass-producing parts for IR-2m, IR-4 and IR-6 centrifuges. If true, this would be a gross violation of its R&D plan, and would point to a sizable undeclared centrifuge manufacturing capability – itself a direct breach of the JCPOA. It is also pushing the boundaries of its R&D plan by testing more IR-6 centrifuges than allowed.<sup>8</sup>

*c. Plutonium Pathway to a Bomb Remains Possible*

Iran also could produce fissile material from its heavy water reactor at Arak, by reprocessing the reactor's spent fuel into plutonium. As per the JCPOA, Iran junked the reactor core that was then under construction, to co-build with China a "redesigned" core producing far less plutonium. Yet this redesign merely constricts the plutonium pathway to a bomb. The new core

still uses heavy water to keep it stable, even though spent fuel from heavy water reactors can be reprocessed into plutonium much more easily than from light water reactors such as Iran currently has under IAEA safeguards at Bushehr. The spent fuel from the redesigned core would be of lower quality and quantity, but likely still sufficient for crude nuclear devices.<sup>9</sup>

Arak could also hasten Iran's approach to nuclear weapons capability over the final five years of the deal. Once the new reactor core is operational, Iran can produce LEU to fuel it without counting against its 300 kg stockpile cap. Iran's shrinking breakout time would make it increasingly difficult for inspectors to determine in a timely manner whether it truly intended to convert this LEU to reactor fuel or enrich it further in a sprint for a bomb.

## RIGHT TO ENRICH

Despite the Obama Administration's protests to the contrary, the JCPOA also recognizes Iran's self-proclaimed "right" to enrich as a signatory to the Nuclear Nonproliferation Treaty (NPT). For Tehran, this undercuts any future international efforts to derail its program. Indeed, U.N. Security Council Resolution (UNSCR) 2231, which instantiated the JCPOA, removes the basis for all U.N. sanctions in October 2025 and requires the UNSC to "have concluded its consideration of the Iranian nuclear issue, and the item 'non-proliferation' will be removed from the list of matters of which the Council is seized."<sup>10</sup>

By entitling Iran to the same legal recognition and benefits as Germany, Japan and the Netherlands – despite its patent failure to comply with the NPT – the JCPOA threatens to eviscerate the international nonproliferation regime and the UNSC's authority to uphold and enforce it. None of its 190 members have acquired nuclear weapons capability since the treaty began in 1970, yet this is exactly what Iran could do. NPT members Saudi Arabia and United Arab Emirates (UAE) are exploring enrichment options in response, and UAE says it no longer feels bound by its own nuclear agreement with the United States that prohibits enrichment.<sup>11</sup>

Legitimizing Iran's program will also severely complicate efforts to reapply pressure as it progresses toward nuclear weapons capability. Its myriad NPT violations allowed the UNSC to begin sanctions in 2006, which formed the legal basis for the United States and others to institute nuclear-related sanctions.<sup>12</sup> In requiring the UNSC to conclude its consideration of Iran's nuclear program, the JCPOA will remove this framework just before Iran can ramp up its enrichment program. This will make it much more difficult to credibly threaten Tehran with anything like a return to the strong pre-JCPOA international sanctions regime.

As an NPT member, Iran also can conduct nuclear R&D through international cooperation, as it does with Russia under the JCPOA. This could enable Iran to further reduce breakout time as its enrichment capacity grows.

## UNRESTRICTED WEAPONS PROGRAM

What the JCPOA fails to address is at least as concerning as what it does address. It gives Iran a free pass on the other components of a nuclear device: weaponization and delivery vehicles. This does not halt, but instead allows Iran to actively advance, its nuclear weapons program on both fronts.

### *a. Iran Can Still Work on Warheads*

The final deal did not clarify Iran's weaponization progress, making it nearly impossible to establish its timeline for a working nuclear warhead. Tehran self-inspected its Parchin military

base – where the IAEA believes such work occurred – in exchange for the IAEA hurriedly closing Iran’s PMD file. This cursory process belied the many years spent trying to verify mounting weaponization evidence. In its final report, the IAEA even acknowledged Iran’s past illicit efforts and the many ambiguous activities that remain unresolved.<sup>13</sup>

With that file closed, Iran’s future weaponization progress is obscured. The JCPOA offers only a fig leaf for the lack of credible inspections at suspected undeclared sites. Tehran can stall for more than three weeks before such visits – enough to remove evidence of illicit activities – and even propose alternatives to inspections. It could point to its closed PMD file to justify this. At Parchin, it outright refused follow-up inspections, despite statements by American officials that the initial samples Iran provided “confirms that uranium was present and indicates that nuclear weapons related experiments ... were indeed carried out there.”<sup>14</sup>

Nevertheless, Western intelligence agencies are already reporting attempts to procure nuclear-related items, and dissident groups that revealed Iran’s past illicit activities claim the regime continues trying to build a nuclear weapon.<sup>15</sup>

*b. Legalizes Iran’s Delivery Vehicles*

Iran already has nuclear delivery vehicles in the form of ballistic and cruise missiles. The JCPOA permits activities to advance these capabilities – including provocative test launches – by replacing the previous legally-binding ban with a mere exhortation in UNSCR 2231. This undercuts enforcement actions that might hinder Iran’s development of increasingly sophisticated, long-range missiles.

Currently, only the embargo on outside assistance remains, but these expire no later than October 2023. Once removed, Iran can access highly-advanced missile technology, materials and financing abroad. Because this will occur shortly before it can ramp up enrichment capability, Tehran could push for intercontinental ballistic missiles (ICBM) around the same time it approaches nuclear weapons capability. This effectively could give Iran a direct nuclear deterrent against the United States before the agreement even sunsets.

LESS TRANSPARENCY THAN PRE-JCPOA

Despite repeated assertions by the officials who negotiated the JCPOA that it would provide unprecedented transparency, the world knows less about Iran’s nuclear program now than before the agreement. This makes Iran’s compliance with the JCPOA difficult to determine, and prevents a full and accurate understanding of Iran’s nuclear capabilities.

*a. No “Anytime, Anywhere” Inspections*

The JCPOA makes it nearly impossible for the IAEA to monitor Iran’s adherence. Iran’s weaponization and delivery vehicle programs are sealed off from inspectors, and there is nothing like the “anytime, anywhere” inspections necessitated by Iran’s long history of cheating. Inspectors lack a comprehensive accounting of centrifuge production and storage capacity, and are thus unable to verify the full extent of Iran’s compliance with the enrichment R&D plan that will play a pivotal role in its shrinking breakout time.

