

Iran

From its support for terrorism across the Middle East to its efforts to acquire a nuclear weapons capability, the Islamic Republic of Iran has been a destabilizing force both in the region and the world since its inception in 1979. Thanks to coordinated international pressure, including unprecedented international sanctions led by the United States, Iran has been forced to come to the negotiating table. In a first-step agreement made in November 2013, Iran agreed to freeze and roll back key elements of its nuclear program in exchange for limited sanctions relief. The deal lasts 6 months, with the option to extend, so that Iran and western powers can come to a final agreement on Iran's nuclear program.

The Obama administration has used a combination of tough unilateral and multilateral sanctions and diplomatic pressure to bring Iran's leadership to the negotiating table. Today, Iran is isolated by the global community and internally divided. This remarkable success gives us an unprecedented opportunity that we must not squander. Negotiations offer the best opportunity to keep Iran from acquiring nuclear weapons,



If you read only one thing

Iran Poses a Threat

It has pursued a nuclear weapon capability, and supports and funds terrorist groups.

It stifles democratic movements and is a serial human rights abuser.

Responsible Options

- Take the opportunity to negotiate with Iran over its nuclear program to prevent a nuclear-armed Iran.
- Strong sanctions brought Iran to the negotiating table, limiting the resources and technology that could go to producing a nuclear weapon. But stronger sanctions during negotiations risk derailing a final deal.
- Tough diplomacy ensures that the world is united in preventing a nuclear Iran.
- Reducing U.S. oil dependence limits the primary source of funding for Iran's dangerous activities.



and possibly promote a limited détente with one of America’s most intractable adversaries. We must offer Iran the opportunity to receive sanctions relief in exchange for concrete, verifiable steps to dismantle its nuclear weapons program, while remaining clear-eyed about the considerable obstacles to achieving a comprehensive deal. The American position in these negotiations should be both firm and fair, and should be supported by the likelihood of further sanctions in the future if Iran either negotiates in bad faith or reneges on its commitments.



Key Fact

The P5+1 are the five permanent members of the UN Security Council, namely the U.S., U.K., France, Russia, and China, plus Germany. This is the primary international group working to stop Iran from getting a nuclear weapon. In 2013, the P5+1 reached a first-step agreement with Iran.

Overview of the Interim Agreement

What is this First-Step Agreement with Iran? In November 2013, the United States, United Kingdom, France, Russia, China, and Germany (P5+1), and Iran signed a Joint Plan of Action, the first step towards a final agreement on the Iranian nuclear program. This is the first major formal arrangement between the United States and Iran since 1981. The first-step plan freezes Iran’s nuclear program in many ways and rolls it back in others:

Destroying Highly Enriched Uranium (HEU). The agreement commits Iran to destroy its stockpile of Highly Enriched Uranium by

diluting it down to below 5%. This is significant because it increases the “break out” time Iran would need to build a nuclear weapon.

Stop construction of new centrifuges. Iran agreed to stop building new centrifuges. These individual pieces of equipment, when strung together in “cascades,” each increase uranium enrichment by a little bit.

Stop working on its heavy water plutonium reactor at Arak. Both plutonium and uranium can be used to build a nuclear weapon. Stopping work on the Arak reactor means that Iran is turning off its “plutonium path” to a nuclear weapon.

Intrusive physical and video inspection. Iran granted full access for the International Atomic Energy Agency (IAEA) to inspect its uranium mines, centrifuge factories, and enrichment facilities, including 24-hour video monitoring of the Natanz and Fordow enrichment sites. Because of this access, this agreement is not based on trust; we will know if Iran is cheating.

Notably, the agreement neither affirms nor denies Iran’s claimed “right” to enrich uranium for peaceful purposes. The Nuclear Non-Proliferation Treaty (NPT), which Iran has signed, requires that enrichment by non-nuclear-weapons powers take place only under close IAEA supervision.

In return for these unprecedented and significant concessions, the United States and its allies agreed to some limited, temporary, and reversible concessions:



In 30 seconds...

Making the first-step deal work

Sanctions brought Iran to the negotiating table, and have yielded a first-step agreement. That agreement includes a moratorium on new sanctions for six months. New sanctions now would almost certainly end the negotiations, since Iran would view it as a violation of the interim agreement. Congress should wait until the current round of negotiations succeed or fail before applying new sanctions.



Strong majorities of Americans prefer diplomacy to military action against Iran. This is largely because the costs of attack are so high. Their support is driven by the fact that sanctions have produced real results.



Today, Iran is surrounded by our allies, isolated from the world, and internally divided.

