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CONSTRaining IRAN's Nuclear and Missile Capabilities

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MR. EINHORN: Well, thank you all for joining us. I'm Bob Einhorn and this is going to be the release of two new Brookings reports. One, co-authored by Richard Nephew and me, is on constraining Iran's nuclear capabilities, the other by Vann Van Diepen and me, on constraining Iran's missile capabilities. Both reports you can find on the Brookings' website; they went live today. And we're very grateful to the McArthur Foundation and the Carnegie Corporation of New York for supporting our work on these reports.

With me today on the podium are two close colleagues, and one right there on the screen -- that's Richard Nephew. If he leaves his screen he may be watching the Mets game (laughter), but -- as long as you report on the scores, Richard, that's okay.

So, Richard Nephew, my co-author on the nuclear report is a Nonresident Senior Fellow at Brookings and a Senior Research Scholar at the Center of Global Energy Policy at Columbia University. Richard previously served as Principal Deputy Sanctions Coordinator at the U.S. State Department and was the lead sanctions expert for the U.S. negotiating team with Iran.

Vann Van Diepen, my co-author on the missile report, is currently an independent consultant. Vann had a distinguished career in the U.S. government, serving most recently as Principal Deputy Assistant Secretary of State for International Security and Nonproliferation. And before that, as National Intelligence for Officer for Weapons of Mass Destruction and Proliferation in the Office of the Director of National Intelligence.

And Suzanne Maloney is a Senior Fellow and Deputy Director of the Foreign Policy Program here at Brookings. Suzanne is one of America's foremost experts on Iran and she should be familiar to those of you who have attended previous Brookings events on Iran.

I'll make some introductory remarks, Richard and Vann will discuss the nuclear and missile reports, respectively, and Suzanne will then offer some commentary.
And our plans is to leave plenty of time for audience Q&A.

Preventing Iran from acquiring nuclear weapons and missiles to deliver them has been a bipartisan national security objective of the United States for over three decades. The Joint Comprehensive Plan of Action, the JCPOA, concluded by the Obama Administration in 2015 was a major step on the nuclear issue. It effectively blocked Iran's pathways to nuclear weapons in the near and medium-terms and provided a promising platform for achieving a permanent solution in the future. But the Trump Administration opposed the JCPOA, claiming both that the deal itself was flawed and that it failed to address other objectionable aspects of Iranian behavior, including its missile program and its aggressive efforts to expand its regional influence.

In May 2018, in keeping with a campaign promise, President Trump withdrew the United States from the JCPOA and re-imposed sanctions against Iran that had been suspended under the agreement. The Trump Administration hopes that what it calls its maximum pressure campaign will compel Iran to accept the 12 requirements outlined by Secretary of State Mike Pompeo in a speech in late May of last year.

These requirements include far reaching demands on the nuclear issue, including the complete elimination of Iran's uranium enrichment program, as well as equally far reaching demands on the missile issue, including a halt to further launches or development of nuclear capable missiles. But the list of requirements went well beyond the nuclear and missile realms to cover a wide range of Iran's regional policies.

Together, in our view, these requirements constitute a set of unrealistic demands that no Iranian government would be willing or politically able to accept. The Administration says it seeks a comprehensive new deal, a deal that would address all of these requirements at the same time. But rather than negotiating solutions to these individual requirements, the Administration seems to be seeking Iran's across the board acceptance of all its demands, or as many observers suspect, the collapse of the current Iranian regime. It's undoubtedly true that the re-imposed sanctions are doing great harm to
Iran and putting strong pressures on the regime, but the authors of these reports strongly doubt that the Administration will succeed in forcing the regime's capitulation or collapse.

The Administration's strategy lacks the support of even America's closest allies who are actively seeking to weaken the pressure campaign in the hope of persuading Iran to remain in the JCPOA. And Iran is resourceful and resilient. Iran's leaders are using economic hardships to mobilize domestic resistance to U.S. pressures. They've coped with external and internal pressures for decades, and they seem confident that they can withstand U.S. sanctions and maintain their grip on power.

Instead of compelling an acceptance of U.S. demands, the pressure campaign could increase the likelihood that Iran will leave the JCPOA and ramp up its enrichment program. For the time being, President Rouhani's government has resisted calls by domestic hardliners to withdraw from the agreement, but that could change.

The two Brookings reports recommend significant changes in the current U.S. approach on Iran, including on the scope of a new agreement. Instead of seeking a comprehensive new deal, the United States should pursue various elements of an Iran strategy separately and in parallel. Seeking a mega deal, and linking the resolution of one issue to a resolution of all others is counterproductive. It would hold a new nuclear deal hostage to an agreement on other issues that are less tractable, less resolvable in the same timeframe, or a lower national security priority.

So we recommend a separate agreement on the nuclear issue, but at the same time we recognize that in order to gain domestic political support for a separate nuclear deal and make it sustainable over time, any nuclear deal would have to be part of a broad U.S.-Iran strategy that deals effectively and in parallel with other dimensions of the Iranian challenge, particularly its destabilizing regional activities.

The nuclear report recommends what we call a renewed nuclear bargain. JCPOA supporters and opponents alike have long recognized that new negotiations would eventually be needed at a minimum to extend the expiration dates for key nuclear
restrictions and monitoring provisions in the JCPOA. Under the JCPOA some of those
enrichment restrictions expire after eight years, some after ten, and by year fifteen they're all gone.

So simply returning the United States to the JCPOA is not a long-term solution. By the time the United States were to rejoin the agreement, the expiration dates, the so-called sunsets, would not be far away. And so we need to begin thinking now about the contents of renewed bargain, one that builds on the JCPOA's solid foundation in ways that make it more durable and politically sustainable.

There is emerging debate, mainly among democrats, about whether the United States should reenter the JCPOA and re-suspend sanctions even before new negotiations begin. The report briefly addresses this question, pointing out some pros and cons. On the one hand, re-entry could have the support of key negotiating partners and may well be a condition by Iran, and perhaps others, for getting negotiations underway. On the other hand, it would forfeit the leverage provided by Trump's re-imposed sanctions and it would reignite the partisan debate that undermined the JCPOA and could become an obstacle to building needed domestic support for a renewed nuclear bargain.

Candidate Trump made a mistake pledging to withdraw from the JCPOA. Democratic candidates would repeat that mistake by pledging to rejoin it even before negotiations got underway. The democrats would be wise to avoid premature commitments. They should wait and see what the situation holds, if and when they regain the White House.

While negotiations should take center stage on the nuclear issue, diplomacy is not enough to promote productive negotiations. And in the event negotiations fail, diplomacy will be have to be complemented by other policy tools that do not require Iran's participation or consent, especially sanctions, counter proliferation, and deterrence. These more coercive policy tools can impede and discourage Iran's movement toward the nuclear weapons threshold and provide incentives for Iran to negotiate seriously. But in the end, nuclear restraint must be Iran's choice and is best codified in a renewed nuclear agreement.
In addressing Iran's missile capabilities, negotiations are likely to play a less central role than in the case of dealing with its nuclear capabilities. Iranians regard missiles as an integral part of their regional and conventional defense strategies. Unlike in the nuclear issue, Iran's leaders have opposed missile negotiations as a matter of principle.

Countries interested in constraining Iran's missile capabilities often look first to negotiations. Europeans in particular tend to call for negotiations with Iran, perhaps reasoning that negotiations worked on the nuclear issue and can also work for missiles. But it's important to be realistic about what is achievable on missiles. Other than in the case of missile categories and capabilities, the Iranians have not yet pursued prospects for a successful missile negotiation or limited. That's especially true for short and medium range Iranian missiles that already threaten U.S. friends and U.S. forces in the Middle East.

So while negotiations must remain in the missile tool kit, the principle means of countering Iran's missile program, at least under current circumstances, must not depend on Iranian participation or consent. Means such as export controls, interdiction, sanctions, missile defenses, and attrition.

So, with that introduction, first I would like to call on Richard to talk a little bit about the nuclear paper.

MR. NEPHEW: Great. Thank you very much, Bob. And it's a pleasure to be with you here today, even if only remotely. I appreciate your forbearance, considering I have been laboring under sickness for the last couple of days.