The JCPOA also renders the IAEA nearly powerless to monitor, or potentially even detect, suspected undeclared activity. This is especially problematic because every expansion of Iran’s nuclear program began in secret, and often at military bases.



*b. Reduced IAEA Reporting*

The IAEA now also provides less information for verifying Iran’s compliance. Quarterly reports are less than half as long as before the JCPOA, with key data on centrifuges, stockpiles and R&D replaced by a simple thumbs-up-or-down on Iran’s adherence to each JCPOA parameter. They do not say whether Iran is actually fully compliant, nor whether inspectors attempted to visit suspected undeclared facilities, nor whether Iran is complying with the deal’s prohibition on weaponization. According to one IAEA expert, these changes border on “deception by omission.”<sup>16</sup>

When factoring in Tehran’s decades of noncompliance, including any number of minor but clear violations of the interim and final agreements, the United States and its allies cannot say with any confidence that they know how close Iran is to nuclear weapons capability. At best, they can assert with more modesty than before whether Tehran is adhering to the deal at facilities where preexisting safeguards were already in place. These difficulties will rise as Iran’s enrichment R&D decreases the amount of time for inspectors to detect and report a breakout attempt.

SIDE DEALS MAKE A BAD AGREEMENT WORSE

As its name indicates, the JCPOA is not a treaty or even an executive agreement, but simply a plan of action. Lacking the force of law, some of its provisions have been changed by secret and ad hoc ancillary deals. Stemming from its upper hand in negotiations, all known side deals benefit Iran.

On JCPOA Implementation Day in January 2016, the United States sent \$1.7 billion cash to ransom four U.S. citizens held hostage in Iran – under the pretense of settling a decades-old court case between the two countries. The Obama Administration also granted clemency or dropped charges against 21 Iranians involved in that country’s illicit weapons procurement networks, and lifted sanctions against two Iranian state banks central to its missile programs.<sup>17</sup>

By paying for hostages, and by crossing its own redline against doing so, the Obama Administration incentivized more hostage-taking and further undermined U.S. credibility. By circumventing the financial system to pay in cash, the transfer made it extremely difficult to ensure Iran cannot use these funds illicitly for its nuclear program and other destabilizing activities – including financing terrorism.<sup>18</sup>

Other deals concern Iran’s capacity to produce fissile material. The aggressive enrichment R&D plan was negotiated as part of the JCPOA, but kept secret by its parties. The P5+1 also declared 100 kg of LEU “unrecoverable” and thus exempt from the JCPOA’s 300 kg stockpile limit. This made Iran compliant for the agreement’s start date, but only by rewarding Tehran’s foot-dragging on implementing its end of the deal. The exempted stockpile might still be recoverable in the future – potentially cutting breakout time further.<sup>19</sup>

The IAEA’s reduced reporting and Iran’s self-inspection of Parchin were negotiated outside the JCPOA. So were two side deals rewarding Iran for overproducing heavy water for its nuclear reactors. In the first instance, the United States bought the excess straight from Tehran; in the second, Iran received a large amount of natural uranium. Another deal permitted Iran to operate larger “hot cells” at Arak, bolstering its ability to conduct reprocessing R&D that could help produce a nuclear weapon.<sup>20</sup>

These generous giveaways may dampen Tehran’s incentives to materially breach the JCPOA, but they also continue the pattern Iran established during the JPA of cheating around the edges of what was agreed. Such under-compliance is unlikely to substantively advance Iran’s nuclear program at this stage, because its breakout time remains fairly long. Several years of regular, discrete, minimal violations, however, threaten to steadily acclimate the outside world to Iranian cheating even as the consequences of that cheating become increasingly momentous. Furthermore, to the extent Iran gets away with this, U.S. threats of retaliation lose credibility.

Like the proverbial frog in the pot, the United States and others may feel relatively unaffected by small temperature increases now, when the water remains lukewarm. As Iran’s breakout time diminishes and the temperature steadily intensifies, an equally minute, seemingly innocuous rise in the mercury could bring the pot to its fatal boil before the outside world has time to react.

## *Abandonment of All Pressure on Iran*

At the same time the JCPOA places insufficient restrictions on Iran’s nuclear program, it also pays Iran handsomely and removes most remaining external pressure to keep Tehran from nuclear weapons capability.

### UPFRONT SANCTIONS RELIEF

Under the JCPOA, Iran’s nuclear infrastructure remains in far better shape than the sanctions architecture. U.S. and E.U. nuclear-related sanctions were suspended on day one. “Non-nuclear” sanctions remain on human rights abuses, terrorism, missile programs and proliferation, but these target primarily individuals – not Iran writ large. The country also remains barred from the U.S. financial system; nevertheless, the Obama Administration caved to Tehran’s demands for access to U.S. dollars from foreign banks. These measures provide greater resources for Iran’s regime and destabilizing activities abroad.

The JCPOA only suspends nuclear-related sanctions for now, meaning the U.S. administration must either waive them or allow them to “snap back” against an Iranian violation. Any snapback would take much longer than the name suggests. The P5+1 stomached such weighty measures when Iran was shunning diplomacy and racing toward a bomb around 2010. With everyone in the P5+1 now party to the JCPOA, and with Iran’s relatively untapped market beckoning, effective snapback may be impossible, absent an egregious JCPOA violation. Beginning October 2023, the United States and European Union must actually terminate – no longer simply suspend – nuclear-related sanctions, thus removing them altogether as a form of leverage shortly before Iran could begin cutting its breakout time.<sup>21</sup>

The suspension of energy and financial sanctions have had the most impact by reconnecting Iran’s energy sector – which accounts for three-quarters of its exports and at least half of annual regime revenues – to global markets.<sup>22</sup> As part of this, Tehran gained access to an estimated \$115 billion in previously frozen foreign exchange assets. Of this, roughly half went to repaying creditors and non-performing loans, and half was usable liquid assets.<sup>23</sup> Though Tehran chose to keep some of these liquid assets abroad for cash management, this readily-accessible bonus of \$55 billion is not far short of \$72 billion government budget for the Iranian fiscal year the JCPOA took effect. Unlike other sanctions, the signing bonus

cannot snap back, even theoretically. It is one of the most significant sunk costs of reaching an agreement with Iran.<sup>24</sup>

The JCPOA also suspends sanctions on shipping or insurance for energy exports, supplying goods or services to Iran's energy sector and transacting in Iranian currency. Additional measures, now suspended, targeted Iran's lucrative mining, transportation, metallurgical, port, shipbuilding and telecommunications sectors.

