THE BROOKINGS INSTITUTION

CAMPAIGN 2012: THE CHALLENGE OF CONTAINING IRAN

Washington, D.C.

Tuesday, April 10, 2012

**Introduction:**

BENJAMIN WITTES
Senior Fellow
The Brookings Institution

**Panelists:**

JOSH GERSTEIN, Moderator
Reporter
POLITICO

SUZANNE MALONEY
Senior Fellow
The Brookings Institution

SHIBLEY TELHAMI
Nonresident Senior Fellow, The Brookings Institution
Anwar Sadat Professor for Peace and
Development, University of Maryland

MICHAEL DORAN
Senior Fellow
The Brookings Institution

* * * * *

P R O C E E D I N G S

MR. WITTES: So, welcome, everybody. My name is Benjamin Wittes. I'm a Senior Fellow in Governance Studies, and a sort of coordinator of the Campaign 2012 Project here at Brookings.

Welcome to the, I believe, the fourth in our set of Campaign 2012 issues events. For those of you who have been here before, this introduction may be a little repetitive, I apologize for that. But some of you haven't been to any of these prior events, so I want to tell you a little bit about the larger project that this event is a part.

So, we, on the theory that all campaigns, presidential campaigns, where you have an incumbent, is really a referendum, in some sense, on the incumbent President, we decided to organize the Campaign 2012 series around a set of assessments of what the Obama administration has done in a certain set of -- in this case we chose 12 issues. What the critique of that record has been. And how one might synthesize the critique and the assessment into sort of advice for the next administration, whether that be a next four years of the Obama administration, or it now looks like we know who the Republican nominee is going to be, and maybe we should stop pretending that we don't -- the first four years of a Romney administration.

So in each case, what we did is we asked one, or sometimes more than one scholar jointly, in this case, one scholar at Brookings to write this assessment paper, and sort of that culminates with a kind of set of advice for the next administration. And we ask two other scholars from around the institution, sometimes in diverse fields, sometimes with a very different orientation philosophically on the correct policy, to write response papers to that original paper.

And for each of these sets of now three papers, we're having an event, of which this is now the fourth, at which we put everybody on a panel and discuss it, with somebody from the POLITICO to moderate.

So, with that, let me introduce today's event, which, of course, as you know is about Iran policy. The main paper for today was written by Suzanne Maloney. The response papers were written by Shibley Telhami and Mike Doran. All of them are in the Foreign Policy Studies group at Brookings.

And here to moderate, which is a particular pleasure to welcome Josh Gerstein here, who is a long-time colleague of mine, and a voice on the other end of the phone whom I have not met until today. So it's a pleasure to welcome you here to Brookings.

And let me turn the floor over to you.

MR. GERSTEIN: Thanks a lot, Ben. I hope everybody can hear me in the back. Welcome to the discussion.

We're certainly meeting at a very opportune time to discuss this issue, because we're probably going to see Iran jumping back into the news in a pretty significant way this weekend, as some potentially very interesting talks get underway about the future of the Iranian nuclear program, and whether it's something the Iranians are really willing to negotiate about at this point or not. Which could obviously have pretty significant implications for the Obama administration's policy going forward, and also the role that that issue will play in the 2012 campaign.

Suzanne's paper, which I hope people have seen -- and, if not, it's on the website, and I think available here -- is pretty interesting in laying out what I think is kind of a riddle of Obama's Iran policy, which is, as you argue, it's been fairly successful, in that he's had some pretty significant achievements in putting together a sanctions regime that some people thought probably couldn't be cobbled together, to the point where I think many Republicans would conceded there's a pretty tough set of sanctions in place in Iran. Yet, as you note in the paper, at the same time, it seems like this could be the issue that most, at the foreign policy issue that most imperils the President's reelection, if we accept that foreign

policy will play a significant role in that. Even if it's not a significant, it seems to be the favored topic of choice for the Republican candidates.

So, on that note, I thought you might just give us a few more thoughts about how we've ended up in this place, and whether you think it's an issue that Republicans will be able to leverage in some way against the President, given the achievements, but the continuing dangers?

MS. MALONEY: Thank you so much. And thank you to Brookings, and to Ben, for organizing this event. I think it's one of the hallmarks of Brookings that we tend to benefit from incredibly good timing. And so I will suggest that today's event was not intended, really, to happen just on the eve of the first negotiations between Iran and the group known as the P5-plus-1 -- the international coalition of countries of the permanent five members of the U.N. Security Council plus Germany -- that have undertaken negotiations on the Iranian nuclear program.

The first such session in well over a year will take place this weekend. And yet, Iran has this fortuitous way of popping into the headlines, and becoming directly relevant at a moment that I think works out tremendously well if we're having a conversation both about the kind of short-term, immediate-news-value issues of what happens, what is likely to happen in these negotiations that will start on Friday, as well as the broader issue of how is it that we deal with a country that has been a

persistent threat, and a persistent conundrum for U.S. Presidents for the past 33 years, since the Islamic Revolution in Iran in 1979.

So let me just start by saying a few words about the negotiations. And then I hope, in fact, that it will seamlessly segue into the paper, and into the broader discussion of how it is that the United States and the next President ought to deal with such a complicated set of issues.

I think the upcoming negotiations are quite obviously very high stakes, and very low expectations. High stakes in the sense that we are coming off a period of at least four or five months of nearly non-stop headlines about the prospects of either an Israeli attack, or a combined Israeli-American attack, or some other military strike on Iran's nuclear program. This has been a front-page headline issue for the past three to four months -- and one that has clearly consumed the U.S. policy-making community all the way up to the President. President Obama has been compelled to come out publicly with a more clearly defined version of his position on the role of force with respect to Iran.

"Low expectations" with respect to these talks that are coming up, simply because I think that we have no real evidence at this point that, in fact, the Iranians have come to a conclusion that they must make a final resolution to the nuclear issue. They have been dangling the

prospect of some sort of a deal, some sort of a confidence-building measure. And this is something that the U.S. has also previewed in a *New York Times* story that appears to have been shaped by the White House and the administration, detailing the U.S. negotiating position. That perhaps some sort of a confidence-building measure on Iran's current production of enriched uranium, enriched to a higher degree than would typically be used in civilian power production, but which the Iranians have been justifying on the basis of the need to fuel a research reactor that produces medical isotopes, that this is perhaps a target of opportunity, a low-hanging fruit, that might, in fact, then create a process of durable negotiations between the two sides.

I think I would keep the expectations incredibly low that we are likely to see any sort of even this kind of a confidence-building measure in the short term, simply because it's clear that the Iranians haven't come to a determination that they must resolve this problem.

As was said previously, we've got perhaps the toughest sanctions regime in history assembled against any country today that is being implemented on the Islamic Republic of Iran. It will go into full implementation this summer, when the grace period ends for continuing transactions between foreign governments and the Iranian central bank, as well as the implementation of the European Union's boycott of Iranian

crude imports. Those two points of data, those two measures, will begin to remove Iran's role as one of the world's leading oil exporters, and will create a new level of economic cost for Iran for continuing to pursue its nuclear program.

But so far, what we seem to see from the Iranian leadership is a calculation that they can withstand these sanctions, that though incredibly and highly disruptive to the economy, this is a price they're willing to bear for what they describe as maintenance and preservation of their rights, of their scientific and technical rights. It is an issue that they have wrapped their own legitimacy around. It is an issue that they have made clear they are willing to pursue, almost irrespective of the cost.

And so for that reason, I think we have to go into these negotiations this weekend with a reasonable set of expectations, which suggests that perhaps the best possible outcome would be some sort of evidence that there is a commitment from both sides to come back to the table. Rather than any kind of an agreement that might come out of this, I would suggest that the announcement of a second round of talks or, even better, the announcement of some sort of a working group or process of dialogue which would be sustained over a period of time, which could give both sides an opportunity to interpret the other one's intentions, to learn more about the expectations and the possibilities and the vulnerabilities,

and to create some sort of a process of ongoing communication -- which today, of course, does not exist because of the lack of diplomatic relations between the two sides.

That is the best of all possible scenarios that we might be able to hope for from this weekend's talks.

