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UPHEAVAL AND REPRESSION IN IRAN: WHAT'S NEXT FOR THE ISLAMIC REPUBLIC?

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Moderator:

DAVID IGNATIUS
Columnist
The Washington Post

Panelists:

MAZIAR BAHARI
Author, "Then They Came for Me"
Founder, IranWire

SUZANNE MALONEY
Senior Fellow and Deputy Director, Foreign Policy
The Brookings Institution

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P R O C E E D I N G S

MR. IGNATIUS: Ladies and gentlemen, while my fellow panelists are getting wired up, let me begin our discussion of Iran: Upheaval and Repression.

I'm David Ignatius. I'm a columnist for the Washington Post. I have visited Iran several times as a journalist and have a longstanding interest as a commentator and analyst in Iran. I'm delighted to be joined by two of the people I think understand Iran best in this country. And I'll just move from my left.

Maziar Bahari was my colleague as a Newsweek reporter in Iran. He worked for Newsweek from 1998 until June 21, 2009, when he was arrested and imprisoned in Tehran. You'll know if you've read his wonderful memoir, "Then They Came for Me," what that imprisonment was like. And if you haven't read the book, you can go see the movie because it was made into a movie by Jon Stewart called "Rosewater." If memory serves, it was the name and the unmistakable calling card of Maziar's interrogator.

In 2014, he started something that I'm sure is familiar to many people in this audience, certainly is a must read for anyone who wants to follow Iran. And that's his website called IranWire, which gathers information from Iran reporting commentary as an immensely valuable resource for all of us.

And Suzanne Maloney, who is deputy director of Foreign Policy programs here at Brookings, who has for many years been a leading America analyst of Iran. She wrote a monograph that was published by the U.S. Institute of Peace in 2008 called Iran's Long Reach. And in August 2015, published a book, Iran's Political Economy since the Revolution.

If you know anything about Iran and Iran-U.S. contacts, you know that Suzanne has played a very important role in thinking about and sometimes helping nudge along behind the scenes conversations that have been important in the story of the run-up to the JCPOA and we'll see what Suzanne wants to tell us about life since then.

So just to introduce our subject in a couple of sentences, just over a month ago, November 15, a wave of protests of unusual intensity broke out in Iran. The estimates of the people who have been killed as the regime tried to crack down range from the most recent Amnesty International figure I believe is 304 killed. The high end is a U.S. estimate of over 1,000. We'll ask our panelists for

their own thoughts about what the right estimate is, but it's clear that many hundreds of people have been killed. Probably thousands have been injured. Thousands have been arrested and imprisoned. This is a big statement by Iranians of their unhappiness of the regime and an intense and violent crackdown by the regime on its citizens.

So I want to begin by asking each of our panelists if they would just bring us up to date. Where do things stand now, December 18, more than a month after these protests began? Maziar, why don't you just give us an impression from your sources of where things are now.

MR. BAHARI: Well, thank you very much, David, for such a nice introduction. And thank you, everyone, for coming here. I'm glad that many people chose to come here about Iran rather than watching the impeachment hearings.

Many Iranians were complaining when the protests started that no one was paying attention to what was going on in Iran because people were preoccupied with the impeachment and the elections in the UK and, you know, what happened with Eric Solvo. And, you know, I'm not going to tell you what happened. Most people know that.

So what is happening right now in Iran is that people are waiting for the 40th day after the killing started, which will be the Boxing Day, 26 of December, because Iranians (inaudible) in general, they mourn their deaths 40 days after a person's death. So we are all waiting to see what will happen on the 26th of December. Many parents of those who were killed during the protests have asked the public to join them mourning for their loved ones. And it will be -- we just have to see how the regime will react.

The country is still in a state of shock because people knew that this regime was brutal. Killings have happened before November 16-17. Many people witnessed killings right after the revolution then in 1988, during the '80s in general, and their regime treated the protests with brutality in early 2018 as well.

But the level of violence, the killings, and the brutality with which they just murdered people, shooting protestors in their hearts, shooting protestors in their heads is just shocking to people. And as we speak, they are finding new bodies. There are reports that they are finding different bodies from different lakes, dams, rivers across Iran. Many of those bodies, you know, we had a report yesterday about this man, a Kurdish activist who had a bullet in his head, and his legs and his arms were

broken. The family doesn't know who killed him.

So the country is still in a state of shock and we're waiting to see what will happen on Boxing Day, the 26th day of December.