Already Iran is plowing its renewed wealth into its military. The same month the JCPOA was announced, Supreme Leader Ali Khamenei laid out the country's new five-year development plan, the centerpiece of which was a significant increase in defense spending.<sup>25</sup> Tehran is taking advantage of sanctions relief to actively court foreign investment across a range of critical economic sectors, most notably billion-dollar-plus deals with major European and U.S. aircraft and energy companies.<sup>26</sup> These deals grow the pot of revenue-generating industries for the regime and give it access to militarily valuable technology, including for its nuclear program.

The two goals are related. As sanctions pushed out foreign companies, the regime's most loyal and powerful security organ – the Islamic Revolutionary Guard Corps (IRGC) – replaced them. With sanctions gone, the regime now controls directly and indirectly the economic sectors most attractive to foreign investors, particularly energy, transportation, shipbuilding, metallurgy and telecommunications. Of the roughly 110 foreign investment deals totaling more than \$80 billion inked in the year after sanctions were suspended, at least 90 of them – worth more than \$67 billion – are with companies owned or controlled by the Iranian regime.<sup>27</sup>

These deals could give the IRGC valuable know-how and dual-use technology for its nuclear, missile and conventional military programs. Potential megadeals with Airbus and Boeing are best-known, especially with Iran's long history of repurposing civilian passenger aircraft to ferry weapons and supplies to its terrorist proxies across the Middle East. More broadly, sanctions relief greatly expands IRGC front companies' access to everything from automobiles to better engineering methods for software and steel, in turn enabling improvements to military-related equipment from missile launchers to satellites and centrifuges.

## REMOVAL OF U.N. EMBARGOES

The JCPOA further de-leverages the United States by removing UNSC bans on transferring conventional weapons and ballistic missiles to or from Iran no later than October 2020 and October 2023, respectively. Atop sanctions relief, this will give Iran near-unfettered access to materiel, technology and financing to bolster its power projection capabilities. It will also boost Iran's nuclear program in the run-up to year 11 of the JCPOA, when Iran can begin cutting its breakout time by more than half.

### a. End of Arms Embargo

The end of the arms embargo will enable Iran to expand and modernize its military. Joint Chiefs of Staff chair Gen. Joseph Dunford observed late last year that "Iran continues to seek improved missile systems and the replacement of aging military equipment, particularly aircraft and naval vessels."<sup>28</sup>

Currently Iran's conventional forces are outdated at best, the key exception being its advanced S-300 air defense system purchased from Russia before the arms embargo and recently

operationalized. Once the ban lifts, Iran can augment its anti-access/area denial (A2/AD) capabilities – fast attack craft, missile boats, submarines, unmanned aerial vehicles (UAV), mines and short-range ballistic and cruise missiles – intended to seal off the Persian Gulf and vital Strait of Hormuz energy chokepoint from U.S. and allied forces.<sup>29</sup>

The end of the embargo will also open Iran’s defense-industrial base to the international market and enrich the IRGC as an arms dealer. By that point, five years of sanctions relief will have generated more revenue to bolster A2/AD and other capabilities with more accurate missiles, better ships and cyber and electronic warfare systems, among other upgrades.<sup>30</sup>

*b. End of Missile Embargo*

The lifting of the embargo on ballistic missile activities no later than 2023 will aid Iran’s push to develop more accurate delivery vehicles, as well as intermediate-range (IRBM) and intercontinental (ICBM) ballistic missiles capable of reaching beyond the Middle East to target the heart of Europe and the U.S. homeland.

Like the end of the arms embargo, this will also give Iran greater access to dual-use materials and technologies from abroad to advance its enrichment and weaponization programs illicitly – similar to how it initiated its nuclear program. Moreover, because this will occur in the run-up to the expansion of Iran’s enrichment capability under the JCPOA, Tehran would have several years’ lead time to incorporate upgrades to its enrichment infrastructure – perhaps even under the guise of its R&D plan – before transitioning to more advanced centrifuges. This would deepen further the already-dangerous cut in Iran’s breakout time, years before the JCPOA sunsets.

## JCPOA: Already Bad, and Getting Worse

While the JCPOA has run only one-tenth of its duration, in that short time it has been a boon to Tehran and a strategic disaster for the United States. Indeed, the agreement gives Iran the upper hand across the board. Its now-legitimized nuclear weapons program remains intact, even less is known about the program than before, primary sources of U.S. leverage are gone and remaining restrictions fall away in coming years – all for which Iran received a massive signing bonus that cannot be snapped back.

Tehran is now translating the strategic initiative it enjoyed at the negotiating table into increasingly aggressive policies at home and abroad. This dangerous trajectory is set to worsen as remaining restrictions on Iran’s nuclear program disappear and the regime reaps the accumulating benefits of sanctions relief.

### *Marked Rise in Iranian Aggression*

Iran is moving more directly and brazenly against the United States and its allies, because of what the JCPOA does – removes restrictions on Tehran’s power projection resources – and what it represents: the weakening of U.S. credibility to push back as Iran aggravates and capitalizes on the growing regional security vacuum. These destabilizing trends, which

already raise the risks of direct and indirect conflict between the United States and Iran, will metastasize the longer the deal endures.

### HARASSMENT OF U.S. FORCES

Tehran escalated its direct confrontation with the United States during JCPOA implementation, when it illegally took American Sailors hostage in the Persian Gulf and paraded their images in public. In response to Iran blatantly reopening this wound in the American psyche and deflating whatever new spirit of amity was supposedly ushered in by the deal, then Secretary Kerry trumpeted the Sailors' speedy release as a testament to the power of U.S.-Iran diplomacy.<sup>31</sup>

Iran further violated basic rules and norms of engagement by subsequently ramping up harassment of U.S. Navy vessels in the Gulf. Approaching head-on in swarms with weapons aimed, IRGC missile and fast attack craft forced U.S. ships to veer and even fire warning shots. Iranian vessels have also pointed weapons at U.S. Navy helicopters, and fired unguided rockets in close proximity to a U.S. aircraft carrier. In most instances, they made no attempt to communicate or respond when U.S. naval ships observed proper protocols to establish the Iranian vessels' intent. Iran has maintained this dangerous behavior at a high tempo since the JCPOA's implementation.<sup>32</sup>

### GROWING IRGC REGIONAL THREAT

The IRGC is proving to be a primary beneficiary of the JCPOA. It is already the regime's most loyal, hardline and capable security force, and it has controlling stakes in industrial sectors reaping the most from sanctions relief. To its significant indigenous war-making capacity is now added the capital, technology and know-how from foreign investment. This can further the IRGC's ongoing transformation from terrorist special operations units to an expeditionary combined-arms force intervening decisively across the region.<sup>33</sup>

As part of this transformation, Iran's long-time terrorist proxy Hezbollah is becoming a major contributor in its own right, not just in Lebanon but also Syria, Iraq and Yemen. These growing capabilities, and with it the IRGC's and Hezbollah's growing role in Iranian foreign policy, pose an increasing direct challenge to U.S. interests and allies.