Over time, I think it is possible we will see some sort of a confidence-building measure. But, of course, as we know, the Iranian approach to negotiations on the nuclear issue tends to be one of reinterpretation, of renegotiation after the ink is dry.

And so for all those reasons, I think, in effect, again, almost irrespective of what happens this weekend, we're likely to see Iran remain as a sort of hot-button, headline issue as we move forward into the general election campaign this summer.

The Republicans have clearly identified Iran as a potential vulnerability for a president who's had a reasonable record of success on a variety of different foreign policy issues. Iran is an issue that has a deep degree of resonance with the American public. All those of us, really, from Generation-X onward remember the hostage crisis, some of the other actions by the Iranian regime over the course of the past 33 years. And so it is quite an identifiable country for many Americans, a useful,

cartoonish enemy in the person of Mahmoud Ahmadinejad and some of his incredibly reprehensible rhetoric.

And yet, at the same time, it's unclear what the value, what the purpose of the Republican narrative on Iran is, other than to try to hammer the President on failing to solve a problem that his predecessor, a Republican administration, was unable to resolve in two terms, and that no American president from either party has made substantial progress in resolving over the course of the past three decades.

There isn't a tremendous amount of distance between the Republican and Democratic position on Iran. The objective is the same. The tools are very similar. The distinction is perhaps this willingness to use force to resolve Iran's -- to end Iran's nuclear program with a greater degree of confidence and durability than even the best negotiated solution might provide.

And yet, again, it is uncertain as to whether or not a Romney administration, once faced with the responsibilities of governance, once faced with the clear trade-offs that would come, in terms of what the Iranian reprisals might look like, what the consequences for the U.S. and global economy might look like, of a strike on Iran -- whether or not a Romney administration would be quite so quick to advocate military action, once in office.

And for that reason, the difficulty that we have today is that we have a debate on Iran which produces which produces, as I say in the paper, a lot more heat than light. It, in fact, raises the level of tension, contributes to the escalating price of gasoline in this country, without actually bringing the problem to a greater prospect of a negotiated or other resolution.

And, in effect, it's unclear whether the American public is tremendously supportive or interested in moving in a direction which would potentially put us on a course for military confrontation with Iran. And it's why I think it will be very interesting to see the two candidates debate the Iran issue, particularly if we're at a set of conditions in which there is a process of negotiation that might be established as a result of these talks this weekend.

Is a Romney administration prepared to criticize a diplomatic process that would be intended to resolve this problem? Is he counting on an American public to be supportive of potentially another lengthy and costly military engagement in the Middle East? That is certainly not the political calculation that either his predecessor or his rival, the current administration, has been willing to invest in. And so I think it's going to be a more interesting process once we move into the general election.

The Obama administration has a strong record to run on with respect to Iran, at least in terms of actions undertaken, but not in terms of results. And that puts a great onus on whatever happens this weekend, and whatever process may or may not come out of it. Because, of course, the administration can tout incrementally increasing sanctions, a robust international coalition. But what neither they nor, frankly, any rivals can point to is any success in changing the Iranian mindset on their security calculations.

What is it that will bring the Iranian nuclear program to an end, or to a set of conditions in which we can have greater confidence that Iran will not have a breakout nuclear weapons capability? I don't think either administration has yet arrived at a strategic answer of tremendous credibility on that.

And that is what we, as voters, and what the informed policy community here in Washington ought to be pressing for -- a real conversation, a real dialogue about how it is that we can deal with a problem that has confronted and confounded American administrations from both parties for three decades.

With that, I look forward to hearing from my colleagues. And I think you'll hear quite a diversity of views amongst the three of us.

MR. GERSTEIN: Mike, we'll go to you next.

But it strikes me it's kind of improbable that we're here now, at this point, talking about this. If you would have thought about a couple years ago what foreign policy issue we would most likely be seeing as the focus of Republican candidates attacking the President, I think a lot of people, two years ago or so, would have said it would be the war on terror, it would be the fight against Al Qaeda.

Events have changed, so it does seem something like Republicans are taking their best shot here on the Iran issue, because they've decided that some of those issues which they criticized the President for pretty intensely in 2009 to 2010 are either off the table, or unlikely to be terribly successful.

But you argue in your response that these things are actually somewhat related. So I'm hoping you'll get into that a little bit.

MR. DORAN: Well, I think if you look at the State of the Union speech, the President laid out what his campaign claim was going to be, and it's basically an extrication narrative. He's saying, I got us out of Iraq. I killed Osama bin Laden. And I'm bringing the boys home from Afghanistan.

And I think it's a pretty winning, it's a pretty winning claim. There isn't -- all the polls show that these are popular, absolutely popular positions. So, the Republicans really don't have, they don't have, in that

set of issues, anything to really go after the President with that's going to be winning.

Some of my -- there is criticism within Republican circles, policy circles, about the President's Iraq policy. They believe that the extrication from Iraq was much too hasty. But I don't think that's something that's going to resonate with the wider population.

So I totally agree with what you said. So what we have left is Iran, and Iran is two issues. It's a failure to solve the problem. I thoroughly agree with Suzanne that the Bush administration didn't solve the problem either. But the problem remains unsolved, and it's getting to the point where it's a crisis. Because we can see, for all the successes of the coalition and the sanctions regime, we're on a glide path to an Iranian nuclear weapons capability.

As Suzanne said, there's no sign whatsoever that the Iranians have changed their view on this. So all things remaining stable, we're going to see, sooner rather than later, Iran with a breakout capability. So there's that issue.

Then there's a second part, which is the Israel component. Hanging over the unspoken drama here is that Israel has signaled that it is willing to carry out a preemptive strike against Iran's program. And that, then, raises not just the Iran question but, in general, the support in the

American public for Israel. So that, then, becomes an issue that the Republicans -- a popular issue that the Republicans can grab hold of.

And we're all aware of the tense relations between President Obama and the Netanyahu government. So it's kind of two issues, electoral issues, wrapped up into one. It's the security question with respect to Iran, and it's Obama's tense relations with Israel.

So, he's done a good job in the last year of papering over those difference with Israel, developing a narrative for the American public that's really rather powerful. He had unprecedented levels of security cooperation with the Israel in the military sphere, and in intelligence cooperation and so forth. And both sides readily agree with that.

And I think he also did a very clever job in his APAC speech recently, of putting the Israeli's in a very difficult position. On the one hand, while protecting himself, while protecting himself in domestic American politics, on the one hand he said, "I support Israel's security, and we have unprecedented levels of cooperation." He also said, Israel has the right to protect itself. On the other hand, he signaled that he doesn't want anything; he doesn't want the Israelis to do anything that will get in the way of the diplomatic option. And he laid out a case for the diplomatic option.

It's actually a very lawyerly speech. If you read it very carefully, you never get to the clause that says, "If the Iranians don't, then I will do" -- X. So it's a lot of very gauzy statements about support for Israeli security, but no tangible statements about what exactly will happen, what are the consequences.

And that sets up an interesting aspect with respect to these negotiations that are going on now. I think the negotiations have a lot to do with the elections. Because there is a very odd thing between two countries that I think are adversaries -- and I think the Obama Administration certainly sees Iran as an adversarial regime. But there is a temporary common interest that the two have, the Obama administration and the Iranians. And that is to see to it that there is no Israeli strike before November, for sure.

So the Iranians are giving President Obama just enough to be able to say that the diplomatic is working. And the Obama administration is grabbing it and going with it, to put that much more political pressure on the Israelis not to take action. If the Israelis take action now, then they are disrupting the beginnings, this budding diplomatic process that's beginning.

I say that with tremendous skepticism and cynicism, because I don't believe for a second that the Iranians are ever going to

negotiate an end to their -- I believe the Iranians are hell-bent on acquiring a nuclear weapons capability, and they're never going to negotiate that away, certainly not at this stage, when they can really see the finish line.

So I think what we're going to see is the Iranians are going to, they're going to give a little bit, and then they're going to back up. They're going to renegotiate, there are going to be misunderstandings about terms, and so on. And there will be a process that will string out, presumably until November. That's what I would predict to happen.