MR. IGNATIUS: And just to follow that up, I'm curious about whether you get reports of continuing protests or whether we're now in a kind of lull as we wait for the 40th day response. On a given day, a Friday, whenever, are people out protesting or are they being more careful?

MR. BAHARI: People are more careful now because 40 years after the revolution with -- it's going to be 41 years after the revolution, people have started to respect their lives much more than before.

In the beginning of the revolution, and even in the '80s, martyrdom as a sheer concept was a value, not only for the people who supported the government and the revolutionaries, but also people who opposed the government. Many people don't know that but suicide bombing may have started in Iran in the '80s. May opposition members, they basically killed themselves and different imams (inaudible) prayers and different leaders across Iran in the 1980s through suicide bombing.

So martyrdom was a concept. People wanted to die for a higher cause. But that changed, especially after the Iran-Iraq War in 1988. And people started to respect life. People started to respect their existence. And because of that you didn't see that many people resorting to violence against the government because first of all, they knew that this government is armed and is ready to use violence, but also, they started to enjoy life much more than before.

But now, as we've seen in different cities, people are just disparate. There are reports that people are just dying of, you know, the Revolutionary Guards' video unit, they released a video today showing that people in the city of Mosh are saying that we are hungry. We don't have anything to eat. We are just waiting to die. And this is something that's happening in many cities and towns across Iran.

So people are resorting to violence as well. And people, many people, they are responding to the violence perpetrated by the regime through violence, whereas in the past they tried to resort -- they tried to resist peacefully and nonviolently. Now, I think after the November protests we have entered the new phase. People still don't know what this phase will be like but it's a new phase. The government has become more militant and more violent and the people will resist more violently as well.

MR. IGNATIUS: So Suzanne, how would you set the stage in terms of describing where we are right now? And then we'll come back and look at how this started mid-November. But what's your sense of where things are now?

MS. MALONEY: I think Maziar has given a sort of great overview of the landscape in Iran today. But I think it's also important to understand a bit of the context which is that Iran has had a history of protests of people willing to go to the streets, ready to go to the streets, often over small economic grievances or personalized economic grievances, labor strikes, teachers unions coming out, people protesting difficulties in the financial situation when banks close. Things like this happen all the time in Iran and have for most of the past 40 years even during the toughest times of the Iran-Iraq War. There was still a kind of culture of political mobilization that existed in Iran, and it was within certain bounds. You had to be careful. You might risk actually being arrested or beaten. And we had seen moments where there have been much larger protests, particularly over political issues as in 2009 when more than a million people came to the streets of Tehran over a period of days. The protest went on for weeks. The unrest and the cries of death to the dictator and Allahu Akbar from the rooftops of buildings were heard for months. People continued to mobilize. And yet, we have never seen the degree of violence either used by protestors in a mass way or in terms of the government's response. And I think that's what's so important to understand. When Maziar talks about this being a sort of different moment in Iranian history, I think that's unequivocal to those of us who watch Iran closely. That this is something unlike what we have seen before in Iran.

During the 2009 upheaval, which you're probably familiar with, it was a dramatic moment in Iran. And yet, and there was certainly violence used against the people who came to the streets. But it was typically thugs on motorcycles who were trying to drive people off the streets, trying to disrupt what were largely peaceful protests.

The videos that were coming out, even in a small way while the Internet was first shut down by the regime last month, and then in a much more dramatic fashion since the Internet has been restored are like nothing I can imagine. In fact, it is far more similar to what we have seen play out in Iraq with the Shia militias shooting from rooftops, having gunmen on the streets, it's absolutely shocking, and I think that this is part of what we're seeing now in Iran is the sense of trying to make some sort of sense of

both the violence that was used by protestors, the degree of anger, the frustration that's not about one person or one faction of the Iranian political system but about the system as a whole. And then the readiness of the security forces to shoot to kill in a way that we haven't seen on a mass basis in cities around the country.

MR. IGNATIUS: So let's turn to the question that's always the mystery with social protests. Why did it happen when it did? And Maziar, just take us to that question. It's November 15. We have an increase in gas. Well, you tell the story and then help us make sense of why that led to this extraordinary explosion.

MR. BAHARI: Sure. So on the night of Friday, November 15, the government of Iran announced that it's going to increase the price of gas 50 percent for 16 gallons that's allocated for cars, for most cars. There are different allocations. Taxis and motorcycles, they have different allocations. But it's usually 33 -- it was 33 pence for 16 gallons. So that 16 gallons was increased. That allocation was increased by 50 percent, so it became about 49 cents. And then beyond that it was increased by 300 percent. Three times as much. Almost a dollar.