#### a. Primary Threat in Syria and Iraq

Iran's deepening presence in Syria and Iraq is the biggest threat to the United States within these two countries. The Islamic State (ISIS) hydra likely will regenerate even after decapitations in Mosul and Raqqa, whether in weakened form in its declared homeland or through its cadet branches elsewhere. By contrast, Iran is ascendant in both countries, and it intends to stay. This threatens to prolong the sectarian bloodshed in which groups like ISIS germinate, sideline the United States as a constructive actor in both countries' postwar futures and pave the way for Tehran's predominance to the borders of Israel and the shores of the Mediterranean.

This transformation would not have taken the dimensions it has without the JCPOA. From Tehran's perspective, the Obama Administration's transparent desire to avoid provoking Iran – which would hurt the chances of reaching a nuclear agreement – meant it would be reluctant to contest Iran's intervention in support of the Syrian regime, even as this intervention grew to the point where Iran took control of a war Assad seemed unable to win otherwise.

Absent any effective U.S. deterrent, and fueled with money from sanctions relief, Iran has prosecuted this war more totally than the Syrian regime ever could. In addition to supplying the oil sustaining Syria's economy and military, the IRGC now controls the largest, most capable ground force in the country, some 30,000 soldiers armed with Iranian equipment from tanks to UAVs. This includes roughly one-third of Hezbollah's total force from Lebanon, thousands of sectarian militiamen recruited from neighboring countries and even units from Iran's conventional armed forces. Together, they constitute Iran's largest troop deployment outside its own borders since the Iran-Iraq War (1980-88). Since the JCPOA was agreed, these troops have served as the anvil to the hammer of Russian airpower in a series of massive offensives relying on overwhelming and indiscriminate force to bludgeon rebel strongholds and turn the tide of the war once again in the regime's favor.<sup>34</sup>

This commitment costs Iran appreciable blood and treasure, including some \$15-20 billion per year, yet this pales in comparison to the damage it has inflicted on the United States and its allies.<sup>35</sup> The credibility of Tehran's commitments has been boosted, and it misses no opportunity to contrast its support for Assad with previous U.S. reluctance to support its own partners in the region. Like its Iranian patron, Hezbollah's increasing role in Syria is generating real casualties for the group, but is also paying sizable dividends.<sup>36</sup> Its conquests create strategic depth against Israel by giving it a second front along the Golan – where it is already standing up new forces – as well as military and financial resources to continue expanding its armories for the next war with the Jewish State.<sup>37</sup>

The Syrian conflict also gives the IRGC and Hezbollah invaluable combined-arms combat experience that they are already employing elsewhere. This newfound sense of preeminence was clear after successfully leading the brutal siege and block-by-block fighting that reduced Aleppo, Syria's largest city and main rebel stronghold, to rubble last December. As Khamenei's top foreign policy adviser was quick to crow, "the new American president must accept the reality that Iran is the leading power in the region."<sup>38</sup>

In cooperation with Russia, Iran is parlaying this battlefield prowess into diplomatic leverage. Moscow and Tehran have effectively replaced the U.N.- and U.S.-backed plan for a transition of power with a framework attempting to exclude the United States, U.S.-backed rebels and even the Syrian regime from determining the country's postwar fate.<sup>39</sup>

Now, even while U.S.-backed forces and American military advisers focus on Raqqa, Iran and its proxies in Syria are increasing pressure on the United States by violating agreed-upon "deconfliction zones" astride the strategic corridor linking Iran to Lebanon. These moves are already prompting U.S. airstrikes against Iran-backed militias and Syrian forces along the Syria-Iraq border. The IRGC even struck this region of Syria with ballistic missiles launched from Iran. Ostensibly this was in retaliation for ISIS attacks in Tehran, but an IRGC spokesman was quick to note: "The Saudis and Americans are especially receivers of this message."<sup>40</sup>

Iran is also consolidating its control over neighboring Iraq. Unlike in Syria, where the IRGC and Hezbollah are effectively replacing the weakened Assad regime, Tehran and its proxies are insinuating themselves directly into Iraq's government and security apparatus. While the United States has focused on reconstituting and advising Iraq's conventional security forces to roll back ISIS, Iran is incorporating Iraq's extremist Shia militias – including those that killed U.S. servicemembers with Iranian backing – directly into Iraq's defense and interior ministries. Tehran also secured Baghdad's formal consent to supply these Popular

Mobilization Units (PMU), more than 100,000 strong, with IRGC and Hezbollah weapons, training and battlefield advisers.<sup>41</sup>

Though its approach in Iraq differs from Syria, the result is disturbingly similar. As the United States cultivates capable, professional battlefield allies to close the ring around ISIS in both countries, Tehran directly undermines U.S. objectives in Iraq by pouring men, money and weaponry into the IRGC and sectarian proxies. Rolling into cities cleared of ISIS, these forces have resumed their ethnic cleansing from the 2006-08 Iraqi Civil War – which the U.S.-led “surge” sought to counter – in order to grind down Iraq’s Sunnis and consolidate control over strategically vital stretches of territory connecting Iran to Syria.