I think Suzanne's desired outcome of nothing tangible, but a process, is exactly what they desire. And, oddly, I think the Obama administration has an interest. How much of an interest, I don't know. And that will be the interesting thing to watch. And I'm sure that the Republicans will be pointing this out as things move along.

Now, the interesting question, then, is will the Israelis actually attack? And that -- you know, nobody has the answer to that. Can they do it? Who knows. Will they do it? Who knows.

My own answer -- and I'm no more of an expert on this question than anybody in the room here -- is that they won't. What they really want is the United States to take care of the problem. The Israeli solution -- the Israelis understand that the Israeli solution to the problem brings as many problems with it as the existing problem.

But it is the great unknown. And I'll just make one point and then hand it over to Shibley. And that's that if the Israelis are going to act, they have a strong interest in acting before November. Because they want to act while Obama is standing before the court of U.S. public opinion, with the Republican there to point out every misstep that he makes, or every possible misstep that he makes.

So, around about October it should be really tense. And I suspect that around about October, the Iranians will come up with a new proposal for a new process.

MR. GERSTEIN: Shibley, your paper talks a lot about the broader region, how other countries, how Arab countries view both the Iranian and the possibility of an Israeli action and the Iranian nuclear program.

I'm wondering if you could get into that a little bit, but perhaps also pick up on Mike's point. It does seem that everyone in the region knows that we're having a presidential election in November, and it is playing into everyone's calculations -- into the Iranians' calculations, into the Israelis' calculations, and perhaps even some of the other players here. They all seem keenly interested in not just the substance of what's happening, but exactly how they advance their cause by timing things perfectly for the U.S. presidential election.

Do you have some thoughts on that?

MR. TELHAMI: No question. And I think that, you know, when I wrote my response to Suzanne's paper, I chose to focus primarily on the Israeli dimension and the Arab dimension of the Iran nuclear crisis, because I think it's impossible to understand the American calculations without understanding at least the Israeli dimension, and probably the Arab dimension. Because they're huge -- as Mike just suggested.

And I think these are very much tied to our campaign, so much so that I think if you look at what happened in the Israeli calculations vis-à-vis Iran -- when Obama got elected, the first thing that the Israelis wanted was to make Iran the priority issue for the relationship with the U.S. Obama administration wanted to focus on the Israeli-Palestinian peace. The Obama administration won the first round early on.

And, obviously, in the past year, the Israeli-Palestinian issue has been put behind. The Iran issue is up at the top of the agenda -- so much so that there were, I would say, many in this town were assessing that part of it was Israeli bluffing, rather than Israeli intent to attack. That there was, I think, a widespread assessment maybe that more than 50-50 chance that the Israelis were bluffing.

Part of it is that they're trying to get the U.S. to do it, because they prefer that the U.S. would attack. And part of it, some people saw

that the Iran issue, as you've suggested, is seen in our elections as the foreign policy vulnerability issue of the Obama administration. And many people actually believe that the prime minister of Israel wanted to help the Republican candidates against the President, and that this is a lever that is used to highlight the issue. And I would say that that was the assessment pretty much until three, four months ago.

But I do think that that assessment changed within the administration, and I think by many Israel watchers, and to conclude that there was a better than 50-50 chance that Israel really does intend to strike. And I'm now of that opinion, that actually there is a better than 50-50 chance that the Israelis intend to attack.

We can argue as to why, but the bottom line is that Obama administration's conclusion that there was a real chance the Israelis would attack did affect the diplomacy -- significantly. And you can see what happened over the past few months, in terms of active American diplomacy on the highest level to try to preempt the possibility of an Israeli attack.

But I don't reach the same conclusion that Michael does, which is that therefore both the Obama administration and the Iranian regime have an interest in preventing an Israeli strike before November, and therefore that's why they're going back to the negotiating table.

Let me tell you why.

First, I actually think it's way too risky for them to do that. I mean, we have, between now and the elections, it's seven months to go. And if you embark -- I mean, the entire logic of the Obama administration's argument against a strike was that, "We are going to put in place tough sanctions, as we have. The sanctions are biting, the Iranians feel it. They're now primed for a negotiation." And then you enter a negotiation process, and then it fails -- trust me, that is going to be the biggest issue for the Republicans on the campaign, on foreign policy. It plays right into the hands of not the Israeli government that wants to push for a strike, but certainly into our Republican candidate's.

And if Iran wants to preempt that, I think that would be the wrong strategy -- unless they really mean it. And, obviously, you can make an argument that both the Obama administration -- certainly the Obama administration has an interest in a diplomatic solution. Because they, in fact, assess that Israel is going to strike anyway, or there is a good chance that Israel will strike, it is hard to imagine how the administration could prevent Israel from doing so, short of having a diplomatic solution.

There is nothing, in my opinion, that is a guarantee for the administration. Even if the administration says, you know, we don't want you to attack, they put a red line, the minute Israel attacks, it's a no-

brainer: the following morning the U.S. will be on the side of Israel against Iran. Maybe there will be an accounting later, depending on what happens.

But during an election campaign, the lead-up to November, if there was an Israeli strike, there's absolutely no doubt that the American political mainstream will bandwagon behind Israel, even if Israel did it against the American advice. They can guarantee that.

Short of a diplomatic solution, meaning some kind of agreement, that is then backed by a Security Council resolution -- and therefore it's really an international agreement -- which the Obama administration accepts, it's very hard to envision how the Israelis could be dissuaded -- if, in fact, they want to. Obviously, there's still a question of whether they're capable of it, whether they really want to do it. That's another question. But if, in fact, you assess that there's a credible chance that they will do it, short of a diplomatic solution, it's hard to envision how you can preempt them.

So, in my own judgment, entering into a negotiating process, seven months before the election, that has no chance of bearing fruit, it actually increases the pressure on the Obama administration to be far more militant as we come closer to negotiations, and increases the opportunity for Israel, if the Israelis really want to do it.

So I just don't see how they could benefit from a process that's not going to bear fruit. If it bears fruit, yes, they would have an interest. But if it doesn't bear fruit, it's too risky for them to engage in.

I think we're right in thinking about, you know, talking about the Israeli think. Because, frankly, when you look at America's options vis-à-vis Iran, much of the urgency, and the timeline, and the consequences really pertain to Israel. And therefore, with or without an American political campaign, our political mainstream is still going to see the Iran issue partly through the prism of the Israel issue. It's very hard to decouple the two completely.

And for that reason, I think it's really impossible to map out what the Obama administration will or will not do, what it is capable or not capable of doing, without factoring in the Israeli issue, before or after the election. And obviously, if the Israelis do engage, if, in fact, they do attack Iran -- and even if they don't attack Iran, if they keep that issue alive in our political mainstream, it has consequences for what an administration can do.

So I think that will stay with us beyond the election. Even if there's no military attack prior to the election, the first -- the President is going to have to contend with it as a priority. Because this issue is not going to go away.

The second point I want to make is about the Arab factor. And I know that, you know, when you look at the Arab world today, in the middle of the Arab Awakening, and the uprisings that are all over the region, and you have to therefore look at two factors in the Arab world. One is what governments want and what they're trying to do, and where the publics are, that are increasingly more important in the politics of the region.

And I would say that governments in the region, certainly no one wants Iran to have nuclear weapons. But their strong preference, all of them -- whether Egypt or Saudi Arabia, or any of the major countries -- their strong preference has always been to seek a nuclear-free zone in the Middle East. And that means to bring Israel into the equation. So they have an incentive into using the Iran issue as a way of creating a linkage with Israeli capabilities.

In the short term, it is true that there are some countries that would support a military strike against Iran's nuclear facilities. But this is my no means universal, even in the Gulf Region. And even within countries where there is support for a military strike by the U.S. or Israel, there are divisions on this particular issue.

Among the Arab public, it's a completely different story. It's not that Arabs are generally fans of Iran. But the majority of the Arab

public, really in every country that we've studied, even including Arab citizens of Israel -- a majority of the Arabs do not want international pressure on Iran to stop its nuclear program. They actually think that Iran has the right to a nuclear program, and they invoke the "double-standards" issue when they do it.