As Bob said, you know, we recommend a new approach to the nuclear issue because we do not think that the current strategy will work at addressing what has been the main goal of U.S. policy, preventing Iran from acquiring nuclear weapons. Bob and I therefore recommend a new approach, or rather an approach that has been proven to work in the past, diplomacy, serious sober diplomacy in which there is give and take. We therefore recommend a renewed approach of diplomacy that is premised on five main pillars.
First, that the United States will be able to achieve a more durable agreement with Iran to restrain its nuclear program and permit transparency into it through talks and economic force.

Second, the JCPOA was a good agreement with much to commend it with respect to specific provisions and approaches, and it should serve as the basis for future negotiations. Though precisely whether and when the United States ought to rejoin the JCPOA is a tactical decision. But structurally there are a number of important provisions that ought to be retained if modified, such as those concerning transparency, the entire plutonium path, and enrich uranium controls. And in particular there are a number of pieces of language and a number of approaches that practically would be very advisable to retain and to build upon.

Third, and that notwithstanding, the JCPOA's good qualities, it is now diminished in Iran's eyes and it is discredited among many in the United States. There are issues that emerge with respect to its implementation, especially on sanctions relief. And these were issues that were present long before Donald Trump became President. And it was going to start having a bearing on how Iran felt about the JCPOA. There are issues with durability, given that it was not a treaty, and I think we have already seen a very direct manifestation of the durability challenges just in the U.S. withdrawal.

And with the passage of time, we have new problems that are emerging with respect to the matter of sunsets. And, in particular, though the sunsets that we had at the time might have made sense, that was in the context of an approach that would involve much more diplomacy and engagement between the United States and Iran after the JCPOA was agreed and kind of setting the nuclear issue aside. The fact that we've now reset the entire nuclear issue and reengaged in confrontation means that we also have to consider the time for diplomacy as having being constrained as well.

Consequently, for both Iran and the United States, there may be interest in exploring a new agreement that would offer more to both sides. We outline in the paper
proposed changes to both the nuclear demands of the United States as well as sanctions relief that might be offered to Iran. We have in mind something in which both sides get something more substantial.

On the nuclear front our primary focus is on fixing provisions that have proven controversial. Specifically, we recommend a nuclear agreement that is focused on the primary risk from Iran, breakout from a covert site rather than a declared site. And so therefore we emphasize quicker procedures for IAEA access to suspect sites, including on military installations, and an affirmation of the IAEA's Section T role.

Second, we recommend a broad extension of all the various sunsets that were contained in the JCPOA by an additional 15 years from when the new agreement is reached for the core nuclear restrictions and 20 years for the transparency provisions.

Third, we recommend reshaping the terms of the nuclear restrictions to obtain these requirements, and if necessary, by modifying our conditions on breakout length to potentially a still manageable six months versus twelve months. Please note we're not suggesting that we go automatically to a six month breakout, but, rather, what we're suggesting is that because six months is a manageable breakout time from a declared facility, we have some space in order to try and obtain concessions on the nuclear program that address some more of our key concerns that have been identified, particularly on the covert side.

On sanctions relief we primarily focus on making sanctions relief under the JCPOA more usable, including through limited but real access to the U.S. economy and even U.S. dollar clearing. The U.S. embargo, in broad strokes, would remain against Iran, as would sanctions dealing with terrorism, human rights, and so forth, in part so as to help embolden negotiations on those various different issues. But there would be modifications in its performance so as to encourage Iranian consumer goods, manufacturing, and economic reform.

Specifically, we recommend preventing Iranian access to U.S. consumer
good beyond the humanitarian and personal IT exceptions. Second, allowing U.S. technical support for Iranian led industry, including for the production of consumer goods domestically. And this would in part address the unemployment problem that Iran has chronically had to deal with. Third, reversing the 2017 travel ban. Fourth, permitting greater educational exchanges and ensuring financial channels to facilitate them and ensure they work properly. Fifth, permitting limited U.S. dollar clearing operations. As I said, this is the most controversial concept that we proposed. We therefore suggest something very discreet, finite, and limited, involving specifically licensed banks conducting specifically licensed transactions or classes of transactions that are monitored, reviewed, and licensed by OFAC.

We also propose making the next agreement a congressional executive agreement, requiring approval by a simple majority vote by both houses and coupled with implementing legislation, perhaps linked to sanctions waivers as (inaudible).

Fourth, we believe that a multilateral approach is necessary, and therefore we suggest restoring the P5+1 process that was successful in the past. But we also acknowledge that U.S. partners in the region felt out of touch and ignored. We are recommending an enhanced dialogue and consultative process with those partners.

And, fifth, we believe that other issues in the Iran-U.S. relationship, with respect to human right, regional affairs, and missiles, as Vann will talk to, merit resolution. And we see a revitalized nuclear agreement as a means of at least improving the environment for getting to that type of resolution. But we do not think that a negotiation that brings all of these matters into the room would be successful.

We therefore recommend starting once more with the nuclear issue, to carry this resolution, and then moving on to other issues with now the time and space created by an extended set of time limits. Of course we also recognize that there may be a need for additional tools to manage the Iranian nuclear issue, particularly if Iran abandons its nuclear restraint and restarts its program in full.

For this reason we included in our analysis suggestions for how to use
sanctions, counter proliferation instruments, and deterrents in various ways. Notably, we suggest that in the event Iran is still implementing its nuclear obligations the U.S. approach in these areas ought to avoid giving Iran reasons to exit the JCPOA. We suggest, for example, tempering U.S. sanctions in order to rebuild international support them. This includes fully using the authorities that exist for significant oil reduction exceptions rather than oppress them necessarily and confrontationally into a zero-oil scenario, more consultations with partners before imposing sanctions on foreign partner companies, and finding a way to work with Europe on (inaudible) rather than threatening them.

We suggest using deterrence as a means for signaling to Iran the (inaudible) its obligations, notwithstanding what the United States has done. And we support the idea of using robust counter proliferation tools to both enforce the JCPOA and manage the aftermath of an Iranian exit. And if Iran does restart, we of course suggest a significant ramp up in sanctions and deterrence efforts.

But the centerpiece of the strategy is diplomacy. We believe that real diplomacy ought to be the focus of U.S. policy. And I should emphasize that we believe our recommendations could be taken up right now. We do not believe the Trump Administration will be prepared to take on board our approach though. And so we also acknowledge that our suggestions might not find a home in U.S. policy until 2021 at the earliest. Still, considering that some of our suggestions include a need for a thorough assessment of U.S. nuclear requirements of Iran, including potentially reevaluation of breakout time periods that are necessary in any kind of agreement, and how we might improve sanctions relief and operational effect, we need to start this conversation today. And we hope that this paper will serve as an initial set of ideas and thoughts that allow us to explore the true dimensions of what could be negotiated with Iran in the future.

Thank you.

MR. EINHORN: Thank you, Richard. Vann, you want to go up to -- okay.

MR. VAN DIEPEN: Good afternoon and thank you all for coming. What I'll
do is give a brief overview of the key findings of the Iran missile paper.

The paper begins with a description of Iran’s short and medium range ballistic missiles and land attack cruise missile. These missiles are not just terror weapons, but have been integrated into Iran’s conventional war fighting capability. They can cause serious disruption of regional targets that will increase as the accuracy of Iran’s missiles improve. The paper also notes Iran’s pursuit of at least four major paths that can lead to intercontinental ballistic missiles able to reach the United States, strongly indicating that Iran is at least actively hedging its bets to be able to deploy such systems in the future.

First, space launch vehicles, which have demonstrated technologies important for ICMBs. Second, the (inaudible) ballistic missile, which can reach intermediate ranges with a lighter payload and has a propulsion system that can be used to enrobe mobile ICMBs. Third, a large liquid propellant rocket engine reportedly being developed with cooperation of North Korea, which is suitable for use in ICBMs. And, fourth, an ICBM sized solid propellant rocket motor that Iran has apparently been ground testing and creating production facilities for.

The paper then describes the key roles Iran’s missile forces intended to perform in support of the country’s security policy and the key threats Iran’s missile forces post to the U.S. and its friends and allies. And then the paper posits five key objectives that the United States should be pursuing against these threats. First, deterring attacks and intimidation against the U.S. and its friends. Second, impeding qualitative and quantitative improvements to the regional missile capabilities of Iran and its proxies. The proxy missile programs are important because they add to the threat from Iran zoned missiles, permit proxies to conduct strikes in furtherance of Iranian interests that are quasi deniable by Tehran, and permit the proxies to conduct strikes independent of Iran. Third, degrading the ability of Iran and its proxies’ missile programs to achieve their war fighting objectives. Fourth, dissuading and delaying development of missile capabilities that can reach beyond the immediate region, especially to the continental United States. And, fifth, delaying and
dissuading acquisition of nuclear warheads for Iran's missiles.