*b. Increased Belligerence Throughout the Region*

Iran is also deepening its support for a wider range of proxies, all of which threaten the United States and its allies. Drawing from battlefield successes in Iraq and Syria, the IRGC and Hezbollah have begun intervening much more overtly in Yemen. Iranian warships have deployed off Yemen’s coast, and its ships run the U.S. and allied blockade to deliver weaponry – including man-portable missiles and air- and sea-based suicide drones – and other materiel to Houthi rebels fighting the U.S.-backed government. Hezbollah sends military advisers from Syria to further improve the Houthis’ combat capabilities.<sup>42</sup>

Most alarmingly, the IRGC is providing the Houthis with ballistic and cruise missiles, plus supporting personnel and infrastructure, to attack U.S. allies’ homelands and military forces. These missiles also have targeted U.S. and allied ships around Bab el Mandeb connecting the Red Sea and Indian Ocean. To date, the Houthis have fired at least 50 ballistic and cruise missiles at U.S., Saudi and Emirati ships, Saudi and Emirati forces operating in Yemen, and Saudi cities and military bases. On multiple occasions U.S. ships have had to intercept the incoming missiles or return fire against Houthi launch sites and radars. As CENTCOM Commander General Joseph Votel remarked to Congress earlier this year, “I am extraordinarily concerned about another contested maritime chokepoint in the region.”<sup>43</sup>

As in Syria and Iraq, Iranian intervention is compounding an already complex and near-intractable conflict. The Houthis can now contest government control of major cities and ports, including the capital, making it much harder for the government to work with the United States against al-Qaeda and ISIS franchises in the largely ungoverned hinterlands. With many of the overpopulated, resource-poor country’s cities under Houthi control or siege, millions of Yemenis now face famine and cholera.<sup>44</sup>

On the opposite side of the Arabian Peninsula, the State Department now accuses Tehran of “providing weapons, funding and training” to Bahraini Shia militants to resist the U.S.-allied Sunni government. Iran has irredentist claims against the small island nation – home to the U.S. Fifth Fleet – and makes no secret of allowing opposition groups to operate on Iranian soil. However, recent discoveries of Iranian-supplied weaponry, including explosively formed penetrators (EFP) like those it gave Iraqi militias for use against U.S. military vehicles, suggest Tehran’s new willingness to counter any repeat intervention by Gulf Cooperation Council (GCC) troops.<sup>45</sup>

Iran is even resuming cooperation with the Taliban against the United States in Afghanistan. Under the rhetoric of using it as a buffer against the growing presence of ISIS in eastern Afghanistan, Tehran is “directly supporting the Taliban,” according to commander of U.S.

forces in country, Gen. John Nicholson. This claim is echoed by numerous Afghan officials, who accuse Iran of helping Russia supply mortars, mines and other weapons to the Taliban.<sup>46</sup>

## *Still a Rogue Regime*

Many proponents of the JCPOA, including then President Obama and Secretary Kerry, contended it could strengthen moderate forces inside Iran. Instead, it merely raises false hopes that Rouhani's administration is genuinely committed to "more engagement with the international community," as Obama put it.<sup>47</sup>

The so-called "moderates," or more accurately "pragmatists," of Iran's regime fundamentally do not intend for the JCPOA to improve relations with the United States. They agree with hardliners that the United States is inherently hostile, that a nuclear deterrent is the best insurance policy against regime change and that the JCPOA does not – or will not – keep Tehran from a nuclear weapon.

Part of what makes them pragmatists, and where the deal has illuminated their differences with hardliners, is their calculus that the deal protects the regime by filling its coffers, fattening the voting public's pocketbooks and lulling the outside world into precisely the same misperceptions that animated the Obama Administration. Rouhani successfully applied this strategy in a previous nuclear agreement with the European Union in 2003, for which he was Iran's chief negotiator. He proudly claims one of his main accomplishments was to continue work on Iran's nuclear program despite having agreed to suspend it.<sup>48</sup>

By contrast, hardliners generally favor an autarkic "resistance economy" to inoculate the country against perceived omnipresent external forces seeking to snuff out the revolution. They believe engagement with the international community, including foreign investment, is merely a gateway drug for the corruption of Iranian society, and thence the implosion of the Islamic Republic. For them, sanctions were a welcome opportunity to implement the resistance economy, to the direct political and economic benefit of Khamenei and his hardline coterie, including the IRGC.

Therefore, the JCPOA has generated plenty of backbiting between hardliners and pragmatists over sanctions relief, but it also reinforces the regime's sustained, unified chorus of virulent anti-Americanism. Hardliners like the Supreme Leader sound similar to pragmatists like Foreign Minister Javad Zarif, who led Iran's nuclear negotiations. The former's remarks last August, that "the nuclear the deal, as an experience, once again proved the pointlessness of negotiating with the Americans, their bad promises and the need not to trust America's promises," are reflected in Zarif's tweet this spring: "We'll see if U.S. prepared to live up to letter of JCPOA, let alone spirit. So far, it has defied both."<sup>49</sup>

Rouhani stokes this fundamental hostility with his recent promises to "strongly confront any war-mongering policies" by the United States – effectively an echo of statements by Iran's chief military spokesman last October: "The root cause of all the problems in the West Asia region is the U.S. hegemony. The U.S. presence in the region is [like] a malignant cancerous tumor and the only way to treat it is to remove this infected tumor and kick the U.S. out of the region." Such animus is clearly evident in Iranian foreign policy since the JCPOA was agreed.<sup>50</sup>



Furthermore, the JCPOA does nothing to weaken the intimate linkage between Iran's anti-American foreign and domestic policies. Following Khamenei's worldview, where "if we were to retreat, today the country would be suffering from spiritual and civilizational fatigue and failure," aggression abroad and repression at home are mutually supportive and necessary to defend the regime and its revolution.<sup>51</sup> In response to the June 2017 ISIS attacks in Tehran, he vowed Iran "will only increase hatred for the government of the United States...."<sup>52</sup> Hostage-taking of U.S. citizens is another key element, giving it leverage over the United States while cracking down on perceived internal enemies.

The rest of Iran's domestic record appears little different from that of the Syrian regime it is defending to the last. Rouhani's pragmatists run the country no less harshly than their hardline predecessors under Mahmoud Ahmadinejad. Nor has the JCPOA made "it harder for them to engage in behaviors that are contrary to international norms," as Obama suggested. Under Rouhani, Iran has carried out more than 550 death sentences annually – the second-most in the world, and a two-thirds increase over Ahmadinejad's second term. This includes juveniles and public hangings. In its 2016-17 annual report, Amnesty International noted the regime also continues its pervasive persecution and discrimination against women, homosexuals and religious and ethnic minorities.<sup>53</sup>

## *Untenable Trajectory Going Forward*

Assuming the JCPOA runs its appointed course, Iran's rising belligerence appears set to continue trending upward, thus exacerbating already substantial challenges to U.S. national security and bringing Tehran closer to realizing its goal of becoming the predominant power in the Middle East. The region's hotspots will only grow more intractable as Iran becomes more able and tempted to intervene in these Hobbesian sectarian conflicts. Perhaps most distressing, the growth and opacity of Iran's nuclear program could spur an untenable proliferation cascade as countries across the Middle East scramble for their own nuclear deterrents. The JCPOA drives a big nail into the coffin of the NPT; an Iranian-induced cascade would hammer in the final ones.