When you look at the two likely attackers of Iran, Israel and the U.S., when you ask people in the Arab world, "Name the two countries that are most threatening to you," in an open question -- including in Saudi Arabia, that has genuine worries about Iran and expansion of Iranian power -- when you ask them that question, overwhelmingly they choose Israel first, the U.S. second, and Iran is a distant third, not as a major threat to them.

And so Arab public opinion may not want Iran to develop nuclear weapons, per se, but they're not anxious to see an international campaign against Iran. And they're more anxious, I would argue, to see Iran give the U.S. and Israel black eyes. And I think that dynamic is a little bit stronger than their worries about Iran's nuclear program.

In the short term, I don't think the Arab factor is genuinely a major factor in the Obama administration's calculation. Yes, there is talk about, if Iran should acquire nuclear weapons, that would lead to an arms race, a nuclear arms race in the Arab world. It may or it may not. I think

Saudi Arabia has indicated it may consider pursuing that. They already are interested in a peaceful nuclear program. The Egyptians, we don't know what will happen after they come out of the revolution transition. Certainly, there will be a pressure from the Arab public not to, you know -- if you have two non-Arab nuclear states in the region, to have their own.

But they are so far behind on this that there is nothing that we have to worry about in the next year or two, or three, or even five. And so that isn't really an issue in the calculations influencing the decisions now. It's primarily the Israeli factor.

MR. GERSTEIN: Suzanne, Shibley talked about whether these talks that are going to start on Friday are going to bear fruit. I got the sense he was talking about a big, fat grapefruit, probably. You talked about maybe the talks will just be about more talks, or an agreement to have future talks.

What happens for the administration politically if the talks are sort of a shriveled lemon? That they come up with an interim agreement on some issues -- perhaps this one that's been bandied about in the press in the last few days, about 20 percent enriched uranium, and some agreement by Iran to maybe either stop producing or get rid of that, or something along those lines?

How do you see sort of a half-a-loaf, or a quarter-of-a-loaf deal playing out politically in the United States?

MS. MALONEY: Well, let me first just clarify that I think the administration sees no value in talks for talks' sake. They're well aware of the political penalties that would apply to the perception that they are being led down the garden path by wily Iranian negotiators. So I think they're very clear that there needs to be some sort of concrete deliverables that come out of any dialogue with Iran.

When I talked about the likelihood of a process being the initial outcome, that's just a realistic assessment of what it is that can be achieved in a day of talks. I mean, at this point, what we have is some pre-talks set for Friday, and the P5-plus-1 sitting down with the Iranians on Saturday. The idea that we can, you know, come away from that with an agreement that is fully understood, and signed onto by both sides, I think, would be just simply unrealistic.

And so it is why I would say that if we see some sort of commitment to an ongoing process, it means that there is an expectation on the part of the administration that the Iranians are willing to invest in the process. And I don't know that we'll see that.

But presuming the sort of outcome that you suggest, perhaps not of Saturday's talks, but of a second or third round of

discussions, if, in fact, we do see some sort of a confidence-building measure, I think it has value in and of itself, in the sense that the 20 percent enrichment capability is one that Iran did not possess until two years ago, that the stockpile is more worrisome and of greater urgency than the larger stockpile of low-enriched uranium, in terms of their breakout capability in the long term towards a nuclear weapons capability.

However, I don't think it begins to bring you to a position of resolving the underlying issue of Iran's large-scale enrichment program, which is the subject of the U.N. Security Council resolutions -- four of them, to date, with sanctions in them -- which is the ostensible goal of the U.S., and the spoken goal, the explicit goal, of Israeli policy toward Iran, that we should come to a solution in which Iran does not enrich any uranium whatsoever.

I think that is an unrealizable goal.

And so what we have is the potential for a confidence-building measure, which has some value in and of itself, but which does not lead us to real progress in the broader goal. And that is the one, that is where the Obama administration will be judged. That is where the Republic rival, presumably Governor Romney, to President Obama will make his case that, in fact, Iran may have given up X or Y, in the best-case scenario, may have suspended its more highly enriched uranium

program, but has not, in fact, slowed down at all, whatsoever, with respect to its low-enriched uranium program, that will be an effective counter-argument. We heard it back in 2009, when there was briefly some suggestion that the Iranians were prepared to sign on to a fuel swap deal, which would have precluded them from moving to a 20 percent enrichment capability. There was criticism even at that time.

So the administration is well aware that confidence-building measures buy very little. What they hope, what the logic holds, that the confidence-building measures create an investment in the process, begin to build trust.

I think the difficulty there is that you have a leadership on the Iranian side which is not persuadable, which has not yet seen evidence that it has no recourse to concession on its nuclear program. I don't say that because I'm opposed to engagement. I'm in favor of engagement. I'm in favor of diplomacy. I think diplomacy has value. But I do believe that it would be unrealistic to approach any process of negotiations with the idea that we can somehow build trust with the ultimate decision-makers in Iran, because the clear evidence from decades of experience, and the clear evidence is that Ayatollah Khamenei is well-convinced that the United States' animosity toward Iran is implacable, that the ultimate

goal of any U.S. policy toward Iran is regime change. We will not change that core conviction.

We must find a resolution to the nuclear program, to Iran's nuclear ambitions, that recognizes that as a simple reality, and that buys time for whatever process of political change -- one in which, I suspect, we will have very little ability to influence in a positive fashion, but a process of political change which has been under way persistently in Iran over the course of the past three decades -- has some ability to return Iran to a position in which you have a broader array of decision-makers.

It wasn't that long ago. In 2003 Khamenei was persuaded to sign on to a suspension of enrichment, because at that time there were a broader array of decision-makers who had some access to him and to power. The reformists, the pragmatists have all been forced from power today, and I don't see them coming back anytime soon. The other proponent of negotiations of a nuclear deal with Iran, Mahmoud Ahmadinejad -- surprisingly and ironically -- has also been marginalized.

But it is not inconceivable -- in fact, it's totally predictable -- that we will see the rise of a new force in Iranian politics which will, in fact, advocate for some sort of pragmatic resolution of Iran's differences with the international. And when and how that happens is not up to us to decide, but we have to be in a position to act upon it. We have to be in a

position of communication and dialogue with the Iranian leadership when and if they are more flexible.

MR. GERSTEIN: Mike, I think some people may have forgotten, but back in the 2008 campaign, candidate Obama ran on a position of negotiation towards Iran that I would say was, if anything, more conciliatory than the position he's taking right now. He was saying he was willing to sit down with Ahmadinejad face to face and see if they could work out the issues.

I mean, I understand that Republicans, and perhaps the population in general, might feel uncomfortable with the notion of an American president and the Iranians sitting down, given the history of all the things we associate with the Islamic Republic of Iran.

Is the Obama administration in a more politically difficult place on that issue now than they were, than Obama was three to four years ago? Would that be a more saleable issue to the general voting public, not necessarily the Republican base, do you think?

MR. DORAN: I don't think that position really hurt him. I didn't agree with it, and I think Republicans, in general, didn't agree with it. But I don't think it really hurt him in the polls.

I think the really interesting story there is the learning process that he's gone through, because I think there were a lot of people

in the administration that believed that there was a grand bargain to be had with Iran which the Bush administration had turned its back on. And so there was a sense that an outstretched hand from the United States would be met by an outstretched hand from Iran. And I think now they've been disabused of that notion. There's no one in the administration that would believe that. On the other hand, there's a fear of exacerbating the relationship with Iran.

The reason I say that they I think this has a lot to do with the election, and with buying time, is we've already seen in the *New York Times* article, and in some of the statements from the Secretary of State, what our negotiating position is now. And the negotiating position is already a concession. Because we have more leverage now over Iran than ever before, and we're not demanding that they comply with the U.N. Security Council resolution in the negotiations.

In the negotiations, we're asking that they halt the higher enrichment that's going on, and that they close the Qum facility. Which means, in other words, it's a clear signal to the Iranians: Please take those actions that will allow us to make the argument to the Israelis that there's no -- that you're not placing your enrichment capability beyond the reach of an Israeli attack. Because that's a trigger for an Israeli attack.