Release some funds and reduce some sanctions. The U.S. and our allies released roughly \$4.2 billion in Iranian funds held in Western banks that we had previously restricted their access to use; suspended certain sanctions on gold, petrochemicals, and vehicles; and will allow certain humanitarian and educational funds into Iran.

Hold off on new sanctions during the 6-month deal. The U.S. and EU also committed to no new sanctions during the six month term of the agreement.

Iran's Nuclear Capacity

Under the Nuclear Non-Proliferation Treaty (NPT), Iran is entitled to a peaceful nuclear program for the purposes of research, medicine, and power generation, and to the Low Enriched Uranium (LEU) that those programs require. Refinement beyond the 20% level is classified as Highly Enriched Uranium (HEU), and is useful only for making weapons, which the NPT prohibits Iran from doing.

Uranium must be enriched to 3.5% to be useful as fuel for a nuclear power station, 20% to be useful for medical purposes (including radiology and oncology), and 90% to be useful in a nuclear weapon.

Counter-intuitively, enrichment from 3.5% to 20% is difficult and time consuming, while enrichment from 20% to 90% is relatively easy. Therefore, the American and international strategy has been to limit



Key Fact

That Iran was willing to freeze and roll back their nuclear program in exchange for these limited, temporary, and reversible concessions shows the impact international sanctions have had on Iran's economy, and suggests that Iran may be serious about reaching a final agreement.

Iran's stockpiles of 20% enriched uranium, in order to lengthen the "breakout" time, or time required for Iran to manufacture and stockpile enough 90% uranium for a weapon. The first-step agreement, which required Iran to destroy or dilute all of its uranium enriched past 5%, has therefore already lengthened this breakout time and put vital time on the clock.

Estimates differ over how long it would take Iran to reach a "breakout threshold," at which point it could refine to 90% the amount of uranium required for a weapon. Most experts agree that point could be within 12 months if Iran chooses that course of action.

Why Iran Matters

Iran has been working towards a nuclear weapons capability for years. As a signatory to the Nuclear Non-Proliferation Treaty (NPT), Iran is allowed to develop civilian nuclear energy, but prohibited from developing nuclear weapons. Iranian leaders have said that they do not seek a nuclear weapon and simply want to provide the country with civilian nuclear energy and medical research reactors. However, the government's actions strongly suggest that they have been interested in at least developing an advanced nuclear weapons capability, if not actually building a bomb. Iran has conducted work on the technology needed to trigger a nuclear reaction and is seeking the means to develop a delivery system for a nuclear warhead.

Iran sponsors terrorists and uses these groups against the United



Common Error

From Capacity to Capability to weapons

"Capacity" and "capability" are terms of art with important distinctions when discussing Iran's nuclear program.

Iran currently has the capacity to enrich uranium to a high enough grade and at a high enough rate to accumulate the quantity required for a weapon. But capacity is not enough to actually have a weapon, which requires additional technology, including a nuclear trigger and a delivery system.

Iran does not yet have nuclear weapons capability: the combination of uranium enrichment capacity, the ability to successfully design and build a nuclear warhead, and a delivery system for that warhead.

States, Israel, and other allies. Iran remains the world’s “most active state sponsor of terrorism,” according to the U.S. State Department. Across the Middle East, Iran supports terrorist groups that seek to undermine America, Israel, and Sunni Muslim-led countries. It is a supporter of Hamas and other Palestinian terrorist groups. Iran also funds, arms, and trains Hezbollah, which has attacked Israel from Lebanon in the north. Its funding for the Mahdi Army and other dangerous groups in Iraq has undermined civilian democratic institutions there. Iran is also the strongest supporter of Bashar al Assad’s regime in Syria, and has provided him with weapons and technical support. In Afghanistan, Iran has supplied weapons, funding, and training to terrorists and insurgent groups, including the Taliban, to undermine American objectives. Iran seeks political influence in Afghanistan so that it has leverage after the withdrawal of U.S. forces.

International sanctions, particularly on oil, have seriously damaged Iran’s economy. Because oil is a global commodity and America consumes approximately 20% of the world’s oil, our demand props up global oil prices even though we never buy a drop from Iran. This increases Iranian profits that are then used to fund its weapons programs and support for terrorism.

Prior to the significant international sanctions imposed by the United States and our allies in December 2011, Iran was the world’s fifth largest producer and third largest exporter of oil. After an additional round of sanctions in August 2012 and increased international enforcement of existing sanctions, Iranian oil production is estimated to have fallen from 3.5 million barrels per day to just about over 1 million today. In the last year, its economy shrank by 6% and it is expected to shrink again this year; the value of its currency, the Rial, has plummeted nearly 60%



Key Fact

Iran’s strategy has probably been to ensure it has the option to build a nuclear weapon without actually building one. This would permit Iranian leaders flexibility while still maintaining a level of deterrence.