And you may think that one dollar even is not much. You know, in this country it's like, what, how much is it? It's $3 per gallon. In the UK it's about $5. So, but in Iran, when you think about the average salary is about $250 a month and many Iranians, they are making their living by working as couriers and cab drivers, that 300 percent increase affects their lives.

Again, we still don't know how is it going to affect the prices because it's only one month after the price increase. But I think in order to understand the situation, the Revolutionary Guards video unit, it's called Avant, they did a documentary which was released I think yesterday, and they talked to some people from the city of Mosh where many killings happened. And people were killed by tanks and heavy machine guns.

So let's watch the video and then I will provide some context for the video which I heard just about one hour ago. So let's watch this video.

(Video played)

MR. BAHARI: IRGC has started TV and film units since about 10-15 years ago and they've become really active in the past few years. They have field units that make very expensive multi-

million dollar animations, television series, as well as these kind of documentaries.

But what is interesting about this documentary according to a friend of mine who called me about one hour ago from Iran is that the person, the reporter that you see in this video, he is very close to the Quds Force, Qasem Soleimani, and he's also someone who has been to Syria many times and praised Iranian involvement in Syria. As they call it, the saviors of the Haram.

So according to this friend, who is an astute IRGC watcher and media analyst, this video is part of the plan that the IRGC is trying to perpetrate to promote that Iran needs a savior. That many governments, especially Rouhani government, because of its inept and inefficient policies, has created such poverty, such bad economic conditions. And Iran needs a strong man in order to save it. I'm sure we've heard it in other countries before as well. And that person is no one but Qasem Soleimani, of course, who is being portrayed like a saint in IRGC media. Or part of the IRGC media, of course.

But what I think they are doing is going to backfire. It's going to be counterproductive because not only me, but many Iranians, when this guy is talking about authorities, we don't think of authorities as Rouhani's government and Rouhani's cabinet. We are thinking about the Islamic Republic.

So to many Iranians, this video is really a critique of 40 years of mismanagement, 40 years of corruption that has led to this point. And we have so many, I mean, Iranians are masters of poetry. You hear so many beautiful metaphors here that this guy says each river has a capacity. This river, Iran just over floats and led to this flood. And people say that we can accept poverty. We can accept unemployment. But we cannot accept discrimination. And that's what many Iranians, they believe that what happened in November is part of this universal protest that is happening in Chile, in Iraq, in Hong Kong by systems of different countries for their rights as citizens. They do not want to be neglected. They want their rights as citizens of the country to be recognized.

MR. IGNATIUS: Suzanne, do you pick up any echoes in your reporting and discussions that would support this fascinating idea that the IRGC is trying to get out ahead of popular anger by saying, you know, it's those authorities who are to blame. Do you pick up similar notes?

MS. MALONEY: Well, I think, you know, this is part of a broader history in Iran of the regime really effectively propagandizing to its own population. We spend a lot of time here in Washington thinking about Iran's export of the revolution around the region but in fact, part and parcel of the system

since 1979 has been a constant effort both to repress but also to persuade the population to try to make their case for sustaining a system that fundamentally doesn't carry the same degree of support that it does today. Most of the Iranian population is too young to remember the revolution. Most of the population, in fact, is now too young to really remember the war, the first decade of the revolution. And so you have this set of circumstances in which the regime really needs to constantly refresh this sense of the revolutionary values, the Islamic values to a population who have completely different cultural and political references and priorities. And so they become quite effective as it. As Maziar said, they've got a massive Revolutionary Guard propaganda shop that produces blockbuster movies, as well as the kind of art movies that you sometimes see come out of Iran and make it onto the festival circuit. But I think ultimately the question is can they actually overcome this sense of deep alienation which has been building, particularly among those Iranians. It's a very well-educated population. The post-revolutionary system invested in a lot of the infrastructure for the Baby Boom that has now come of age. But these people just don't have jobs and they don't see a future set of opportunities for them.

MR. IGNATIUS: That passionate man -- I'm a university graduate and I'm unemployed.