Iran's heavy reliance on missiles to meet its objectives means that Tehran will resist stoutly U.S. measures to impede its missile program. This resistance, combined with the extensiveness of Iran's existing missile force, also means that the Iranian missile threat will not easily be addressed by the United States. Promoting these five U.S. objectives will thus require the simultaneous application of a broad range of nine key policy tools, as intensively and creatively as possible, to provide the maximum benefit.

The first two tools, trade controls and interdiction, will continue to play an important role in impeding quantitative and qualitative improvement in the Iranian missile threat. But these tools are of diminishing marginal utility due to Iran's substantial missile capabilities, the natural diffusion of improved missile usable technologies, and the persistent inability of China and Russia to prevent proliferation to Iran's missile program. This means that there will be an increasing need for the U.S. and its friends to rely on declaratory policy on the one hand and military capabilities on the other. The three mutually reinforcing tools of missile defenses, passive defenses, and offensive attrition capabilities to deter, defend against, and deny the objectives of Iran's missile program.

While ballistic and cruise missile defenses are expensive and imperfect, they can help protect against small attacks and complicate Iranian attack planning. In cooperation with its partners the U.S. should seek to enhance missile defenses, both regionally and against potential threats to Western Europe and the U.S. homeland.

To deter Iranian missile attacks and limit Iran's ability to achieve its war fighting objectives, the U.S. and its regional partners should further develop offensive military capabilities, ranging from options for cyber operations to options for kinetic preemptive strikes to have options and capabilities to be able to degrade Iranian missile forces and production infrastructure.

At the same time the seventh and eight tools of sanctions and diplomatic pressure will remain important in dissuading Iran from extending the threats its missile force
poses, in dissuading other countries from assisting Iran's missile program, and increasing the prospects that Iran can be persuaded at some point to roll back aspects of its missile program.

Given the low probability of further UN sanctions and the extent of existing U.S. sanctions against Iran, the additional sanctions most likely to impact Iran's missile capabilities would be U.S. sanctions on third-party entities doing business with Iran's missile program. For this to be effective, the U.S. must be prepared to elevate the priority of constraining Iran's missile program and bilateral relationships with countries having jurisdiction over such entities.

The ninth and final policy tool is direct diplomacy with Iran. But this tool is unlikely to be realistic to employ anytime soon given the central role of missiles in Iran national security and foreign policy, Iran's consistent rejection of negotiating limits on its missile force, Iran's long record of previous noncompliance with nuclear treaties, the difficult nature of all previous negotiations with Iran, and the confrontation state of U.S.-Iranian relations.

But while the other eight policy tools can complicate, slow, and impede Iran's missile activities, deter Iran from using missiles, and degrade the ability of Iran's missile force to achieve its military and politician objectives, they cannot prevent a determined and resourceful country like Iran from pursuing missile activities. Ultimately, it is up to Iran to restrain its missile program, which eventually will require engagement.

So diplomacy with Iran should remain part of the overall tool kit, both because circumstances might change in the future to make negotiations more promising and because U.S. readiness to negotiate could help build international support for the other methods needed to deal with the Iranian missile threat.

The report describes seven broad potential negotiated restraint options which could be pursued individually or in combination, and it evaluates them in terms of their likely effectiveness in reducing a threat, their monitorability, and their negotiability. The
seven options range from bans on the development, launching, possession, or exports of certain missiles, to limits on certain qualitative improvements or on space launch vehicles, to Middle East regional missile limitations.

The report's evaluation suggests that two of these options hold more promise than the others. First, banning Iranian launches of long-range rockets. With the right provisions, such a ban could substantially reduce the Iranian missile threat to the U.S. homeland with high monitorability and consistent with Iran's claimed policy and current practice. And, second, banning Iranian launches of rockets with multiple independent reentry vehicle payloads and launches of nuclear capable rockets from air, sea, and submerged platforms. This would impede in a highly monitorable way new attributes that would increase the war fighting capability of Iran's missile force, but it would not reduce the current Iranian missile threat, which may also mean that Iran would be more willing to accept such a ban. A third option might have promise in the context of progress in reducing regional tensions or resolving key regional disputes, and that is banning Iranian missile related exports.

The report concludes by looking ahead. It judges that Iran will continue efforts to improve the accuracy and lethality of its regional missile force, and to pursue several parallel paths to developing missiles capable of reaching all of Western Europe and the U.S. homeland at least as a hedge.

At least for the time being, the U.S. should focus its efforts to counter the Iranian missile threat on the eight policy tools that do not require direct engagement with Iran or Iranian consent. Many of those policy tools would be more effective if the U.S. had the full cooperation of the international community, but that cooperation will not always be forthcoming. While continuing to seek international support, the U.S. will also need to act unilaterally, including by further developing missile defenses, imposing unilateral sanctions, using public diplomacy, and developing attrition capabilities.

Many of these efforts are already being pursued to varying degrees and,
indeed, have pursued under several previous U.S. administrations. But the U.S. should intensify these efforts, better integrate them, and elevate their priority, both in dealing with the overall Iranian challenge and their priority in U.S. bilateral relations with key states.

In sum, there is still much the U.S. can do at present, using the full spectrum of policy tools at its disposal, to address the Iranian missile threat.

Thank you.

MR. EINHORN: Thank you, Vann. Suzanne?

MS. MAHONEY: Thanks so much to Bob, Vann, and Richard for presenting the substance of the papers. They are long and meaty and I encourage you all to make sure that you either download it from the web or find one on your way out the door so that you can read all of the texture of the reports.

I also want to thank you all for coming here to engage in this conversation with us on what I understand to be finally a beautiful spring day out there. And just one other quick thank you, while I'm at it, and that's to Kate Hewitt, who supported the drafting and production of these papers as a research assistant and whose last day with us here at Brookings is today. So thank you to Kate and thank you to the authors and to all of you who are here today.

From my perspective as someone who works on Iranian internal politics and economics and on the U.S.-Iran relationship, we are coming at the end of a long period of limbo. We here in Washington in particular, but certainly others around the world and in Tehran, spent about 18 months between November 2016 and May 2018 wondering would he or wouldn't he. Would the deal survive, would President Trump in fact make good on the promises that he made on the campaign trail to renegotiate or rip up the deal, and how would this play out. And, of course, he made that fateful decision in May. The implementation of that decision came in two tranches, in August and then again in November with the full implementation of the sanctions that had either been waived or suspended under the nuclear deal. And what we found after that period was we're waiting
again -- what will the Iranians do, how will they react and how will this play out.

   In many respects the President's decision to walk away from the nuclear deal has seeded the initiative to the Iranians in terms of where this crisis goes. And I think what's so important about these two very thoughtful and in-depth papers is that it really does I think represent an attempt to seize back the initiative and to begin to chart a strategy for dealing with Iran, ideally one that could be bipartisan.

   So let me just say a word or two about where we stand from the Iranian perspective. The sanctions have had a tremendous impact on Iran, as you've no doubt seen if you're watching the news from the country. They have I think tactically succeeded in the sense that they are hurting the Iranian economy. If you look at any key indicator, investment, trade, the value of the currency has plummeted, Iranian oil exports are at least half from where they were prior to the sanctions re-imposition, growth is slowing, there are shortages of a number of key commodities, Iranians have now reverted back to the bad old days of the 1980s when during the war with Iraq and the disruption that had come in the aftermath of the revolution, rationing of foodstuffs and other basic commodities was a normal part of life. And so we're seeing these lines stretch, particularly in less well-off areas of major cities as Iranians queue up to receive basic products.

   I think this is having a political impact as well, although that has yet to be fully clear. There has been a bit of reshuffling at the top at different points, some resignations and impeachments. But fundamentally I think it's clear that it is eroding the legitimacy of the Iranian government because for so many years the Iranian government has made its case for its own people not simply on the basis of religion or ideology, but on its capacity to actually deliver on its promises of a better life and social justice. And that was already under fire, it was already quite questionable, but what has happened as a result of the nuclear deal and the walk away by the United States, has made that far more difficult.