So the signal, without saying it, the signal we've given to them is please give us more ability to make this argument against the Israelis.

Also, I don't think that's going to -- the average person in the elections isn't going to be following it that closely. And the Obama administration has not tied itself closely to the statement that I just made. It's just taken the negotiating position. So they can make the argument, clearly, that "What's the harm in sitting down to negotiations?" "What? Are you against peace? Are you against coming to a negotiated settlement? Look, we got them to the table, because we put all this pressure on them." These are reasonable sounding positions.

But if you've watched the Iranians over the last decade, they're fantastic, they are masters at spinning nothing into a negotiation. And, you know, I'm reminded, not with the Iranians, but with an example from the Israelis, Henry Kissinger once gave an interview where he talked about President Ford's first negotiations with the Israelis, and it had to do with a disengagement in the Sinai from the Mitla Pass. And Kissinger said that nothing in Ford's background, growing up in Grand Rapids, Michigan, prepared him for the Talmudic negotiations with the Israelis, about "What's a pass?" "Where does a pass begin?" "What is withdrawal from a pass?"

You would be surprised -- Shibley, you would not be surprised -- (laughter -- at how many months you can draw out a negotiation in a Talmudic fashion. So we're going to have, "What's a Qum facility?" "What is closing a Qum facility?"

It's going to go on forever like that. And it's only to buy time. And while the time is bought, the centrifuges continue to spin.

MR. GERSTEIN: Shibley, I wanted to ask you -- and then we'll try to throw it open for questions -- you started to talk about what happens if there is an attack. I feel like so much of the discussion of the political valence of this has been about -- it reminds me when I was a kid, and my dad telling me, you know, if you want to threaten the dog with the newspaper, you just hold it up to him, and the dog will back away, or you hope he'll back away. But never actually hit him with the paper, because he finds out it's not everything he thought it would be. (Laughter.)

I feel like we're a little bit in that place. If there is an attack by the Israelis -- I don't think the U.S. is likely to do anything before November, but the Israelis, there's still some probability or possibility that they would.

How do you see that playing out? I mean, I presume we would see oil prices shoot up, which could cause economic problems in the U.S. But there's also, often, a rally-round-the-flag element to things,

and rally-round-the-President element to things that put American troops in danger in places like the Middle East.

Just talk a little bit about what you see as the political fallout here in the U.S. if that scenario plays out.

MR. TELHAMI: Let me -- I'll address that, I just want to say one thing about what Mike said about the negotiations, though, which is, you know, so the Iranians are really there to waste time -- which is probably, possibly, true. We don't really know. And they certainly have a history of negotiations not too far from what Mike described. And I think, you know, there's a possibility they might do that. That's why I think it's risky to get into it. I don't think that would fly in our political process, I think it would be costly if that were the case.

I am not entirely persuaded that there is no possibility of a negotiated settlement. I don't know for sure. You can make an argument that all they want is confrontation. Some people even think that they actually want an Israeli attack on them. There's a whole, another argument, that at least the hard-liners want to invite an Israeli attack, so as to rally support behind them. So there are all kinds of interpretation.

I'm a student of negotiation. My first book was actually on bargaining. And, you're right, I know the details, particularly at Camp

David, between Menachem Begin, talking about every comma, it mattered, in the whole negotiation.

And, you know, you never know what you're getting into. I mean, Sadat got into things he didn't expect at all. You start with opening positions that are very far off from each other, and a process gets you somewhere.

I would have to think that at least some Iranians have an interest in having a deal of some sort. Whether there's enough space for a deal that would be satisfactory to the international community and Iran, it's probably hard to envision. But, you know, you test it. I don't think there's anything wrong with that. It's hard to envision a deal that would be acceptable to the Israelis at this point -- at least from where I'm sitting.

But I just want to have a word of caution here. I don't think that -- I'm not buying the argument that it's all wasting time, because I think there's cost to them, cost to the U.S. for wasting time.

If Israel were to attack tomorrow, I think, I have no doubt in my own mind that the American public, Congress, our candidates, the President, the White House would support them fully -- even if, you know, as I said, the U.S. opposed it before. It is really, you know, it will be a choice between our ally versus a country that we call an adversary.

And no matter what the costs, you know, are initially, I think the U.S. will support Israel. And you'll find, as, you know, the confrontation escalates between them, there will be a lot of pressure on our politicians to support Israel. And that's certainly true during an election campaign. It's more true during an election campaign than after an election campaign, which is one reason why some people think it's an opportune time to do so.

How might this develop? It depends, because, you know, there are a lot of people who even doubt major Israeli capabilities. Some of the leaked information from Israel is somewhat optimistic, of thinking that they can target a very specific, limited number of nuclear facilities, and hope that the Iranian retaliation will be limited, because they stand to, you know, to lose more.

I don't believe it, personally. I think that there's too much at stake for the regime, in terms of how their own legitimacy at home, the posture that they have developed in the region -- too much at risk for them politically not to mount a major retaliation within their capabilities, which are certainly not fully known to us.

So, for me, it is very hard to imagine a scenario where it does not affect the U.S., either directly, in terms of the military facilities for the U.S. in the Middle East or elsewhere. And, certainly, that it doesn't

affect the oil market. As it is, one of the oddities of the oil thing is that, actually, the oil sanctions against Iran may increase their chance of blocking the Strait of Hormuz. They're not getting oil anyway. They're not losing anything.

And so, you know, there is a question about whether they're capable of it or not. I mean, the military might have a different assessment of that. But there's no question in my mind that that would put them in a confrontation politically. Yes, there would be a rallying around the flag. But if we, then, end up in a new confrontation, or war, with Iran prior to the election, it would be harder for the President to reap the benefits of his accomplishments -- getting out of Iraq, getting bin Laden, preparing to withdraw from Afghanistan. It makes it a little bit harder for him.

And it could play into the hands of the Republicans, in that, saying "We should have done it ourselves. It's messy now. If we had done it from the beginning, their retaliation would have been more limited, because we had the capacity to take out their missile sites," and so forth.

And so I -- you know, it's hard to predict these things exactly. But I would think it would probably work more against the administration than for it, politically.

MR. GERSTEIN: Okay. Unless one of you wants to jump in on that, we could go to folks in the audience, if there's someone interested.

If you ask a question, would you just give us your name and affiliation, if you have one. And please wait for a microphone.

Who wants to go -- you want to go first? Yes.

MR. SULLIVAN: Me?

MR. GERSTEIN: Yes.

MR. SULLIVAN: Okay. Yes.

MR. GERSTEIN: There's a mic back there coming to you, so hold on one second.

MR. SULLIVAN: Yes, hi. Tom Sullivan.

I just have a quick question about -- and this is a topic that is to some degree not related, but the experience of it might -- to what extent does the experience -- and I know that the Libyan nuclear program was not comparatively far along. I've read papers on it.

But the thing is, to what extent does the experience that the Qaddafi regime had, in which they gave up their nuclear program, and then the U.S. attacked anyway -- or, you know, the U.S. and Europe attacked anyway, intervened anyway later?

And, I mean, I know Iran is a much larger country, but does that have an effect on their decisions with regard to the nuclear program at all, do you think?

MS. MALONEY: You know, the Libyan example has been brandished in the hard-line Iranian press as evidence that, in fact, there is no rehabilitation for an ostensibly rogue regime. But, you know, you could just as easily point to examples -- whether it's South Africa, Brazil, elsewhere -- where a country has voluntarily cooperated with the IAEA, given up an incipient nuclear program and reaped the benefits of international inclusion.

So I don't think that Libya is the primary deterrent, or the primary obstacle toward developing a constructive relationship with Iran on this issue.

I think one of the obstacles is that, you know, the process of dialogue with Iran has been intensely episodic. We have not had a meeting in 14, 15 months, and that, frankly, was one meeting, that came after more than a year of absent talks between the parties.

So we've never yet established a meaningful mechanism for sitting down with the Iranians on a sustained basis, and trying to create a level of common understanding about the potential benefits of full-fledged cooperation with all of the objectives of the international community on the

nuclear issue -- as well as what it will mean for Iran to continue on the path it's on. It will not mean, for example, that Iran has a future of a kind of Pakistan or India, in which there is a penalty to be paid, and international opposition to a nuclear weapons capability, but ultimately rehabilitation and acceptance as implicit nuclear states in those cases. That future does not exist for Iran, because the regional context -- as Shibley and Mike have suggested -- is so very different.