So let me turn to the question of the American, the Trump administration's role in creating the economic conditions that exploded on November 15. And Maziar, let me ask you to start. The Trump administration since 2018 has had its campaign of maximum pressure and it's been pretty devastating in terms of anything you can measure. Certainly, Iranian oil exports and revenues. Sometimes listening to Trump administration officials talk about these events you hear the kind of undertone. This is just what we thought would happen. This is just what we wanted to happen. This is a corrupt regime, and the people facing hardship. What about that? Is this a "Made in USA" economic crisis or is it something much deeper?

MR. BAHARI: No, I don't think it's a "Made in the USA" crisis. To start with, I don't think that Iran was enjoying such a good economic situation before the maximum pressure campaign started. And also, the maximum pressure campaign is effective because of the corruption in the system. Because of the IRGC's presence in different sectors of the Iranian economy, industry, and culture, everything.

Can we show that infographic about IRGC?

When you look at -- when you think of IRGC and why it was created in the beginning of

the revolution, it came from the idea that Iran needed a revolutionary army in order to preserve the system, in order to fight, to be loyal to the revolution. And IRGC by the way does not have the word “Iran” in its name. It’s Islamic Revolutionary Guard Corp. So there’s nothing about Iran in the name.

But eventually, IRGC became this hegemon that you see behind me. That it has -- I’m sorry, you don’t see anything yet. You can go to the website.

So you have financial institutions, you have universities, you have different industries. So IRGC is really the biggest industrial institution in Iran. It has many banks. It owns many factories. It owns many universities and hospitals.

So when the U.S. designated IRGC a foreign terrorist organization, that meant that millions of ordinary Iranians were affected by that designation. So imagine you’re working in a bank as an accountant. You’re working in a university as a teacher or a janitor. IRGC takes over that university or buys a majority share in that institution. All of a sudden you become a part of the IRGC and you become terrorists. And because of that, millions of Iranians are affected by it.

In terms of the import of medicine in Iran, one of the main financial institutions in Iran that provides letters of credit to importers of medicine, Parthenon Bank is majority owned by the IRGC. Not directly by IRGC, by different institutions within IRGC. So Parthenon Bank was affected by that designation and because of that it cannot import any medicine. It cannot give letters of credit for import of medicine.

So because of this corruption within the system, because of this omnipresence of IRGC and (inaudible) these foundations that Suzanne has written a lot about, in the Iranian economy, in the Iranian system, this maximum pressure campaign has become really effective.

I mean, it’s not the exact analogy but I saw you this morning talking about narcos, and I think when you think about these drug lords in different countries -- Mexico and Colombia -- they own charities. They own hospitals. And sometimes, you know, the schools run by these drug lords or the hospitals run by drug lords in Colombia or Mexico, they’re much better run than the government’s hospitals and schools.

So if that drug lord is arrested or subjected to sanction, that’s going to affect that hospital and that university. Similar things are happening to (inaudible).

MR. IGNATIUS: They're not blaming the United States as the architect of their misery but they're blaming the regime, which is precisely what the administration was hoping.

MR. BAHARI: It's because independent journalists cannot work in Iran because we cannot do independent service in Iran. I'm not sure how many people blame the U.S., how many people blame the Iranian government. But I don't think that this administration, the U.S. administration has done a very good job in talking about the sanctions because, for example, medicine and humanitarian goods are examples from the sanctions. But there are two issues. One is that when you have these sanctions and the sanctions are -- news of sanctions are repeated in the media, this makes the financial institutions, I don't know, HSBC, Barclays, and different banks, more conservative. So they don't give letters of credit or they don't help Iranian financial institutions within Iran to import humanitarian goods or medicine. And the American government, people in the Treasury don't go to these financial institutions and explain, don't explain the situation that, no, this is an example.

For Barclays or HSBC, the most expedient thing to do is just to impose sanctions on everything. Even us. Because we have a site called IranWire, we are harassed by the banks even though we have no one working in Iran, even though we are very critical of the Iranian government, our bank, Barclays in London and here, they keep on asking us about our transaction. Why? Because we have Iran in IranWire. Even Justice for Iran, which is a human rights organization fighting against the Iran government is harassed because it has Iran in its name.

But the Iranian government is also using the sanctions in order to cover its inefficiencies and mismanagement and blame the U.S. for all the miseries.

MR. IGNATIUS: Suzanne, how would you assess the American Trump administration maximum pressure campaign in terms of its desired intention to target the IRGC in particular but regime elements without alienating the population as a whole? How would you assess the effectiveness of that?