   So we're seeing that sanctions are having an impact, but sanctions alone -- and Richard, who wrote a book on the subject can speak to this in greater depth than I can --
sanctions alone are not a strategy, they're a means to an end. And the Trump Administration has left some ambiguity about what the actual end might be. Is the end regime change, as I think many suspect? National Security Advisor John Bolton having called for it before, he and other are probably quite sympathetic to. Is it a bigger and better deal? Or is it simply to leave Iran in this condition of constant degradation in which its relationships with the broader work, its economy is in tatters, all of these sort of deteriorations in terms of the status of both the capacity of the regime to respond to crises like the floods that have engulfed several provinces over the course of the past week, or other types of international crises. Is that simply enough for the Trump Administration? I think that ambiguity is perhaps strategic, but in fact it is quite damaging because it again cedes the initiative to the Iranians. How they respond will be so key as to how this plays out.

From a perspective of the government, they are in many ways facing a strategic impasse. They can manage. They've managed, as many will note, under greater economic strain before, they've experienced enormous -- very long periods of isolation from the international community, and they've had -- as I used to say, they've survived every crisis short of the plague, and now we can throw floods into that long list, whether it's drought, earthquakes, terrorism, external war. They've managed through it all and despite constant expectations to the contrary here in Washington, the regime has typically come out stronger from all of these.

So they can muddle their way through the economic crisis that they're in today, but fundamentally they don't really have a way out of the economic constraint without some kind of a conversation with the United States or without some democratic administration simply reverting to status quo ante and putting the deal back in place. And even then, they were dissatisfied with the sanction's relief. And so they're still in a very difficult position.

So on some level I think there's a likelihood that the Iranians are at some stage going to take up the Administration on what they claim -- or at eight overtures that
have occurred over the course of the past two years for a direct dialogue between senior 
U.S. and senior Iranian officials. But where can that go? What can they get out of that? 
And I think that is the fundamental question, the fundamental deterrent from the Iranian point 
of view for actually taking up a negotiation. How can you negotiate with an Administration 
that clearly doesn't respect agreements that have been signed, whether it's executive 
agreements or whether it's treaties? As we know, they've walked away from several treaties 
as well, including the 1955 Treaty of Amity with the Iranians. 

The Iranians could take other actions of course. They could seek to restart 
their nuclear program, they could provoke some other crisis in the region, but none of these 
actually resolve the fundamental economic problems which get to the survival of the regime 
itself, and that's the highest priority for the Iranian leadership. So taking those steps doesn't 
necessarily advance Iran's interests in any meaningful way, except insofar as it helps with 
the bottom line. And there I think we shouldn't rule out the possibility that Iran, again, having 
the initiative on its side, will seek to enhance its own leverage by provoking some sort of a 
crisis with respect to oil supply, and/or exports coming out of the gulf in order to kind of stave 
off its own economic ruin, as well as to hurt the President. As you might have noticed, he 
tweeted today about oil prices. He's very sensitive to this issue. And it would be much more 
difficult for him to sustain this current level of sanctions pressure if in fact we were to see oil 
prices creep back up toward $100 a barrel once again. 

So we have the Iranians in the box. We can all think that that's wonderful, 
but the United States is also I think facing something of a stalemate. What do we do if the 
Iranians don't come back to the deal? If they don't in fact walk away and give us an excuse 
to bring the international community on board with greater pressure, how do we then react? 
What's the strategy? There's no evidence that the Trump Administration is in fact looking at 
the various contingencies and thinking through how it's going to respond and how to direct 
the Iranians toward the more constructive option, obviously, of negotiations. If anything, 
what the Administration has done by walking away from the nuclear deal on fairly specious
grounds -- there were criticisms of various elements of the deal, but fundamentally the rational that has come through throughout the political debate here in Washington is that the decision to walk away from the deal was motivated by dissatisfaction with the other sorts of things Iran was doing across the region, which of course were not part and parcel of the nuclear deal itself.

And so once you've sort of established that a transactional agreement is unsustainable so long as Iran continues with the rest of its foreign policy as before, then it's very difficult I think to come back to another transactional agreement on the nuclear issue unless you're really making headway on all the other issues. And, of course, that's incredibly difficult to do. We've been trying to do that with Iran since November 1979 and the JCPOA was the farthest we'd come by a very long distance.

And so I think this Administration, as much as any future administration, really needs the sort of road map that Bob and Vann and Richard have laid out, even if they may take issue with parts of it, even if they might revise and recapitulate elements of it, I think this kind of a blueprint that at least gives us a starting point for what a debate should be on what the strategy toward Iran might look like is so important. And ideally -- and I think the papers are really written in this fashion -- it should be a strategy that can actually sustain bipartisan support.

And so I finish where I started, which is that I hope that you have a chance to read both papers in detail and I hope that you can continue this conversation, both here today and once you leave and go back out into the nice sunny day, because I think having a discussion about that strategy is so important.

Thanks.

MR. EINHORN: Thank you very much, Suzanne. What I'm going to do is pose a round of questions to my fellow panelists and then we'll open it up to the audience. And let me go in reverse order.

Suzanne, there are elections coming up, an American presidential election,
there are parliamentary elections, presidential elections, perhaps at some point a new
supreme leader. How do these various milestones affect Iranian thinking? How are the
Iranians looking at 2020? You know, they're hopes, their expectations, how does it affect
their thinking? And what are the implications of the upcoming Iranian elections for the future
of the JCPOA?

MS. MALONEY: You know, I think these are mostly opportunities on the
Iranian side. Fundamentally, if and when the Iranians choose to negotiate with the United
States and/or our partners on the nuclear or any other issue, it will be a decision that's made
by the consensus of the leadership. It won't be a leadership that's really influenced by the
specifics of a vote among the people because fundamentally the distance between domestic
public opinion and foreign policy is even great in Iran than it is in this country because of the
limitations of the electoral system there. But they will be opportunities I think to get a sense
of where Iran is going. That's been the case in the past, in 2013 when Iran used the election
for the presidency to sort of execute a strategic shift and commit to a serious process of
negotiations with the United States and its partners for the first time in nearly a decade. The
prior years of negotiations had been largely frustrated and difficult. And it wasn't that
Rouhani changed that policy, but that he was emblematic of the decision by the leadership
to change that policy.

The one distinction here is I think the question of succession. We don't
know when and how that will come, but Iran's supreme leader is 80 years old, he's suffered
from a variety of health issues over the course of recent years, and there's clearly an
intensified jockeying for influence to determine who might follow in his stead. And that will
be I think an ultimately crucial decision. I can tell you that from all of the tea leaf reading
today, Iran is not moving in a more open direction, at least with respect to the government,
and the successor to the supreme leader is likely to be less well disposed toward
international negotiations, less trusting of the international community, and frankly less well
informed about the nuclear program and about the history of where we have come from
here.

So I think it won't get easier, it will only get harder.

MR. EINHORN: Thank you. Vann, you laid out a broad strategy, many elements for addressing the challenge of Iranian missiles. Most of them actually don't involve Iran's participation, but presumably require cooperation with foreign partners.

I mentioned earlier the Europeans tend to like negotiations, even if they may be the least promising of the various policy tools. Regional partners of the United States probably have a different solution to the missile problem.

Could you outline what the United States needs to do in terms of dealing with foreign partners, whether it's Europeans or regional partners of the United States in addressing the missile threat?

MR. VAN DIEPEN: Sure. Well, I think the biggest hurdle we have is Russia and China. They can do the most to help us with the Iranians and arguably are currently doing the most to hurt us with the Iranians in terms of giving them diplomatic support for the missile program in the UN, and not doing enough to prevent proliferation from their entities and through their territories to the Iranian missile program. But there I think they overshadow is the overall bilateral relationship between the U.S. and those two countries. And until that gets put in a better place it's going to be very difficult to get a lot more cooperation from them on the Iranian missile program.

With most of the other countries -- well, the Europeans have different rhetorical emphasis in sort of the day to day work of export controls and interdiction in our defense alliances, et cetera. They are good and cooperative and helpful partners. But I think the thing that we really need to do is, again, is sort of elevate the priority to these issues, make it clear to the other countries that this issue is a priority for us, be prepared to break eggs in other parts of our relationships with key countries over this issue, and better integrate the use of all these different tools together, including with our partners in institutions like the Missile Technology Control Regime.
MR. EINHORN: Thanks, Vann. Richard, two questions for you -- one on oil sanctions. In my view oil revenues will be the key factor for Iran in deciding whether it's going to stay in the JCPOA.