America’s demand for oil enriches Iran. Decreasing our oil dependence will help drive down prices and defund Iran.

against the dollar since 2011. Iran's unemployment rate is over 15% according to estimates, though probably far higher, and its inflation rate is some 30%, among the highest in the world.

Iran also has potential to choke the global oil supply and spur an energy crisis. About 20% of the world's oil passes through the Strait of Hormuz, a passage as narrow as 34 miles wide in the Persian Gulf. If Iran tried to cut off supply through the Strait—as it has threatened to do in the past—it could send global prices skyrocketing.

Iran is a gross abuser of human rights and continues to undermine the spread of democratic values in the region. Iran is one of the world's most oppressive regimes and continues to deny basic human rights to its people. The government engages in torture, arbitrary arrests, and political abductions. Iran has the highest rate of executions per capita of any country, and executions appear to be on the rise, with members of ethnic and religious minority groups disproportionately targeted. Pro-reform websites, blogs, and newspapers have been closed en masse. The State Department lists Iran as a "Country of Particular Concern" for religious freedoms and has given Iran its worst rating on human trafficking. Iran has also arrested and executed "Green Movement" activists working for democracy since the 2009 presidential elections. Though President Rouhani said in his presidential campaign that "all political prisoners should be released," there is so far little evidence that Iran's human rights record has improved.

Iran has actively supported the Syrian regime's campaign of violence against its people. Syria's Assad regime has been a longtime strategic ally for Iran, helping Iran supply Hezbollah with weapons and training. From the earliest days of the Syrian uprising through the



What do sanctions do?

Sanctions force countries and businesses to choose between doing business with the U.S. or with Iran.

Specifically, sanctions:

- Bar firms that do business with Iran's Central Bank from doing business with U.S. financial institutions
- Ban companies that provide bulk amounts of refined petroleum to Iran from doing business in the U.S.
- Freeze the U.S. assets and travel visas for officials who have committed human rights abuses.
- Deny Iran access to the international financial (SWIFT) system.

regime's current brutal suppression of its own people, Iran has provided the regime with weapons, logistical support, and even military advisors.

The Policy Landscape and Recommendations

The U.S., along with key international partners, reached a historic first-step agreement with Iran in November 2013, but this is only an initial step to buy time for a comprehensive deal. By offering Iran a chance at a fresh start at bilateral relations at the beginning of his first term, President Obama demonstrated his commitment to a diplomatic solution and strengthened his position in the international community. This brought many otherwise reluctant states onboard to enforce the most comprehensive regime of international sanctions the world has ever seen, while shifting the burden onto Iran to prove that they are abiding by international standards. President Obama's "open hand" approach also increased dissent within Iran, and strengthened opposition to then-President Ahmadinejad's government. The current president of Iran, Hassan Rouhani, who took office in August 2013, was considered to be the least conservative candidate in a race that saw multiple hardline contenders split the vote. Rouhani ran on a platform of economic growth and reform, for which the lifting of sanctions – achievable only by offering far-reaching nuclear concessions – will be necessary.

Some believe the U.S. cannot trust Iran to uphold its end of the bargain, and should instead bomb Iran's nuclear facilities. But airstrikes

only offer the potential for a temporary delay, not a permanent solution. Military strikes should remain officially on the table as an option for U.S. policymakers. However, U.S., as well as Israeli, military and political leaders question their utility in reversing the Iranian nuclear program. It is likely impossible to destroy Iran's nuclear program by air attack alone. Actually ending the program would require ground troops.

Secretary of Defense Chuck Hagel has warned that air strikes would delay Iran's program by only a few years at best. What is more, even "targeted strikes" would probably lead to a regional conflict, according to Pentagon simulations, as Iran would retaliate against the United States, Israel, and our other allies in the region. Even in a best case scenario that set back the program by several years, large numbers of American forces would be tied down in the Persian Gulf for years to come, certainly at great financial cost, and possibly at great cost to American lives.

The result of a military strike would be regional chaos and violence against Israel and other regional allies. We have worked closely with Israel to develop a tactical missile defense system known as "Iron Dome" that provides some protection against short-range rocket and mortar attacks launched by Hamas and other terrorist groups. Operation Pillar of Defense, Israel's conflict with militants in Gaza in 2012, demonstrated that the Iron Dome is quite effective at defending against these weapons, particularly when the volume of incoming fire is relatively low. But these systems do not offer protection against longer ranged missiles, like those Iran would use to deliver a nuclear warhead.