MS. MALONEY: I think overall the U.S. strategy has been very effective at compounding the structural economic problems that have existed in Iran really since the earliest days of the revolution, that no government has managed to really make progress on addressing in a consistent and durable fashion over the course of the past 40 years. So as Maziar said, these sanctions have been effective in part because of the dysfunction within the Iranian economy. They have been more effective in creating

that economic pain than many here in Washington, particularly those of us who supported the nuclear diplomacy presumed. I think there was a lot of uncertainty even here in this town even by those who supported the administration's strategy about how a "go it alone" approach would work because the last time we saw this level of economic pressure applied to Iran it was, in fact, with the consensus and support and additional mechanisms applied by the European Union, a number of governments including the UK and Japan and elsewhere around the world. And this time it was just the Trump administration. And these measures were imposed really over the objections of all of our partners and allies, and so there was some uncertainty about how companies and firms and individuals would abide by them or not. And we saw very quickly that there was a rush to the exits in part, again, because of the unappealing environment for foreign trade and business that Iran presents. You don't know who you're dealing with. There's a lot of regulatory hassles and there's a lot of concern about running afoul of even -- even during the period where the sanctions were lifted after the nuclear deal or suspended. There was a lot of concern about running afoul because you just didn't know precisely who might own the firm that you were dealing with.

And so in terms of imposing economic pain, the sanctions have been wildly effective. To the extent that they have driven a strategy, I think that's where we raise some questions. There is at least some readiness on both sides to engage diplomatically, but because the United States has articulated such a broad-based set of objectives for this maximum pressure strategy, and because it's unclear what, in fact, the Iranians are prepared to give, what we have now done is essentially incentivize Iranians to begin escalating around the region, escalating in terms of their own noncompliance with the nuclear deal. And I think there's a lot of uncertainty about how that ends because for the Iranians, there's a lot of urgency to try to get out from under this pressure for a variety of reasons, but largely just for the persistence and existence of the regime. At a certain point, this level of economic hardship among the population, this readiness to go to the streets and protest in a really violent way is going to be something that's going to be hard to sustain.

And so I think the Iranian leadership would like to find some kind of "get out of jail free" card. But it's not clear how to get that from the Trump administration. And so what they've been doing is to try to galvanize diplomatic urgency around the world by striking out in the region, by beginning to step

away from the nuclear deal, and I think we are now in a process where the Iranians are really dictating the timetable on this which is a bit unfortunate.

MR. IGNATIUS: Let's spend just a little bit more time on that and roll the videotape back to the spring. Late April, early May. My sources for my reporting of my column described a change of strategy on the part of the Iranian leadership who had believed that they could ride out the maximum pressure campaign from the Trump administration perhaps because Trump would be defeated in November 2020. Perhaps because European governments would find some escape hatch. They thought that we can ride this out. And in early May, maybe, a different judgment was reached. And then we saw the Iranians begin to provoke, trying to create pain for Gulf countries. Try to make it difficult for them to export oil. A series of tanker incidents. The most serious was the coordinated Iranian attack on the Saudi refinery at Abqaiq, for which the Saudis had no defense. And interestingly, for which we and the Saudis had no military retaliation.

So the question I'd ask each of you is in terms of that dimension of the crisis, Iran seeking to raise the pain level for the West, where are we, and what would your judgment be about whether they're prepared to escalate further given that there hasn't been any military retaliation that we know of yet?

MR. BAHARI: Well, Iran knows that the U.S. is playing in its own backyard and it's Iran's backyard. So they feel that they have the upper hand. And they are following the U.S. politics. They know that Trump was very critical of the past wars in the Middle East. That he was very critical of the invasion of Iraq. So they know that, or they thought that -- they'd been thinking that the U.S. is not going to retaliate as much as before against Iran's military movements in the region.

And also, Iran has been strengthening its military status in the region, in Afghanistan, of course, after the fall of the Taliban in Iraq, after the fall of Saddam Hussein. In Syria, they created Hezbollah in the early '80s, which they regard as part of the Revolutionary Guard. And they have the new allies in the Hutus, which this alliance was started maybe about 10 years ago.

And with the rise of ISIS, they know that the U.S. is vulnerable in the region and that the U.S. needs a certain level of cooperation from Iran in order to contain ISIS. So they've been using that. They've been using that. They are strengthening their position in Iraq with this on and off alliance with

Muqtada Sadr and creation of Hashd Shaabi. And in Syria, they are trying to expand their presence. And they are also waiting and they have been waiting since maybe around 2003 when -- around the time of the invasion of Iraq for an imminent U.S. attack.