Could you tell us a little bit about how the effort to reduce those oil revenues is going and how far it could go? Where does that stand?

And, second, on Iranian disillusionment, with existing JCPOA sanctions relief, why are they disillusioned? And what can be done in a renewed nuclear bargain to convince the Iranians that sanctions relief is really going to result in economic benefit to them?

MR. NEPHEW: Great. Thanks, Bob. So on the oil sanctions piece, you know, I think that broadly speaking the Trump Administration has done about as well, maybe if you're counting barrels, slightly less well than what we did in the Obama Administration back in 2012. We had achieved a reduction of basically 1.4 million barrels per day within our first 7 months or so of implementation. We're now seeing at 10 months for the Trump Administration and they've gotten about 1.2-1.3. So it's roughly the same.

And the consequence of that is Iran has now lost roughly half of its oil revenues. And, of course, under the terms of the 2013 revised version of the underlying sanctions, any sales of oil now need to have the revenues put into restricted accounts, escrowed accounts in the countries in question. So for all intents and purposes, Iran is selling oil, but it doesn't have free access to the money that it's making, it can only use it for bilateral trade or humanitarian trade, and it's making much less money that it was before. Of course, it's still worth noting that oil prices are much less than they were at the time from when we were -- because it was $110 a barrel as opposed to now in the $50s and $60s.

So from that standpoint the impact I think has been fairly real, but the issue is that they are also running into the same problem that we ran into, which was that the easy barrels are now gone. Taking away European imports of Iranian oil was a relatively straightforward thing for us to do in 2012 because the EU adopted its own sanctions. In
2018 it was relatively straightforward because the Europeans ran away from Iran as fast as they could, fearing imposition of U.S. sanctions against them. But getting India, China, and Turkey in particular, to make additional reductions, and significant reductions -- especially to zero reductions -- is going to be much more difficult. And I think that's in part because of the desire on the part of all those countries to maintain good relations with Iran -- they have trade ties with Iran in other areas. But it's also because of the world market itself. And I think this is part of the reason why we're hearing a lot of stories now in the Trump Administration about a fundamental debate of what to do next in front of this May 4 deadline when they have to decide whether or not to renew the exceptions or to cancel them, effectively making any oil imports from Iran a sanctionable act.

I think the debate comes down to do we think the market is well supplied enough and do we think we can bully the Chinese, the Indians, the Turks, and others to withdraw. I think that might work with regard to Italy, Greece, and Taiwan, because they don't buy a lot of oil from Iran anyway. It may work with regard to South Korea and Japan, but I think that the Turks, the Indians, and the Chinese are going to be much, much more difficult, which is part of the reason why they're likely to grant exceptions and to continue this process forward as we did back in 2012 and 2013.

But I think more than anything that it's worth noting that the real question now is how long that kind of pressure can be sustained, whether or not the Iranians are prepared to take advantage of what they have been able to sell and to use the money that's there to engage in that bilateral trade, which they weren't really willing to do in 2013. And that all give some sense of pressure release, if they choose to take it, which, again, they didn't do back then.

So I think it's too soon to tell what the Administration will do. There's certainly a lot of debate and a lot of signaling in both directions. But certainly right now they're at a crossroads and it's fairly strategic crossroads of whether or not they want to bring partners along or whether or not they want to try and bludgeon them into accepting.
On Iranian disillusionment, you know, I think there are two fundamental causes. First, the expectations raising that was committed by President Rouhani and by Foreign Minister Zarif was really inappropriate. The Iranian public was sold the idea that all sanctions would be gone even before the JCPOA was agreed, and that was never true. In fact, as a negotiator we told the Iranians please stop saying that because that’s not true and you’re going to look very bad when that isn’t true. But I think there’s also a more fundamental issue that we retained a lot of sanctions that affected Iranian banking access. And those sanctions made it very difficult for European, Japanese, other banks, to want to do any business with the Iranians. I’m convinced that had the JCPOA gotten another year or two under a friendly administration, that over time at least some banks would have been prepared to do some business, especially if oil and gas investment had actually started flowing, there was money in the system. But until you're able to demonstrate I think to banks there isn’t going to be this immediate jeopardy in doing any business and until you're able to make it worth your while, I think you’re always going to have a problem making sanctions relief really effective.

And this is why one of our fundamental recommendations is to try and build in some degree of appreciation, understanding, and acceptance that U.S. sanctions are going to be implemented but that we'll give warning, we'll give a notification, we'll work with partners and we’ll work with banks and companies to address sanctions issues as they come up, rather than have the immediate sense being immediate jeopardy for any minor violation that might be found.

MR. EINHORN: Okay. Thank you very much. Why don't we open it up to comments, questions. Please state your name and your affiliation. Corey, why don't we start with you?

MS. HINDERSTEIN: Thank you very much. Corey Hinderstein with the Nuclear Threat Initiative.

My question is to Richard and Bob fundamentally, but obviously open to
anyone who wants to comment. It seems to me that the value of your approach is to try to
develop -- use whatever leverage we have to try to develop a better option than the current
JCPOA would be given the impending timelines and in particular the sunset dates. And that
in principle those sunset dates were supposed to come along through a timeline during
which we would have had the opportunity to do additional diplomacy, maybe reach
additional deals, at least have a broader and more expansive relationship with the Iranians.

But if our strategic goal is to keep Iran from ever acquiring a nuclear
weapon, then it seems to me the secondary goals would be to keep Iran to the constraints
that they have -- at the very least, the constraints under the JCPOA, if not more, and to keep
the verification and inspection as strong as possible to guard against the breakout possibility
or the undeclared possibility.

So, I guess my question is, if we look at the actual timeline of that we're not
going to really drop below one year until 2026 and then we don't get past the 300 kilograms
of uranium until after 2031, don't we actually have a decent amount of time to make this
work, even if we were to come back to the deal in the near-term, not to then end the
conversation there but to start the conversation there. Because the worry I have -- and this
comes back to Suzanne's point -- is that if a potentially more sympathetic president is
elected in the United States in 2020 and we don't come back to the deal, or at least give
some very strong signaling, then all that pressure that's been built up that they've been able
to hold down to stay compliant with some of those core principles on the nuclear program,
that pressure might become unbearable in Iran because instead of waiting out a short
timeline, now they see no end in sight.

MR. EINHORN: I'll say something and turn it over to Richard. As Richard
mentioned, we don't see much prospect of productive negotiation over the next two years. I
think we're talking about 2021 at the earliest when perhaps a successor administration will
take over, get itself set up, but then before too long you have the first of the sunsets. In
2023 you have some of the restrictions on advanced centrifuge R&D go away. So I think it's
time -- we don't have that much time to begin thinking about it. I don't think we can simply wait it out.

Also this broad political question. One of the problems with the JCPOA was that it simply did not have bipartisan support. When it was brought to a vote in the congress not a single republican supported it and some very prominent democrats voted against it. I think it's important to rebuild that support, and I think the sooner a successor administration can say, okay look, the JCPOA is a good foundation, but we have to build on it in a way that can be sustainable and can get some support from both parties. And I think the sooner we begin doing that the better. I don't think we can just sit and wait and wait until these sunsets take place.

I don't know, Richard?

MR. NEPHEW: I'll just say I very much agree with everything you just said, Bob. The only thing I'll just is an additional bit of nuance on sanctions relief. One of the key things that I learned especially with regard to the JPOA -- and we've all learned with regard to the JCPOA -- is that the stickiness of sanctions is very real. And so if you want the Iranians to start seeing real benefits, you've got to get the steps going and it will have an effect on how willing your Iranian partners are going to be to negotiate other issues if you don't have a viable arrangement in place. I think Suzanne spoke to the concerns that the Iranians are going to have about a transactional agreement with the United States from this point forward. If this type of strategy is to have any kind of hope of success, you've got to start as quickly as possible, you've got to get stuff moving as quickly as possible, because it's going to take a long time for some of those benefits to start manifesting themselves.