So I think that, you know, talks for the sake of talks have no value, and have an intense political price, as has been referenced here in this discussion. But a mechanism of dialogue, an ongoing set of negotiations that is aimed at generating some small areas of cooperation, of Iranian concession on the nuclear program, has at least substantive and strategic value, if it does come, I think, as acknowledged, with some potential political vulnerabilities with respect to the electoral process.

MR. TELHAMI: You know, I think, yes, the Libya precedent does matter. I think all these precedents matter. I think, you know, the attack on Iraq, the North Korean nuclear program, they've certainly played into -- the doctrine of preemption, the Bush administration, all of these have played into the calculations of every country, including Iran. And I think they probably do at the moment.

But I think, for Iran, you know, the issue isn't -- you know, you can't compare it, you know, to South Africa, let's say. And part of it is not just -- because the issue isn't just the nuclear program. I mean, when you look at Iran, one issue is obviously Iran's violations of the Nonproliferation Treaty. That's an issue of principle. It matters. That's why, you know, you have an international coalition, essentially, supporting steps against Iran's nuclear program.

But the second part is Iranian enmity to Israel. And I think that is an issue that is very central in our political mainstream. It is very central to Israeli calculations, separate from the nuclear program in and of itself.

And the question is whether that could be negotiated away? And I'm of the opinion that it probably could not. I think there, you know, there is a division on this among people who follow Iran closely. And, you know, for that reason, it is very -- and I would even argue that the enmity to Israel, per se, that comes out of the regime is at least as powerful in its consequences for Israeli calculations and for our politics, as the violation of the Nonproliferation Treaty.

And so, for that reason, it's very hard to decouple the issues. So the reason for the pessimism, in some ways, that you can't do it, even

if you can negotiate a deal, you can't negotiation that other side, which is likely to be with us.

And I think it makes it far more difficult to deal with the Iranian program.

MR. GERSTEIN: The gentleman here.

MR. THIELMANN: Greg Thielmann, Arms Control Association.

I wanted to ask Michael Doran to give us a little bit more precision when you say that Iran is "hell-bent" to develop a nuclear weapons capability.

The U.S. intelligence community says that Iran has the domestic capability to, ultimately, to build nuclear weapons. They also say that they haven't made that decision.

So what I'm asking you is, do you think they have made that decision? Do you think that Iran has a plan to develop, test, and deploy nuclear weapons? To abandon the fatwah, to explain to their own people and the world why they are developing nuclear weapons?

MR. DORAN: The simple answer to the question is I don't know whether they will test a weapon, or whether they will do, as some have argued, get to the one turn of the key away from it so that they could

develop a weapon -- develop a weapon, and have the capability of delivering it within a very short period of time.

My own best guess is that they would actually want to test, in the end. And that goes in keeping with Shibley's analysis that he just expressed, that they get an enormous amount of political benefit in the region from being the power that is opposing the U.S.-led order, and opposing Israel. It's part of the -- they sought out the conflict with Israel. There's no natural Iranian-Israeli conflict. They went and they looked for it, and they're building it because it's the platform on which they project their power into the Eastern Mediterranean.

So, in keeping with that political analysis, I think it's to their advantage to test. And they probably look at examples like the North Korean example and so on, and see that you can get away with that without adverse consequences.

But how they will -- but I don't think there's anybody who has really clear insight into how the people who are actually going to make the decision discuss that factor. My understanding of the intelligence is that we don't see them actually building the capability at this moment. We see them putting all the different pieces together, or at certain moments have been putting all the pieces, but not bringing them all together.

But I don't know that we're ever privy onto the conversations about how they calculate that. And once they have all the pieces in place, they may change their calculations, as well. So I really don't know.

You made reference to the fatwah. I actually have never seen the fatwah. I believe it is a disinformation campaign. I don't believe there's any strong prohibition against building a nuclear weapon in Iran.

I've seen reference to the fatwah; I've never actually seen it. I'd love to see exactly what it says.

MR. GERSTEIN: This gentleman over here.

SPEAKER: (Inaudible), Jerusalem Report.

I have a question about the sticks and carrots in the negotiations. And with the sticks, in that the American approach is too many sticks and not enough carrots, and that has to do with the sanctions, the American sanctions.

If, the theoretical case, that if the Iranians would like to make concessions, then they have to take into part of their calculation that it is very difficult to reverse American sanctions because of the process that will be involved.

Can you address that?

MR. GERSTEIN: Suzanne, you want to take that?

MS. MALONEY: I think you raise an important point, which is to say that we've invested an enormous amount -- particularly this administration, but its predecessors, as well -- in developing the most highly attuned sanctions regime in history. I mean this is really phenomenal, if you see what the Treasury Department has done on Iran, in terms of targeting Iranian efforts to circumvent the sanctions, in terms of enlisting a broad international coalition, and persuading rather than forcing enforcement.

We now have a situation in which we don't have a broad divide between the U.S. and Europe which, frankly, existed quite deeply during the 1990s, when the Clinton administration first ratcheted up the U.S. embargo on Iran. There was a big difference of opinion about the willingness of the Europeans to go along with what were effectively extra-territorial measures.

That doesn't exist, at least not in Europe anymore. There's the beginnings of such a debate with China.

And yet there has been no corresponding effort to think through the process by which we might incentivize Iran through relaxation of sanctions. What is it that we might be able to offer, either from the litany of American measures on the Iranian economy, or in terms of international measures and, in particular, the newly robust undertakings of

what is known as a kind of coalition of the willing, the European Union, and an array of other states.

I don't believe that there is any sort of -- any of that thinking has gone into the upcoming talks. And I don't think we will see any sort of process of incentivizing the Iranians. The closest we've come to it is a kind of, the Russian step-by-step proposals, the various designs that suggest that we might pause ratcheting up of sanctions, pause implementation of new sanctions -- if, in fact, we see the Iranians make significant concessions.

So, I think this plays into their perception, the perception of the Iranian leadership, that the nuclear issue is not, in fact, an urgent matter of concern in and of itself, that it is a pretext for trying to unseat the regime, and to ultimately, to enslave the Iranian people, to undermine the coherence of the Iranian nation and the capabilities of a growing economy. This is their core conviction.

I think we need to think through where there can be incentives offered. And, in particular, the central bank sanctions, which are the most recent round, part of the Defense Authorization signed by President Obama on the final day of 2011, and, really, almost unprecedented and incredibly dramatic in their scope.

They're not conditioned -- unlike most of the other sanctions, they're not conditioned on a particular set of Iranian offenses, or on a U.N. Security Council resolution. So it's unclear what conditions that very powerful sanction might be reversed.

And I think it bears some consideration by the administration about precisely under what conditions we would be willing to either defer full implementation of those measures or, in fact, to relax them. If the Iranians came to a full conclusion of the nuclear file? If the IAEA said that Iran was in full compliance with its obligations under the Nonproliferation Treaty? Are there specific and meaningful sanctions-reversals that we can put on the table?

I think that argument ought to be made, at least publicly, so that the Iranian people understand what the specific cost of this specific policy is. Because, as Shibley and Mike have both suggested, there are a broad array of issues at play with Iran. This is not simply a nuclear difference. And there is even less evidence that the Iranians are prepared to come to a concession on any of their other policies.

But if it is clear that there is a price tag attached to the nuclear program that has very little benefit to the average Iranian, that has very little ideological resonance to the average Iranian, that might have some value, at least with respect to our public diplomacy toward Iran.

MR. GERSTEIN: Do you think -- just as a quick follow-up on that -- do you think it was a mistake for the administration? My impression was that the administration dragged its feet a little bit on some of the sanctions, like the central bank sanctions, when they were under debate?

In terms of possible future negotiations, would it have been, practically speaking, a better idea for the President to put some of those sanctions in unilaterally, the way sanctions are usually done, as emergency powers of the President, as opposed to through a legislative mechanism that is hard unwind? I mean, it's not even clear the administration could promise to unwind some of these sanctions.