Other missile defense systems, like the strategic missile defense system planned for Eastern Europe, face major technological hurdles and are not expected to be fully operational until 2022 at the earliest.



Strong majorities of Americans prefer diplomacy to military action against Iran. This is largely because the costs of attack are so high. Their support is driven by the fact that sanctions have produced real results.

Secretary of Defense Chuck Hagel has announced a more strategic, cost-effective approach that fast-tracks improvements to existing systems, strengthens U.S. security at home and abroad, and allows us to maintain commitments to our most vulnerable allies and partners.

Meanwhile, Israel's military and intelligence leaders agree that striking Iran militarily would harm Israeli civilians. Meir Dagan, the former director of Israel's intelligence agency, the Mossad, who served under right-wing prime ministers Ariel Sharon and Benjamin Netanyahu, called the idea of an Israeli airstrike, "The stupidest thing I have ever heard." While some Israeli politicians disagree, America is right to stand with Israeli military and intelligence leaders in urging Israel not to strike Iran.

President Obama has rallied an international coalition against the Iranian nuclear program. President Obama has succeeded in getting Iran's largest trading partners, including Europe, China and Russia, as well as states around the world, to support economic sanctions on Iran. Of the twenty countries importing Iranian oil in November 2011, only six do so today, at drastically reduced levels. Iran's banking system is virtually cut off from the world, severely limiting its ability to access the international financial system; its energy sector is withering, denied the investment, goods and services it needs to thrive; and its ports and shipping sectors have been isolated. Without this coalition, U.S. sanctions alone would be far less effective; with its support, Iran is truly isolated from the world.

U.S. and multilateral sanctions succeeded in bringing Iran to the negotiating table. The value of the Iranian currency, the Rial, fell roughly 60% by some estimates since 2011, helping to cripple Iran's economy. This led to major protests in the fall of 2012 in Tehran by Iran's influential merchant class, and may have helped President



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Rouhani's campaign as a reformist promising to restore Iran's economy. The current sanctions regime was also designed to avoid weakening the opposition movement or harming ordinary civilians as much as possible by exempting goods like food and medicine.

Tough sanctions forced Iran to the negotiating table. A religious ruling by Iran's Supreme Leader and top religious authority declaring the possession of nuclear weapons "a sin" may be Iran's way of finding a face-saving way of stepping back down from nuclear weapons.

Over the long term, democratic change is our best hope for a more peaceful Iran. The Iranian people want to engage with the international community, so our best strategy for long-term stability is to support their popular aspirations for dignity and freedom. Yet, direct support can lead to regime crackdown and undermine their cause. As in the aftermath of the 2009 protests, we should continue to target human rights abusers for sanctions, raise human rights violations in international forums and private meetings, and press for the release of political prisoners. We should remain careful about associating ourselves with particular opposition elements so they do not become more vulnerable or targeted for suppression.

Under the current regime, Iran has highly controlled elections, and the president of Iran is less powerful than the Supreme Leader, who has veto power over foreign policy and nuclear program decisions. President Hassan Rouhani, the most reform-minded candidate allowed during the June 2013 election, is not a liberal democratic reformer, but the people chose him overwhelmingly over more conservative candidates. Rouhani signaled an openness to meaningful reform, both during his campaign and on an international stage at the UN in September 2013.



Common Error

Be careful not to confuse the elected leadership of Iran with its religious leadership. The President of Iran is not a religious leader; the Supreme Leader is. However, the Supreme Leader generally has more power, and is the final decider on the nuclear issue.

The international community should hold Rouhani accountable for these commitments and support real progress towards reform.

Key People

Iran is ruled by a theocracy—a government headed by religious authorities that operate under “divine rule.” The Supreme Leader serves as Commander-in-Chief of the Iranian armed forces, reserves broad powers, and is not subject to a term limit. Technically, the Supreme Leader is supervised by an elected Assembly of Experts, which has the power to remove him, though this has never been done.

The Iranian government also has a directly elected president that appoints and oversees the work of the cabinet but is subordinate to the Supreme Leader. As a general rule, the Supreme Leader asserts his authority on security-related issues and leaves domestic issues to the president.

Ali Khamenei (ah-LEE hah-mehn-EE). Khamenei has served as Supreme Leader of Iran since 1989. He is a hardline conservative on foreign policy, and in the early days after the Revolution he helped build the Iranian Revolutionary Guard Corps (IRGC). As commander-in-chief, Khamenei ordered the IRGC to put down the peaceful, popular uprisings following the contested 2009 presidential election.



Key Fact

It is often difficult to know who is in control of Iran.

The Supreme Leader had been clashing with the president – after the 2013 election, it remains to be seen whether he won this internal power struggle.