And attached to that is the need to demonstrate real benefits and to persuade our own public. One of the ironies I feel about the JCPOA is that it's more popular today than it was in 2015, which is kind of a bummer. It would have been really helpful back in 2015, but it is what it is. And so I think have a head start is not something we should squander. It does mean that we don't have to be panicked about some of these issues, I
suppose, but I would certainly suggest we start as a fast as we possibly can on ways in which we can build a lot more sustainability to an agreement with the Iranians.

MR. EINHORN: Yes, right in front here.

QUESTIONER: My name is Ahmi Friedman. I'm a weapons R&D specialist.

I have a few questions to the panel as a whole. The Israeli leadership, both military and political, has reached a consensus that the JCPOA is really paving a way to the bomb rather than restricting the way to the bomb. What makes the distinguished scholars at Brookings think otherwise than those who live in the very dangerous neighborhood?

Additionally, before the agreement was cancelled by President Trump he gave the Europeans and the Iranians a year to renegotiate the terms of the deal and not a single change was advanced towards that modification. So after nothing happened for a year, he cancelled it. So why would all the complicated provisions and thoughts and measure that you have proposed may even be considered if there was no indication of willingness to change a single iota in the original nuclear deal?

And if the Iranians ever wanted to negotiate and come to an agreement, do they need studies on a part of distinguished scholars to tell them what to do, or could they not on their own come up with the terms that they want to see? And therefore, should the studies or the research that you perform be directed toward more practical tools and achievements rather than theoretical ideas?

Thank you.

MR. EINHORN: I'll try to respond to some of those points. Let's see, my notes aren't very good.

With the JCPOA, simply delay Iran's acquisition of nuclear weapons or is it going to stop it, you know, clearly the JCPOA wasn't a permanent solution to the problem. It was temporary, it was in the near and medium-terms effective, but it was always recognized that there would have to be follow on negotiations and hopefully an extension.
Israel captures these archives from Iran, which documented their nuclear weapons development efforts. What these archives clearly demonstrated was that Iran had a nuclear weapons program. Notwithstanding all that it said, it had a nuclear weapons program and it made it clear that we'd have to tackle the sunsets. Because if they're keeping open the option, if they're allowed to build up their program, this is problematic.

But in my personal view, I don't think as some have thought -- as Prime Minister Netanyahu has asserted -- that Iran has already taken a decision to resume its nuclear weapons program. He takes the view that they're just waiting until the coast is clear, waiting that they can build up their program and then lurch toward nuclear weapons. I don't think that's the case. I think back in 2003 they made a decision to suspend a key element of their program, the weaponization program, and they have put on the shelf this issue. And whether or not they come back and resume their nuclear weapons efforts will depend on a whole range of factors. What does the security situation look like to Iran, does it believe it can achieve its regional and international aspirations without nuclear weapons, does it feel that there would be tremendous risks involved in moving to nuclear weapons again. It found the first time when it was caught it paid a very heavy price, will it take the risk again.

So I don't think an Iranian nuclear weapons program is inevitable. I think they can be discouraged. And I think the first step to discouraging them is to get a renewed nuclear bargain that extends the period of time in which their pathways to nuclear weapons are blocked.

Any other comments on that?

Okay, Barbara?

MS. SLAVIN: Thank. Barbara Slavin, the Atlantic Council.

I wanted to second what Corey said. You know, our adversaries get a vote and Iran has said they will not return to the negotiating table unless the U.S. returns to the JCPOA. And I think something like a half dozen democratic candidates have already said they would return to the JCPOA if elected.
So why not return to the JCPOA with the understanding that we would immediately seek no negotiations on a JCPOA 2.0 that would extend a lot of these deadlines. I don't see why you can't do both. That's to you, Bob.

Richard, to you, are you talking about a whitelist of banks? That's something we proposed in 2013 at the Atlantic Council. Do you realistically think we could finally get a couple of banks on both sides that are whitelisted to do transactions, authorized transactions?

And, finally, to Vann, instead of just building up defenses and more constraints on Iran, have you considered the possibility of some sort of regional arms control negotiations? Is that completely out of the picture? Why do we need more, more, more?

Thanks.

MR. EINHORN: I think on the first part, Barbara, Iran doesn't want a new nuclear bargain, it's happy with the current nuclear bargain. It would like to improve it in terms of sanctions relief, but it doesn't want additional nuclear restrictions, it doesn't want to extend the expiration dates for the restrictions. And so how are we going to induce them to accept a better deal from our perspective?

Well, one of the answers is we've got to offer more, and that's what Richard talked about in terms of improved sanctions relief. That's a key part of it. But I think it's also important that we have some leverage to exert. And we have now a situation where we had to reimpose sanctions that President Trump has given us. The question is do we go right back to a situation, re-suspend those sanctions, and lose that leverage. I don't know, it's a difficult question. And what I said before in my opening remarks, it's not necessarily that we should stay outside the JCPOA or that we should rejoin it. I don't think a decision has to be taken now. Again, we'd be repeating the mistake that Trump made when he said on my first day in the White House I'm going to withdraw from this worst deal in history. I think it's equally problematic to say on my first day in office I'm going to rejoin this wonderful agreement. I think we should wait and see the situation at the time and if there is a
democrat in the White House he or she can make the decision based on all the factors at the time, the views of our partners. You know, what are the Europeans saying, what are the Russians and Chinese saying. We should probably sound out the Iranians as well and explain to them, look, we're not -- perhaps you explain to them, look, we're not going to re-suspend the sanctions right away, but you need to know we have a much more realistic negotiating position, we're prepared to accept an outcome that's compatible with your national interests. And the sooner we can reach that renewed bargain, the sooner we can get even better sanctions relief than we had before.

MS. MALONEY: Let me just jump in that point before you get to the other questions.

I think it's important not to take pledges that are made on the campaign trail as gospel policy. So the fact that there are candidates now saying they'll get back into the JCPOA, when they think through the politics of what it looks like as the president-elect to make that decision when in fact by that point the arms embargo will have expired, we'll be two years out form the next sunset clause, I think you're going to see a very different set of decisions by any democrat who actually manages to get elected in 2020 when they're actually put to the test of implementing the policy when in office.

In fact, I think the pledge is dangerous from the Iranian point of view because it sets the wrong expectations. If the Iranians think it's going to be status quo ante by the end of January 2021, they really ought to think again because the reality of the politics -- you know, unless there's some sort of magical improvement of the broader balance of power in the Middle East, the reality of the politics are that it will be impossible for an American president to simply re-suspend all of those sanctions and declare Iran open for business to everyone else in the world if in fact we see no improvement in either its regional policies, its internal policies, or the situation, or its progress toward nuclear weapons capabilities.

So my guess is that despite these pledges, you're going to see a democratic
machinery that develops policies that are in fact much more nuanced and much closer to what Bob and Richard have proposed.

MR. EINHORN: Vann, Richard? Richard?

MR. NEPHEW: So, Barbara, you were talking about the whitelist of banks. Yeah, I mean this is an idea that's been kicked around for a while. I don't fully remember how you would structure the whitelist proposal in what you guys had done, but basically what we have in mind is picking a couple of U.S. banks, maybe a couple of intermediary banks, and a couple of Iranian banks that we would be prepared to allow specifically identifiable and verifiable transactions. So this wouldn't be a white list that we say one may now do all sorts of transactions between Bank of America, Tokyo Mitsubishi and Bank of Tejarat, right. This would be something where there would be a specifically identified set of transactions and classes of transactions, types of goods that would be permitted via dollar clearing operations to take place. And from that standpoint, it's not a classic whitelist, where you're more saying this bank is now fine. This is something that's under a lot more scrutiny, a lot more restrictions, and a lot more verification, especially because, let's be honest, there's been a long pattern in history of illicit financial transactions. And I think, bluntly, it would be bad for Iran, it would be bad for us if the first step towards this kind of sanctions relief were to go astray.

So we've got in mind something that would be much more limited, much more focused, but it would be a start. And it would allow for some trade facilitation that otherwise was being encumbered under the JCPOA, and perhaps if it goes well, especially if FATF guidance and whatnot is also implemented, it would be something that could be built upon later on.

MR. EINHORN: Thanks, Richard. I'm just noticing your New York Yankees hat there in the background. (Laughter) Have you changed your allegiance?