MS. MALONEY: Right. I mean, you saw this play out -- the distinction between the central bank sanctions and the Clinton administration intensification of sanctions was that President Clinton did, in fact, move to preempt Congress by instituting a full-fledged embargo as an Executive Order, which is entirely reversible by the President, as opposed to seeing it legislated, and therefore more difficult to unravel.

I think the administration got politically outmaneuvered by both the Republicans on the Hill -- and, I think, aided to some extent by the debate in Israel -- that moved very quickly and sharply with relatively little warning, I would say. Iran had sort of fallen out of the headlines through much of last year, as attention was focused on Egypt, on Libya,

and then on Syria. The administration wasn't prepared for the onslaught, for the 100 to 0 vote in the Senate, even after a public appeal by the Secretary of the Treasury not to move forward with these sanctions.

I think it was very ineptly handled by the administration. It's not aided the negotiating strategy, and it has not, obviously, aided the President's domestic political argument on Iran.

MR. GERSTEIN: This gentleman in the front.

MR. MITCHELL: Thanks. Garrett Mitchell, and I write the Mitchell Report.

Two things. I'm struck by the fact that, if we get specific about this, and instead of saying "the U.S., Iran, and Israel," we say, "Obama, the Supreme Leader, and Benjamin Netanyahu" -- this is a hypothesis that you can think of as a question -- I don't see anything in Benjamin Netanyahu's career that suggests he would actually pull a trigger. He likes to talk about pulling triggers, but I think -- A.

B, it seems to me everything we know about the Supreme Leader is that everybody else in Iran is irrelevant. And anybody who's tried to be relevant has been compromised out of any position of power. So it's unclear to me what -- who it is you talk to in Iran that will make any difference. And, frankly, I think -- for all the reasons that one could say Obama would never think about taking the kinetic action, he's the one guy

who has shown some inclination to do what was least expected, you know, with Osama bin Laden, and elsewhere.

Given that, I am struck by -- this sounds to me like a lot of back-and-forth, and nothing substantive really happening. And the one thing we haven't talked about today, which I'd appreciate, getting some feedback on, is where there is some likelihood that players can make some progress in this arena, and that's in the cyber-world.

I mean, that's the one thing we know that has made, that has had some impact on the Iranian nuclear program, are the cyber-attacks.

So what do we know about the cyber-activity, and how effective that could be.

MR. GERSTEIN: Shibley, you talked a little bit in your paper about the issue of "other actors," I think, in the -- and, Mike, you may have hit on this, too -- but this issue of other actors in the Iranian political system who could be brought in to bear, if we're talking about measures short of kinetic action, which is sort of a euphemism for, you know, a strike, be it an Israeli strike or a U.S. strike.

Are there other things that can be done, either, as this gentleman was saying, in the sphere of behind-the-scenes action, which I suppose could be kinetic, but it could be covert? The Israelis are widely suspected of being behind a round of assassinations of nuclear scientists.

Is there any chance that things on that level, that aren't quite at the level of a direct strike, would have a chance of derailing, or even substantially setting back the program?

MR. TELHAMI: Well, I really -- obviously, there are a lot of things that are ongoing, you know, covertly. But, you know, whether or not these are capable of stopping the program seriously is another question.

But I thought that Garrett's question actually focused on something important, which is the centrality of the leaders in this scheme, rather than just the overall country or politics. And I think, in the case of Iran, I think most analysts would probably agree with you about the centrality of Khamenei.

And I always wondered -- and part of the problem that I have in negotiations, particularly in negotiations, where if you conceive of a regular negotiation, where there's a team, and there's a certain level of empowerment, and there's a certain level of somebody leading it, behind the scenes, or giving feedback into what the next step is -- whether anyone in the Iranian scheme is empowered, given that they all have to ultimately get the approval from the top, and how much flexibility there is.

That worries me, actually, more than anything else about the negotiations. Because, in fact, every evidence we have is that he is so

central, and that he's not hands-on on a daily basis. So it limits what can be done.

On the Israeli side, too, I think you're right in focusing on Netanyahu, in that even those who, within Israel, who say the chances of an Israeli strike is very high, they actually focus on him and Barak. They say it's a basically a two-man show. For a variety of reasons, Barak is trying to prove that he's the best general ever, and Netanyahu really sees Iran as an existential threat, or whatever. But they focus on the leaders, and their instinct. Because actually, as you know, the Israeli military establishment and the intelligence establishment is very much divided, with a lot of voices opposing an Israeli strike. And, actually, public opinion, in the polls that I did in Israel, a majority of the Israeli public opposes an Israeli strike without American support.

So, I think that the focus on the individuals really is important. I don't know that I'd draw the same conclusions as you do about there's nothing in his history. I think that's a little bit too much of a psychoanalysis to make us really predict what he might or might not do.

MR. GERSTEIN: Mike, did you want to contribute some?

MR. DORAN: Yes, I just wanted to add to that, about Khamenei.

One of the fantastic tools that the Iranians use for buying time is having this absolutely impenetrable process, political process, which nobody understands. And when I say that nobody understands it, you talk to enough Iranians, and you watch Iran long enough, and you realize there's real politics going on below Khamenei. And he's also pulling strings.

So you never know, when the person that you had been dealing with yesterday suddenly is relieved of his position, you don't know if that was an actual political process, or if it was Khamenei doing it for delaying. And I can give you an actual example.

We, in the Bush administration, we gave, together with our international partners, an incentives, what was called the incentives package, designed to incentivize concessions on the part of the Iranians, back in the spring of 2006. And at that time, we Americans were starting to get concerned that Ahmadinejad was playing a role in the negotiations with the Iranians on the nuclear thing.

And all of the Europeans who had embassies in Tehran, told us, no, no, no, that's wrong. He's the village idiot. Larijani, he's the guy who's making all the decisions. He owns the nuclear file. Ahmadinejad can go off and make all the crazy speeches he wants. Larijani is the guy.

So, Lana went, delivered the package, the incentives package, to Larijani, and Ahmadinejad then popped up off to one side, and said, "We will answer this on -- " -- I think it was August 20th, I can't remember. Notice -- I mean, this was given in the spring, or early summer, and he said August. So we're months away, "We're going to answer this thing."

And, sure enough, they answered it on the date that Ahmadinejad designated. And Larijani quickly left his position.

Now, why did that happen? I have no idea. I have no idea.

Ultimately, the guy who makes the decisions is Khamenei. We, of course, sat there, waiting, waiting, waiting on our hands, waiting. Their centrifuges spun. And we waited until we got the answer from Ahmadinejad.

MS. MALONEY: Let me just chime in here. (Laughter.)

Briefly, just to maybe de-orientalize the process a little bit, I would have to suggest that the complexity of the Iranian political system is not just a nefarious trick to outwit the slow-witted Western negotiators. It is endemic, and it is a function of the system, of the revolution, of the players, and the history. And it does tend to confound our capacity to negotiate, clearly, with them.

But let me simply remind everyone that there have been prior instances of the Iranians' coming to the table and working out durable bargains with the international community. The most notable of them are the agreement to end the hostage, the decision and the agreement and the negotiations that led to the cease-fire with Iraq. And, I would argue that there have been other instances, at least, in which the Iranians showed some degree of good will and good faith, in terms of negotiations with others, including the Americans between 2001 and 2003, the Bush administration.

And in each of these scenarios it was quite clear that a commitment had been made from the senior levels of the Iranian leadership to come into an agreement. They wanted an agreement in late 1980 as much as the Carter administration did, if not more, because there was a clear, concrete benefit -- the return of a substantial degree of frozen assets that had been frozen after the seizure of the U.S. Embassy. They wanted, they desperately wanted, an agreement in the summer of 1988. That decision had been made, it had been clearly communicated. It was evident to anyone, and it was certainly evident with the Iranian foreign minister came to the table and said, "I cannot leave this room without an agreement. I cannot leave these negotiations without an agreement."

And so, in effect, we have not come to that decision. We have not come to the clear evidence today with respect to Iran. But that doesn't mean that that process is impossible. That doesn't mean that there is not a future set of circumstances in which the Iranian leadership will, in fact, make that sort of a reversal.