## Recommendations

The dangerous path outlined above stems from the JCPOA's flaws, even before it sunsets and even if Iran commits no material breach. Though fatal, these flaws are not fated. To chart a new path that truly prevents a nuclear Iran and rolls back its gains, the United States needs now what it clearly lacked before: a comprehensive strategy, utilizing all elements of American power, to address the full spectrum of Iran's destabilizing nuclear and non-nuclear behaviors alike.

### *Restore Leverage Over Iran*

This strategy must be premised on Gen. Votel's assessment earlier this year for Congress: "Iran poses the most significant threat to the Central Region [greater Middle East] and to

our national interests and the interests of our partners and allies. We have not seen any improvement in Iran's behavior since the Joint Comprehensive Plan of Action (JCPOA) was finalized in July 2015."<sup>54</sup>

This assessment will remain valid until the United States and its allies begin working together assiduously to push back across the board against Iranian belligerence. Despite its many flaws, the JCPOA must be enforced with all the diplomatic, economic, military and informational tools at our disposal. This will not block Iran's eventual pathways to a bomb, but it will send a clear signal that Iran's days of flouting its obligations are over. At the same time, the United States must rebuild and develop new credible unilateral and multilateral military options against Iran's nuclear program and regional aggression, and must apply pressure on the regime at home.

### FULL ENFORCEMENT OF NUCLEAR RESTRICTIONS

The United States' overcompliance with the JCPOA has been at least as damaging as Iran's undercompliance, and both must end now. The Trump Administration's stated willingness to review U.S. policy toward Iran helps set the right tone, coming as it does on the heels of the president's public criticisms of the JCPOA. Until very recently, Tehran could assume its intentional defiance would be rewarded with exemptions, cash and sanctions waivers. This could now change with the prospect of the United States snapping back sanctions in response to Iranian violations, just as the deal intended.

The first step is to enforce every restriction in the JCPOA. This means ending all side deals that contradict the JCPOA or inhibit evaluation of Iran's compliance. Most importantly, the IAEA's reduced reporting requirements must be reversed. Because the JCPOA is so incredibly complex, verification is impossible with the currently very cursory reports. The administration can and must make a clear and compelling case it cannot uphold its end of the bargain – continuing to waive sanctions – unless the IAEA actually verifies Iran is upholding its end.

The Trump Administration and Congress also must make clear they are prepared to respond to Iran's ongoing violations of UNSCR 2231. Despite then U.N. Secretary-General Ban Ki-moon acknowledging weapons transfers to Hezbollah violate the arms embargo, and despite Tehran's growing military footprint beyond its borders, no action has been taken by the United States or others. The same applies to Iran's efforts to acquire dual-use materials, which are subject to review by the Procurement Working Group (PWG) set up by the JCPOA for precisely this purpose. Tehran has simply continued routing its illicit procurement around this channel.<sup>55</sup> The United States can help Iran find its way to the PWG by considering enforcement actions authorized by UNSCR 2231.

Throughout this process, U.S. policymakers must proactively undercut Tehran's running narrative of itself as the aggrieved party. Iran threatens repeatedly to withdraw from the deal if sanctions snap back, and its leaders are consistently (and hypocritically) on message that the United States fails to uphold its end of the deal.<sup>56</sup> Washington needs to combat this declaratory policy with an accurate public accounting of Iran's non-compliance with its JCPOA and UNSC obligations – a rap sheet stretching back decades, through the interim and final agreements and now enshrined in side deals and Iran's regional meddling.

Public diplomacy will be essential for snapback and new sanctions to have any credibility, since the rest of the world will need convincing Iran is in the wrong before complying with any

such measures. Indeed, the Trump Administration's tone is already prodding the European Union, a vital member of any reconstituted sanctions regime, to consider tougher enforcement.

## DEVELOP CREDIBLE MILITARY LEVERAGE

Iran is unlikely to take these measures lying down. It tries to impose costs on every U.S. policy to stabilize the Middle East, and may initially seek to increase these costs when confronted with renewed U.S. resolve. The United States must begin applying counter-pressures to compel strict JCPOA compliance and roll back Iran's regional aggression. This must begin now, especially as snapback sanctions would require time as much as anything else – time that Iran could spend breaking out or retaliating outside the nuclear program.

### *a. U.S. Military Readiness Activities*

Once lost, credibility is incredibly difficult to regain. The White House putting Iran “on notice” and “considering a whole range of options” is a step in the right direction after the previous administration's efforts to downplay the pressure track. Recent Treasury Department sanctions on Iran's ballistic missile program and its support for the Syrian regime are helpful, but added measures from the Executive Branch are needed to underscore this new determination.<sup>57</sup>

First, the Pentagon should announce it is updating its contingency plans for operations to neutralize Iran's nuclear facilities, should Iran materially breach or withdraw from the JCPOA in response to U.S. enforcement. The April 2017 cruise missile strike on Iran's Syrian client communicates a new willingness to use precision airpower against WMD threats, and the U.S. military maintains significant in-theater and long-range strike capabilities for such purposes.

American officials should now prepare, and make clear they are preparing, contingency plans to defend the United States and its allies from further Iranian tests of nuclear-capable missiles – including unequivocal threats to shoot down these tests if necessary. The Pentagon should also update planning to address the increasing likelihood of direct kinetic conflict in other arenas, as Iran's growing regional footprint generates new friction points with the United States and its allies.

Second, the United States should implement military preparations for carrying out these updated contingency plans and to deter or deny Iranian retaliation. As it already does in Europe and East Asia, the U.S. Navy can forward-deploy part of its Aegis-equipped missile defense fleet to the Persian Gulf. This will provide greater protection from Iranian missiles, and underscore U.S. threats that it is prepared to intercept new test launches.

Third, the United States should fully leverage international law in defending itself and maritime traffic against Iran's increasingly aggressive and illegal behavior at sea. Existing rules of engagement (ROE) permit much more forceful responses to Iranian naval forces' demonstrated hostile intent than the current U.S. restraint suggests, including disabling fire and deadly force.

### *b. Assemble a Coherent Regional Coalition Against Iran*

Iran's ascendance is already changing the Middle East's security architecture. Israel remains a steadfast ally, but like other partners – Jordan, Egypt, Saudi Arabia, U.A.E. and others – it is shouldering greater burdens and exploring new relationships to defend itself in these troubling conditions. The United States must now take full advantage of the new situation by harnessing these energies and directing them in concert against Iran.