MR. NEPHEW: This has been a secret allegiance I would never tell you about, Bob.
MR. VAN DIEPEN: I just wanted to answer on the regional missile constraints. That is something we looked at. You know, the first thing you’ve got to get over is the idea that do you believe the Iranians would be genuinely prepared to limit their missile programs in a regional context, or would they just use a regional negotiation as an excuse not to have to do anything until everybody else does. If you can somehow get over that, you’ve got all the negotiation limitations that I pointed out in my remarks that are generic to Iran.

Then you have to add on all the regional negotiation limitations that the poor guys who bash their heads again the nuclear weapons free zone found, the Arabs saying, we’re not going to do anything until the Israelis join the NPT, for example. You’ve got the Nth country problem of now you’re going turn a two-country negotiation into an N country negotiation which increases the complexity. And then you’ve got the Israel missile related complications, such as their SLB programs.

So by ladling all those additional ones on what we conclude is that the regional limitation option is actually the least realistic of the admittedly unrealistic set of negotiating options that we looked at.

MR. EINHORN: By the way, we tried this before, Barbara. In ’91, was it, George Herbert Walker Bush’s administration proposed a regional missile restraint regime. We consulted -- I was on the team that went and consulted various governments -- we stopped in Israel, we got shot down right there. I think we tried one or two Arab capitals; we got shot down there too. So I doubt this is terribly promising.

Yes, this gentleman here.

MR. HUMPHREY: I’m Peter Humphrey. I’m an intel analyst and a former diplomat.

I accept it’s axiomatic that Iran’s use of a nuclear weapon would mean the end of the regime. So what I want to ask you is the democratic vision is to do away with a weapon that can’t be used and leave in place biological weapons, chemical weapons, the
world’s second worst prisons, Houthi operations in Syria, the Pasdaran takeover of the Iranian government, the qur’anic punishment, assassinations outside of the country. So we leave all of that stuff that actually kills people and we take away a nuclear weapon that cannot kill people because it can’t be used.

Help me understand the logic of this approach.

MR. EINHORN: I’d like to briefly mention, we’re not in favor of a single-minded focus on the nuclear problem to the -- you know, and to forget about all the rest of the concerns that you’ve identified. We need to deal with those too.

But the nuclear problem is a stressful problem. I don’t think Iran would be anxious to use nuclear weapons if it had them, but if Iran possessed nuclear weapons I think it would use that as an umbrella under which it could pursue some very aggressive policies in the region. And that’s one of the reasons why nuclear has been a very high priority, not just for the Trump Administration, but for preceding administrations as well. But not to the neglect of the other problems you identified.

QUESTIONER: Thank you very much. My name is Iskander.

So 40 years -- even more than 40 years -- American foreign policy in regard to Iran is going nowhere. It’s hopeless. Iran is over there, original empire, claiming the historic empire. And my offer, my suggestion is on two methods.

First, we have to make a treaty like truth and justice treaty with Iran. So we have to accept our faults all together and start a new peace. And the second suggestion is we have to develop technology like a direct democracy, so with this new technology Iranians can make decisions from their own devices directly.

So I have two solutions. Instead of repeating the same cycle going nowhere.

Thank you.

MR. EINHORN: Thank you very much.

Yes, sir.
QUESTIONER: My name is Elliot Hurwit. I want to thank the panel for a very good discussion.

You mentioned the export from the PDRK of missile technology to Iran. Iran is currently supplying Hezbollah in Israel and Lebanon with missiles. And I would like to ask you about regional export controls from the point of view of Iran. It's almost impossible to prevent them from exporting missile technology or actual missiles to whoever they like. That's my statement, but I'd like to hear the comments of anybody on the panel.

MR. VAN DIEPEN: Sure. So one of the things we do discuss in some detail in the paper are Iran's missile related exports. And one of the bad consequences of Iran developing an indigenous missile program means that it is also capable of become a missile exporter, so called secondary proliferation. And this in fact has been going on. And so they have been exporting missiles and missile technology. They did it to Gaddafi's Libya, they did it to Syria, they've done it to the proxies that you mentioned, the Houthis in Yemen.

And so some of the tools that we talk about in the paper, the export control tool, interdiction tool, sanctions tool, also can be used to impede Iranian missile related exports and impede improvements in the Iranian missile program, which in turn improves the types of missiles that they're capable of exporting. And so, again, this is part of the problem that has to be managed. The paper doesn't purport to solve the Iranian missile program, it comes up with the best possible way of addressing and managing that problem, recognizing that it's a longstanding and difficult one.

MR. EINHORN: It's a difficult problem to turn off, to deal with the missile exports, the export of missile production technology, rocket technology, to Syria, to Lebanon, and so forth. I think so far the Israelis have come up with the most successful way of dealing with that problem in a kinetic way.

QUESTIONER: The iron dome?

MR. EINHORN: Well, that -- I mean, Vann talked about --

MR. DIEPEN: He means blowing up missile facilities. (Laughter)
MR. EINHORN: Yes, sir.

MR. PERKINS: Charles Perkins. Following on the last question.

First, I wanted to compliment Brookings for releasing these reports simultaneously and treating the nuclear portfolio and the missile threat sort on bar, because I think in many ways, to the extent that the nukes are in the box for the moment, the Iranians look at this perhaps and say, okay, we were willing to forego the nuclear capability, yet we still as a means of power projection or deterrent, whatever it may be, now we're going to double down on the missiles perhaps.

So two questions, one for Vann, one for Suzanne. There's a milestone coming up dealing with UN Security Council 2231. In 2023 the missile restrictions, such as they are, which is really called upon, but such as they are, go away. Recognizing the value of all of the steps that one could do against missile proliferation and the missile program, does the expiration of this now essentially give a blessing to the Iranian program from an international legal perspective? And MTCR and code of conduct notwithstanding, does that mean that the Russias and the Chinas and the PDRKs can now say we can cooperate on ballistic missile technology with Iran all we want?

And then for Suzanne, does the thinking within the senior levels of the regime place such a high priority on the missiles that there is no amount of pressure or offer of diplomacy, carrots or sticks, that could be used? And I'm thinking sort of the dynamics between Soleimani and the supreme leader and the various entities, do they see this as a capability that they won't give up on and aren't willing to trade off, especially because they perhaps might scale back on the regional activities and the nukes?

MR. VAN DIEPEN: First of all, on the sunsetting of the missile related provisions of the UNSCR, obviously it's not going to be helpful that they sunset, but I don't think that the legality aspect has a lot of impact. I mean North Korean will remain under binding UN Security Council Resolutions itself not to export any missiles to anybody, not just Iran. And they've been happily violating those for 20 years. So I don't think that's going to
really change the legality situation.

  Russia and China, even if those lapse, it's not like there's a positive enablement of missile related exports to Iran. And, in fact, both of those countries are still under obligations under UN Security Council Resolution 1540, for example, to not WMD related activities anywhere. They've got various levels of -- you know, Russia is an MTCR member, so it's got MTCR commitments, China has made bilateral commitments to the United States.

  So I don't see a lot of change on the legal front. The sunsetting, you know, if the current UNSCR provisions that forbid exports to Iran of MDC or annex items and items to Iran's missile program without the approval of the Security Council, those sunsetting is more material. But nonetheless, you know, we were impeding that activity long before there were UNSCRs and we will keep doing that again. And, again, the Russians and Chinese, for example, will still have these same missile related commitments they have, we will still sanction entities that get involved in missile related activities with Iran, we will continue to interdict shipments going to Iran's missile program, et cetera.

  So, again, it won't be helpful, but I don't see that as sort of opening up some new quantum situation.

  MS. MALONEY: Just quickly on the politics of negotiating with Iran on missiles. I think it's not really a subject of internal political contention within Iran. There's a commitment that is cross factional that probably extends even beyond the political establishment, not simply because these are tools of power projection, not simply because the export of missiles and the export of missile technology has been so crucial in supersizing the influence of Iran's proxies, but because of the legacy of the Iran-Iraq War, the war of the Cities, the sense that even though most Iranians today were too young to remember that period, it has imprinted itself on the sense of siege that ordinary Iranians felt when their cities were attacked by the Iraqis and by their superior capability I think has meant that Iran is widely committed to retaining this technology.
MR. EINHORN: Dick Torey my former colleague at the State Department.

QUESTIONER: Thank you. Dick Torey. One country's name that has not mentioned that I noticed, Saudi Arabia. Does it change any of the landscape that was there when the old king was still probably more in control?