I agree that it's not clear that Khamenei has the personal capacity to do so. These prior examples were under a different leadership, under Ayatollah Khomeini, who had a higher degree of personal authority than Khamenei, his successor, does.

But I would say that having a negotiating process which is underway, particularly at a time when the sanctions will be ratcheted up as a result of the specifics of the law, and the specifics of the regulations passed by the Europeans, this summer we will see a greater degree of economic pain imposed on the Iranians as of this summer.

And to have a process of dialogue which is already in place, to have a set of negotiations which are underway, which can provide an opportunity and an avenue for at least some progress on this issue -- even if all of us here remain deeply skeptical about a full-fledged resolution of all the differences between the two sides -- would be a valuable, valuable investment.

MR. GERSTEIN: Let's take one more audience question.

This woman way in the back over there. There's somebody coming behind you.

MS. BERNSTEIN: Thank you. My name's Leandra Bernstein. I'm with Executive Intelligence Review.

And my question is less about the 2012 elections, per se, but about the geopolitical impact of either an Israeli strike on Iran or, similarly, a U.S. strike. The common line that's been expressed is that this will, that a strike will disrupt oil supplies, it will affect the economy in that way.

But my question is, how will this be viewed by Russia and by China, who both have significant trade relations with Iran and, as I think someone made reference to, the Russian work that's been done on the nuclear enrichment facilities.

So my question: Is it the case that a U.S. confrontation with Iran would ultimately bring in these two thermonuclear powers, China and Russia?

MS. MALONEY: We'll all take a stab, I suspect.

I would correct one point: The Russians have a very minimal trade and investment relationship with Iran. It's almost insignificant. They have a strategic interest in Iran, and they would certainly oppose a strike. The Chinese have a much more complicated relationship, and one that does involve a considerable degree of trade, although considerably less

trade and investment than they have with the United States or with Europe.

So I think it's quite clear that neither Moscow nor Beijing supports military, the use of force against Iran to stop the nuclear program, but they're also quite well lined up with the broader international coalition, because neither of them want to see an Iranian nuclear weapon.

So I think you'd have a division among allies, but you certainly wouldn't have a Russian-Iranian-Chinese alliance against an American-Israeli -- in response to an American or an Israeli strike.

MR. TELHAMI: I would say, you know, if you look at -- Brookings put out a very interesting set of papers, particularly between Brookings China expert Lieberthal, and the Chinese head of the, Center for Strategic Studies at the University of Beijing, Huang, to assess the direction of the relationship between China and the U.S. And it was a troubling assessment of the competitive nature of the relationship that is emerging, that kind of envisions it to be almost confrontational, you know, in 15 years -- certainly competitive.

And Huang makes the point that, you know, in some ways the narrowing of the gap between Chinese power and U.S. power, particularly took place in the past 10 years since the Iraq War, partly

because of the Iraq War. And, certainly, China has benefitted by the U.S. military involvement in the Middle East.

They -- you know, China obviously has interest in, a significant and growing interest in oil in the region. I don't think they would consider themselves an ally in any shape or form with Iran. They would pay a price if there is, in fact, an increase in oil prices. You can argue that Russia actually would somewhat benefit from that. China would probably pay a cost.

I think, more likely, the outcome will not be on, you know, anyone necessarily taking Iran's side, but more of what it does to the international coalition -- if, in fact, a war takes place without the blessing of a Security Council resolution. As you know, what happened in Libya, which were the U.S. and NATO secured a Security Council resolution, that was seen by both China and Russia to have been over-interpreted, in terms of the, you know, the carrying out of the attack that ended up essentially being a strategy of regime change, which was not, in their view, the mandate -- which certainly seemed to be as one reason why they have been very much opposing any intervention in Syria.

I suspect that if, in fact, there is an attack on Iran, again, without the blessing of a Security Council resolution, essentially ignoring Russia and China, I think we will have the creation of more fissures in the

international coalition broadly. And I think we'll have a weakening of, further weakening of the norms that emerged after the end of the Cold War. We've already seen a lot of that.

But I actually think that it would be quite a big event in beginning to drive a bigger wedge, across the board.

MR. GERSTEIN: I think we're going to wrap up. We may get some final comments. Maybe everybody could just tell us where they think, if they had to look into the crystal ball, at least as far as POLITICO's vision extends, which is only till November. (Laughter.)

Where do you think things are going to stand in this discussion, both in terms of the discussion with Iran, and also politically here in the U.S., in terms of how significant the issue is going to be? And how significant the publicly stated differences are going to be between -- we're assuming it's Romney, but we've seen some interesting positioning on this issue, even among the Republican candidates as we got to this point.

So why don't you give us some final thoughts on where you think we'll be come election time on this?

I guess you already gave us a percentage, earlier, that tells us you think we'll have had an attack by the Israelis by November.

MR. TELHAMI: I think, still, the best bet probably is, before the election, that we will be roughly where we are now. Meaning that this is not going way, we're not in a military confrontation.

And I say that with only very limited confidence. Because my own assessment as of today is that the chance of an Israeli strike on Iran in the next year -- that is, before or after the election -- is slightly higher than 50-50, if nothing changes, in part, because the Israelis have put themselves -- they've put so much on this issue, in part because they've told the public that if Iran were to acquire nuclear capabilities, it would be an existential threat, almost the end of Israel: to the point that actually a majority of Israelis now believe that, to the point that one poll showed that 10 percent of Israelis would think about leaving the country if Iran were to acquire nuclear weapons, to the point where, you know, at some point some Israeli officials were -- and, certainly, intelligence experts were warning against the use of the existential threat labeling, because they worry about the morale of the Israeli public.

But even after all of that, when the prime minister of Israel came to this country and spoke at APAC, he again invoke the existential threat in a big way, even compared it to a holocaust. So my fear is that actually the Israelis are really on a course where it becomes pretty much inevitable at some point.

Whether that will happen before the election or not is another matter. Probably not. But I worry about a sense -- you know, come this round of negotiations, come the summer, and a sense that the negotiations have failed, that the sanctions are not having an impact on Iran's nuclear program, the Iranians announce a couple of more -- quote -- "accomplishments" on the nuclear issue, I would see quite a bit of pressure on this administration coming from Republican candidates and Israel in the fall. And I think it would be a hot issue in the fall.

MR. GERSTEIN: Mike?

MR. DORAN: The big question is whether Israel will take action or not. Most of my colleagues who know Israel well agree with Shibley that there's a high likelihood that they will.

I don't think they will. And that is a hunch, I have to admit. I don't have any information that anyone else doesn't have.

I just -- I think when the time comes for Netanyahu to give the order -- and knowing that he doesn't have the support of the United States, or any of the other great powers -- I think is going to give him pause. I could definitely be wrong about that.

If I'm right, and the Israelis don't act, then we can have this panel almost exactly like this, rehearsing the same positions, in November. Because the issues might shift a little bit. I mean, the Iranians

might close Qum. We'll have a debate about what "closing Qum" is, and then they'll close it for a week or two. And then the guy who said it was closed will have some kind of problem with his career, and so on. And the exact issues that will be in play will be different, but our positions will all be the same.

MR. GERSTEIN: Suzanne?

MS. MALONEY: I'll go way out on a limb and say that I think, come November, we will be embroiled in a frustrating, extremely exasperating process of dialogue with the Iranians that has produced relatively little.

I will also, perhaps, maybe with a slightly greater risk, say that I think Iran will diminish a little bit in salience as a Republican candidate recognizes that there's only a certain amount of traction he -- and I think now it's quite clear it's a "he" -- is able to gain as a result of brandishing this, simply because Americans are primarily concerned about the economy. They don't see conflict with Iran as helping their economic prospects.

And so, if anything, Iran will recede slightly in the immediate advent of the general election, but probably rebound very predictably immediately thereafter, with renewed talk of a now-or-never moment for the Israelis.

MR. GERSTEIN: Okay. That's great. Thank you very much for your contributions. (Applause.)

Thanks to the folks in the audience, and to Brookings, for the panel.

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2012