Hassan Rouhani (HAA-saan ROO-ha-nee). Rouhani was elected



president of Iran in June 2013 and took office in August 2013. He was the most reform-minded candidate allowed during the election. Carrying 50.68% of the vote, compared to 34% for the runner up, he overwhelmingly beat more conservative candidates, and even possibly received a much larger share of the vote than the 50.68% announced publicly. He replaced Mahmoud Ahmadinejad, who had been president since 2005. Ahmadinejad's reelection in 2009 was a catalyst for the

pro-democracy Green Movement to take to the streets, triggering widespread national protests. Rouhani's willingness to enter into the Joint Plan of Action with the P5+1 is the strongest sign yet that he is open to meaningful reform.

Iranian Revolutionary Guard Corps (IRGC). The Revolutionary



Guard is a military organization founded immediately after the Iranian Revolution. Unlike the traditional armed forces of Iran that are responsible for the normal functions of a military, such as protecting the border and defending the country from external threats, the Revolutionary Guard's chief responsibility is to protect the regime

from internal threats, like popular protests or mutiny by the armed forces. Their command structure emanates directly from the Supreme

Leader, and they are his chief leverage against the population and the civilian government. More than just a division of Iran's armed forces, it also oversees large media, education, and economic entities and it is politically well-connected: most of Iran's political leaders once served in the ranks of the IRGC. The IRGC exerts additional regional influence through its Quds Force, a militant arm that runs a global intelligence network and facilitates weapons sales and deliveries to pro-Iran terrorist groups like Hezbollah.

Iranian Cyber Police (FATA). Set up in January 2011, the FATA monitors internet activity in Iran. Though their nominal purpose is to prevent cybercrime and identity theft, they actually serve to extend the regime's totalitarian approach to political expression to the Internet. In October 2012, an Iranian blogger was tortured to death by FATA officers for posting material online that criticized Iran's judicial system.

Going Deep: Background and Context

Under the rule of the Shah, Iran became a signatory to the Nuclear Non-Proliferation Treaty, ratified in 1970, and remains a signatory to this day. This legally prohibits Iran from developing nuclear weapons, but allows for the peaceful use of nuclear energy. The IAEA, responsible for monitoring NPT compliance, regularly inspects Iran's nuclear sites to ensure international treaty obligations are being met. With the 2013 interim agreement, the IAEA provides the international community with an important window into Iran's nuclear program and infrastructure. The ongoing discussions with the IAEA are on a parallel track with the P5+1

negotiations over Iran’s nuclear program.

The U.S. and Iran have not had formal relations since 1980. The United States and Iran were allies during the rule of the Shah of Iran. The corrupt, repressive, and unpopular Shah was ousted during the 1979 Iranian Revolution, and formal ties between the U.S. and Iran were broken in 1980 following the seizure of the U.S. embassy by Iranian radicals.

The Bush administration engaged Iran, then pursued sanctions, but failed to make progress. The George W. Bush administration signaled backchannel openness to Iran from 2001 to 2003 on Iraq and Afghanistan, but it fell apart after he named Iran as part of an “axis of evil” in 2003. Efforts to pursue international sanctions under President Bush and a second try at multi-party talks with Iran in 2008 failed to get off the ground.

The Obama administration first pushed for stronger engagement and then moved to isolate Iran. President Obama entered office



offering a new course: in exchange for offering the world assurances over their nuclear program, the U.S. would slowly open opportunities for Iran to reintegrate into the global community. Iranian leaders, however, refused to engage. In

the aftermath of the 2009 Iranian presidential election, they began a violent crackdown on protests by the Green Movement—a collection of pro-democracy groups seeking peaceful, political change. Because the Obama Administration had shown its willingness to negotiate, it was able to mobilize the international community to increase and enforce international sanctions. This strategy paid off in November 2013 when Iran signed an interim agreement with the P5+1 countries in Geneva, Switzerland.

President Rouhani’s political success sends a positive signal to the international community. Iran is divided by a complex internal power struggle. In recent years, this struggle has consumed Iran’s senior leadership, making it difficult to negotiate with a divided country. The Supreme Leader scaled back the power of the presidency when Ahmadinejad was in power and relied on support from the IRGC. The Supreme Leader appears to have grown more powerful since, but whether he has consolidated a unified power base remains to be seen. President Hassan Rouhani’s election may have revealed that the Supreme Leader is balancing pressure from domestic public opinion and factions at the top echelons of government. The relationship between senior leadership, especially the IRGC, and the new Rouhani government is worth closely monitoring, as Rouhani’s interest in economic reform clashes with the IRGC’s commercial interests.