MR. EINHORN: I think the landscape has changed for a number of factors. I think the fact that the JCPOA did not eliminate Iran's enrichment capability and the fact that the sunset provisions allow Iran to build up that enrichment capability after a certain amount of time has given the Saudi's some sense that they need somehow to match their regional rival. And, in fact, Mohammed bin Salman has been very explicit about his intentions. He told CBS News that if Iran gets nuclear weapons the Kingdom will get nuclear weapons as well.

And so there's obviously a close relationship between the two, and that's one reason it's important to have a renewed nuclear bargain that makes the constraints on Iran's enrichment program more durable. Because I think that will over time reduce Saudi incentives to try to go the same route.

By the way, I think the Saudis will have a difficult time. The Saudis are in their nuclear infancy. Even if they decided to launch a full-scale effort to get an enrichment program, they couldn't do it indigenously for a generation. They would have to rely on foreign assistance and I don't see any technology holder willing to work with them in that area.

Yes, sir.

MR. LEVINE: Edward Levine, Center for Arms Control and Non-Proliferation, but speaking for myself rather than for them.

I have the sense that you may have been operating in a bubble and it worries me. The Trump Administration imposes in effect a four-year interregnum and your proposed solution is to suggest a fifteen year lengthening of all of the suspension dates. The Trump Administration pulls out and your suggestion is that democrats not say that they'll
go back in unless they get something in return. I worry that you're not thinking enough about how the Iranians will view the suggestions that you make and that really the price of any progress may be going back in and going back in with a certain amount of humility, even as we say a new agreement has to be pursued and reached.

And, indeed, the other aspects of the U.S. foreign policy may be more easily manipulated and used to our benefit without engendering an Iranian reaction than would the refusal to undo the steps that Trump has taken. And when you call upon democratic candidates to refrain from saying they will undo what Trump has done, you're really -- I hate to put it in these terms, but you're helping him.

A similar concern I guess, Vann, when I think about how the Iranians will view proposals on missiles. It isn't just the Iran-Iraq War has left a great sense that missiles are the equalizer, it's also that Iran has no Air Force to speak of. And if you were an Iranian military officer I think you would be quite loathe to give up or further limit the missile capabilities. You might well be willing to accept more legalistic barriers to increasing those capabilities, but I can't imagine that you'd be willing to go down.

Thank you.

MR. VAN DIEPEN: Well, that's exactly one of the reasons why this report includes that negotiating options are not realistic any time soon, so.

MR. EINHORN: Okay, thanks for the comment, Ed. We're at the deadline and I don't see any more -- I do see some more (laughter), but I shouldn't have made that comment -- so we'll take two more quick points.

Yes, this gentleman has been waiting, and over here. Make your points very quickly and we'll then sum up.

MR. GREENHOUSE: My name is Don Greenhouse; I'm from the Chautauqua Institution.

Just a quick more global question. Since nonproliferation has obviously failed -- India, Pakistan, Israel, et cetera, et cetera, why would Iran even consider giving up
or restricting their missiles or their technology in view of everyone else getting that?

MR. EINHORN: Thank you. And over here, the last point.

MR. BOYD: My name is Derek Boyd.

The nuclear agreement was abandoned by the United States, but all the other participants are still in there and they feel very burned by this withdrawal of the United States. I'm worried that when the United States wants to reengage in this nuclear puzzle that the others will see an intact agreement which the United States is now threatening again with a new approach. How are we going to deal with the apprehensions of the people that are still in the deal?

MR. EINHORN: Okay. I'll make a few points and I'll turn it over to the others who can address these and make any concluding remarks.

I can test your premise there that nonproliferation has failed. There are nine countries with nuclear arms today, there were nine twenty-five years ago, and so it's a pretty stable and durable nonproliferation regime.

You asked why in the world would Iran show restraint and not acquire nuclear weapons. Well, they may conclude it's not in their interest to do that, it's too risky to do that, and maybe they can achieve their national objectives without nuclear arms. And I think that's the reason that most countries have stood down, because they've calculated they don't need nuclear weapons to achieve their objectives.

How to convince these countries that the United States really means what it says, it's not going to change its mind and withdraw. You know, look, we have a burden of proof on that. We have to demonstrate through consistently and through our actions that we are committed to any new agreement that we arrive at. But, yes, there will be questions. We've pulled out of a number of agreements. We're going to withdraw from the INF Treaty. Way back in 2002 we withdrew from the ABM Treaty, not to mention the Paris Climate Accord, and so forth. It's just demonstrating convincingly that we mean what we say, but that may be difficult.
Let me turn to the others. Richard, starting with you, any concluding remarks?

MR. NEPHEW: Yes, thanks, Bob.

So I want to make one general kind of comment, and that's with regard to this question that's come up a couple of times about just going back on the JCPOA on day one. I mean, bluntly, depending on what audience we were facing, the easiest thing in the world for Bob and I to write would have been recommendation one, go back in the JCPOA on day one and try your luck at a new agreement thereafter. It would have been very direct, simple; it would have been a good applause like that would get a lot of attention.

But, look, there are a couple of problems with that. One, as we have written about before and as I have said since I was part of the negotiating team, the sunsets that were included in the JCPOA were what was necessary to get the JCPOA across the goal line. That does not mean that they were -- necessarily had been assessed by the variety of concerns that we have with respect to Iran's nuclear program and potentially the risk of regional proliferation that would be encouraged as a result of all of that.

And so it's worth noting that all of those concerns still exist and the fact that the Trump Administration made a horrible mistake by withdrawing from the JCPOA in my opinion shouldn't require U.S. policy to become fixing every mistake that Trump made or undo every mistake Trump made. We have to think a lot more strategically about what our sum total of interests are. And we will still have an interest in fixing some of the issues that were in the JCPOA, an agreement that I am proud to support, I was proud to help negotiate, and still believe was a good one. But the recommendations that we're making here today are intended to fix some of those problems.

Relatedly, we're also not suggesting -- and this is to a point that came earlier about helping Trump -- we are not suggesting that we approach this as a unilateral U.S. demand that the Iranians either agree to or we punish them, or that the Europeans agree to or we punish them. We were in fact suggesting something that is more holistic,
much more effective in terms of sanctions relief, and would provide broader reassurance for our partners and allies in the region, thus making it more durable.

And that takes me to my last point. If we were to just go back in the JCPOA and try our luck at keeping it alive for the next democratic administration, and then in 2025 find a new republican administration that was intent on fixing everything that democratic administration 2021 put in place, we would find this issue so heavily politicized and impossible to deal with, that it would be very dangerous and inimical to our strategic interests.

So I think what we've suggested here is something that tries to take a much more strategic view, it's intended to start a conversation. But I do think that we need to stop thinking about this as a mere let's undo Trump exercise, and we need to think a lot more thoughtfully about our interests, both short-term and long-term.

Thank you.

MR. EINHORN: Thank you, Richard.

Vann, any wrap up?

MR. VAN DIEPEN: Again just to thank everyone for coming, for your good questions, and thank you for taking some time to think about the Iranian missile issue.

MR. EINHORN: Suzanne?

MS. MALONEY: Just one point on how will the Iranians view all this. I hope the Iranians read the report. I know they actually read our website fairly closely and often reprint it. The reality is that, as both Bob and Richard have suggested, there will not be an option to sort of just wait until the JCPOA plays itself out, whether it's a democratic administration or whether it's a second term Trump Administration. Someone needs to begin planning now for what supplements and extends those provisions under the JCPOA, to which the Iranians obviously continue to adhere.

So we have to start planning now because otherwise we'll be faced with much less optimal choices. And the Iranians ought to appreciate that. I think they have
plenty of signaling that had the election gone different in 2016 that this simply wouldn't have been a decision to sit back and wait until the deal sunset. And they should appreciate that despite the political posturing on the campaign trail, any democratic administration that comes into office is going to be looking to undertake negotiations to ensure that Iran doesn't get any closer to a nuclear weapons capability.

MR. EINHORN: So it's left to me to thank all of you for coming, to thank my colleagues, Kate Hewitt for all you've done on this project and for organizing this meeting, Suzanne, Vann, Richard, forgetting out of your sick bed to appear on the big screen.

So thank you very much and please read the reports. (Applause)

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