First, the United States must treat its recent Memorandum of Understanding (MoU) on defense assistance to Israel as the floor for cooperation, rather than the ceiling envisioned by the Obama Administration. The 10-year, \$38 billion deal is a welcome boost over the previous \$30 billion MoU, which was appropriate for Israel's needs when first drawn up more than a decade ago, but which no longer accurately reflects the growing threats to Israel's qualitative military edge (QME) over its rivals – something the United States is required by law to maintain.

The new MoU must be augmented to preserve this QME over the increasingly powerful IRGC-led axis that operates region-wide against both Israel and the United States. Indeed, Iranian advisers that help Houthis launch missiles at U.S. ships are also implanting themselves alongside Hezbollah opposite the Golan Heights and providing strategic weapons for the next round of conflict with Israel.

The new MoU's artificial caps on U.S. missile defense assistance to Israel must be removed. Bilateral R&D on this issue helps Israel build its multi-layered shield against Hezbollah, Hamas and the IRGC, all of whose arsenals grow under Iran's auspices. The United States reaps the same benefits for its own missile defense systems, while two close partners of both countries – Jordan and Egypt – are now effectively protected by Israel's umbrella. Simply put, any assistance to Israel against this threat supports U.S. security.

Second, the United States must strengthen collective defense with Gulf Arab allies who also bear the brunt of Iran's rising regional aggression. Already, Saudi Arabia and U.A.E. are taking it upon themselves to combat the Houthis and intercept Iranian weapons bound for Yemen, all while absorbing a steady rain of Houthi missiles.

The United States must capitalize on its allies' budding relationship as co-guarantors of Gulf stability, and abet their willingness to explore cooperation with Israel against Iran. President Trump's May 2017 trip to Saudi Arabia and Israel underscored the importance of a new regional coalition to push back against Iran, and the role of the United States in providing support.<sup>58</sup> However, this new coalition will be durable and effective only if it expands beyond high-level summitry and develops concrete security ties between partners. This should include explicit U.S. military backing for both Gulf countries, which would be underwritten by the readiness activities recommended above.

Third, the United States must also begin working with its Gulf allies to develop a robust, multi-layered theater missile defense architecture. Infrastructure already exists in U.A.E. to coordinate defenses among allies, which the United States can supplement with intelligence-sharing. If practicable, the United States can also take advantage of new *sub rosa* partnerships between Israel and the Gulf to facilitate the transfer of Israeli missile defense systems to these countries. Beyond missile defense, the United States should promote interoperability of air and maritime defenses with its Gulf allies to counter Iran's growing A2/AD threat.

All these efforts to develop credible military leverage will require American officials to convey this new regional force posture and their new intent unequivocally. The Trump Administration's decision to put Iran on notice, including calling out Iran's destructive behavior in a variety of international arenas, is a welcome reversal of its predecessor's attempts to assuage Iran and berate U.S. allies. This must now be bolstered by public announcements of every step being taken to redevelop leverage, as well as joint exercises in each of these areas to make intentions, capabilities and allied unity abundantly clear to Tehran.

## INCREASE INTERNAL PRESSURE AGAINST REGIME

Iran's regime is clearly the main beneficiary of the JCPOA, with hardline factions standing to gain the most from sanctions relief, the end of nuclear restrictions and the loss of U.S. credibility to uphold regional security. This reflects the consolidation of power and wealth around Khamenei and the IRGC since the failed Green Revolution of 2009 and the onset of nuclear-related sanctions.

Yet this same phenomenon increases the regime's dependence on a narrowing band of loyalists to maintain stability, especially as everyday Iranians fail to feel the benefits of sanctions relief. For all the regime's bluster and criticisms of America, it still worries about being removed from power the exact same way it seized it. Because its own survival is paramount, the regime also maintains a healthy fear of the ever-conspiring "Great Satan's" ability to undermine its grip on power.

The United States and its partners should exploit these fears as an added form of leverage. Strategic communications can help combat the benefits of sanctions relief to the regime, by amplifying international investors' wariness of the Iranian market, complexities of sanctions compliance and threats from Iranian security services. The State Department provided a good point of departure in a May 2017 report, stating that Iran's "malign conduct represents a severe threat to the Iranian people as well as to international companies looking to do business with Iran whose employees may be subject to harassment, arrest, detainment, torture and even death."<sup>59</sup>

To further impact the regime and security services directly, Congress and the administration should further leverage existing "non-nuclear" U.S. sanctions' authorities, and enact new ones, targeting its long and growing list of human rights violations, support for terrorism and ballistic missile activities. Ratcheting up sanctions on these activities is permitted under the JCPOA, and could significantly increase converging pressures on leadership responsible for these activities.

Strategic communications and U.S. laws can also hold a mirror up to the Iranian regime's hypocritical, purely rhetorical support for human rights and the economic betterment of its people. Rouhani's recent "Charter of Citizenship Rights" offers fertile ground for contrasting his empty phrases with the regime's increasingly brutal crackdown on basic civil rights, especially as polling indicates a majority of Iranians believe it is important to increase civil liberties in the country. The same goes for undercutting its disingenuous denunciation of the "psychological remnants" of sanctions and U.S. treachery as the culprits behind many Iranians' continued economic anxieties. Using existing laws intended to counter regime censorship inside Iran, the United States and its allies should publicize for the Iranian populace how the lion's share of sanctions relief flows directly into the already-deep pockets of the IRGC and other regime loyalists.<sup>60</sup>

## *Prepare to Negotiate a Comprehensive Nuclear Deal*

These concentric pressures on Iran's regime, nuclear program, economy and regional ambitions offer the best prospects ultimately to force Tehran back to the negotiating table under circumstances more favorable to the United States and its allies. If these measures – none of which violate the JCPOA – either compel Iran to abandon the agreement or to see it

through to the sunset, the United States could still use its rebuilt leverage to deter or deny any subsequent Iranian attempt to pursue a nuclear weapon or retaliate in non-nuclear domains. If Iran returns to the table, this time the United States must be prepared to stand by its redlines and ensure any renegotiated agreement actually prevents Iran from approaching nuclear weapons capability. Any such agreement would need to conform to several basic parameters laid out initially by the Obama Administration but then abandoned during JCPOA negotiations.

#### ADDRESS WEAPONIZATION AND DELIVERY VEHICLES

A new agreement must cover not only enrichment, but also weaponization and delivery vehicles. This would adhere to then Secretary Kerry's original demands that Iran disclose PMD and "shut down all of their production of any ballistic missile that could have anything to do with delivery of a nuclear weapon..." It must also cover Iran's smaller but significant collection of nuclear-capable cruise missiles.<sup>61</sup>

These programs, and Iran's aggressive R&D and procurement efforts to continue improving them, have no purpose other than to develop and deliver nuclear warheads and intimidate its rivals. Therefore a new agreement absolutely would require the "anytime, anywhere" inspections initially included as another U.S. redline by Obama Administration officials, since Iran's weaponization and missile programs remain hermetically sealed inside IRGC military bases.<sup>62</sup>

In contrast to the run-up to the JCPOA, this time U.S. negotiators would be able to back up their demands with credible threats to address Iran's missile programs through alternative, less diplomatic means.

#### SEVERELY RESTRICT ENRICHMENT

A new agreement would also deny Iran the necessary enrichment capacity to produce anywhere near enough fissile material for a nuclear weapon. With enough time, Iran could produce dozens of bombs' worth of fissile material using the known infrastructure left intact by the JCPOA.<sup>63</sup> Currently, Iran would need roughly one year to produce one bomb's worth of fissile material, though that timeframe will shrink to roughly four months starting in 2026, and would shrink to a matter of weeks after the JCPOA sunsets.<sup>64</sup>

First, stringent caps are needed on advanced centrifuges and R&D. As then President Obama said when the JPA was unveiled: "they don't need some of the advanced centrifuges that they currently possess in order to have a limited, peaceful nuclear program."<sup>65</sup> He even noted that these advanced centrifuges would shrink breakout time "almost down to zero" in the final years of the deal. Tehran must also be prohibited from any R&D on advanced centrifuges using uranium or in cascades, as both activities could allow it to improve their operating efficiency significantly. This prohibition should also be extended to R&D for reprocessing spent fuel from Arak, since this has no realistic application other than to produce fissile material.

Second, a new agreement would remove the current exemption from Iran's 300 kg LEU stockpile for fueling the Arak reactor. Once the new reactor is operational, Iran would be able to increase its temporary stockpile beyond the JCPOA limit, thus reducing its breakout time appreciably. At the very least, U.S. negotiators would need to decide whether Iran should receive fuel from an outside supplier – as it does currently under safeguards for its nuclear power reactor at Bushehr – or be required to draw down directly from its capped LEU stockpile.

Third, a renegotiated deal should reflect Obama’s insistence “that they don’t need to have an underground, fortified facility like Fordow in order to have a peaceful program.”<sup>66</sup> The JCPOA converts this former enrichment plant into an R&D facility, but prohibits uranium. The primary problem is the facility’s potential to withstand all but the most precise and powerful military strike. Thus its existence gives Iran a latent breakout capability which, even if detected, may be near-impossible to stop. Tehran would have no need for this facility under a renegotiated deal, as its much more circumscribed enrichment capacity could all be housed at its Natanz complex.

Fourth, negotiators must address a glaring omission in the JCPOA: Iran’s ability to accumulate unlimited stockpiles of natural uranium. This stockpile affects the number of bombs’ worth of fissile material Iran ultimately could produce.<sup>67</sup> Similar to Iran’s LEU under the JCPOA, natural uranium stockpiles would have to be capped at a mere fraction of what they are now, with Iran possibly being compensated with fuel rods or fuel assemblies for its safeguarded nuclear reactors at Tehran or Bushehr.

Fifth, Iran must not be allowed to retain any excess enrichment infrastructure in storage, as the JCPOA permits. This includes everything needed to assemble functioning centrifuges and cascades, all of which must be placed under physically remote IAEA lock and key or destroyed.

Finally, as with weaponization and delivery vehicles, the IAEA would need “anytime, anywhere” access to verify Iran’s adherence to these much tighter restrictions, both at permitted facilities and at any potential undeclared sites.

#### KEEP UP PRESSURE

Every event surrounding the JCPOA shows Tehran’s eagerness to take a mile when given an inch. All the policies to develop leverage against Tehran – as described above – must continue during and after any new deal is hammered out. Most importantly, this pressure must come from the United States and its allies concertedly, offering Tehran no daylight to exploit fissures or ram through provisions that directly threaten the security of U.S. partners in the region.

Furthermore, in addition to snapback sanctions, any new deal should stipulate the introduction of new U.S. and multilateral sanctions for any Iranian violations. A new agreement would also need to replace UNSCR 2231 with a much stronger, legally-binding resolution containing airtight weapons embargos, categorical prohibitions on Iranian weaponization and missile-related activities, and strong enforcement actions against material breach.

#### NO PRESET SUNSET

By its own terms, the JCPOA’s restrictions steadily fall away in coming years. These timeframes are a function of diplomatic haggling, rather than benchmarks for Iran’s progress toward a verifiably peaceful, civilian nuclear program. Indeed, nothing in the JCPOA enables the IAEA to reach what it calls a “broader conclusion” on the peaceful nature of Iran’s nuclear program.

The IAEA will be unable to reach this conclusion, or even consider all the relevant information, unless all the aforementioned changes would be incorporated into a new nuclear agreement. Iran would also have to submit a complete declaration of its entire nuclear program, past and present, each part of which the IAEA would then have to verify as part of its broader conclusion.

In a new agreement, the sunsets of restrictions on Iran’s nuclear program – including UNSC sanctions – must be conditioned on and successive to the IAEA reaching this broader conclusion. Because it has no innate right to a full nuclear fuel cycle under the NPT, especially given its lengthy record of egregiously violating its obligations, the above limitations on Iran’s ability to enrich uranium must be permanent.

#### NO HALF MEASURES

All these conditions are necessary for an acceptable final agreement; anything less will be insufficient. In this sense, a renegotiated agreement could draw from two of the principles used in deciding the JCPOA. First, nothing will be agreed until everything is agreed, thus ensuring the absence of any side deals. Second, no new deal is better than a bad new deal. Unlike the first time, Iran will realize it has the most to lose from the failure of diplomacy, leaving the United States in much better position to credibly threaten to walk away from the table.

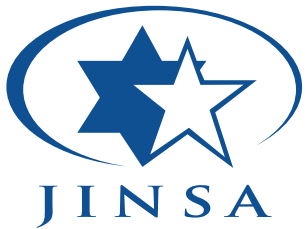


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