When I was in Iran after the invasion of Iraq, I remember my friends at Iranian State Television, radio and television, they were telling me that different parts of the Iranian State Television, in each province of Iran, they were creating their own independent station. In case the central headquarters in Tehran falls, they can carry out the propaganda in different provinces.

So right now, all 31 provinces of Iran, they have their own state television, and they also, in that infographic you can see that in each of those states they have -- IRGC has its own branches of economic activities, power alleviation activities in order to survive, you know, an American attack. So they are ready both inside Iran and outside Iran for an attack.

I think the best policy for the American government and its allies, but especially for the American government is to have zero tolerance for Iranian military attacks outside of Iran. Because if Iranian military intervention in the region is tolerated, then it will embolden the regime inside of Iran. And that, in turn, will lead to more human rights abuses, more brutality by the regime. The regime should know that it has to pay a price. If it attacks a tanker in the Persian Gulf, it is going to pay a price. If it kills an American soldier or attacks American allies in Iraq, it is going to pay a price.

MR. IGNATIUS: So I just note that we will be coming to the audience for your questions in 10 minutes or so, so please be thinking about what you want to ask our panel.

Suzanne, let me ask you to give us your judgment about the question of whether additional Iranian provocations or escalations are likely in this continuing stalemate where the regime is under pressure, looking for some way to increase pain for the other side. I note that there have been -- I'm quoting Al-Jazeera here -- since October 28, 10 rocket attacks in Iraq that are near U.S. troops or facilities, and that Secretary of Defense Esper said on Monday after one of these attacks that he was concerned about the optics of strikes from presumably Iranian proxies that were near U.S. personnel or material. It sounds like not quite a red line but certainly a warning.

What's your judgment about what the Iranians do next in terms of their tactics?

MS. MALONEY: Well, I think we've seen the sort of careful, prudent, precise escalation

as you said that really began in May. It was quite a shift from the year or so that the Iranians sat tight to wait and see whether the sanctions would be effective or whether or not the Trump administration might go off and do something else. But since May there has been, you know, these attacks in the Gulf. There have been attacks on facilities that were set up as contingency measures by the various states of the Gulf to ensure they could export their oil even if the Iranians tried to close the Strait of Hormuz. There have been the attack, of course, on Abqaiq. All of this has been done in a way by the Iranians and I think it is quite interesting. There have been no civilian casualties. There have been no significant environmental damage. There has been no damage to the economic facilities that hasn't been relatively easily repairable. And that even includes Abqaiq, which clearly they could have raised the entire compound, which would have knocked out significant volumes of oil from global markets for a long time. But what they chose to do was to pinprick attack a number of facilities in a way that the Saudis could repair but could also understand that the Iranians had the ability to carry out a highly sophisticated attack.

This has all succeeded I think from the Iranian perspective. They've gotten, you know, a variety of new initiatives on the table from the Japanese, from the French. There are interlockers working across the board. The number of Gulf states, the Swiss, everyone trying to inject some possibility of a resolution. The Trump administration has, in fact, gone public. The president on a number of occasions saying he'd love to sit across the table. We know, of course, of this effort during the United Nations General Assembly to, in fact, broker a meeting with President Rouhani, which fell short.

But I think it's quite clear from the Iranian side that what they've been able to do is to produce more diplomacy to create some new opportunities, to begin to apparently persuade some of their adversaries in the Gulf, the Emirates and the Saudis, in particular, to begin to back off a little bit of their hostility. That's all gravy. That's all upside. But what they haven't done is actually get access to their cash. And that's what they need.

And so what I see is Maziar said, this is a regime that's now emboldened but also unsatisfied. And from that calculation I think that and the fact that there has been no significant retaliation on the part of the Trump administration and that President Trump has been quite clear about his aversion to doing so. He actually live tweeted his decision to pull back a retaliatory strike back in July. So, you know, from my perspective, all of this leads to the presumption that we will see more attacks from Iran.

They may be more of the same, attacks on facilities and installations that are of economic importance both to the Gulf States, as well as to the broader global economy. But they may look to strike elsewhere simply because they've gotten what they need out of the Gulf and that they may now be looking to drive home the message that this isn't all they can do. They have capabilities across the region. As Maziar suggested, there, as you well know, they have allies and proxies across the region. And I think we have to be prepared for the next strike because it will be coming.

MR. IGNATIUS: Just, Suzanne, to follow up with you on this because you're really one of the world's experts on this diplomacy. Is there any formula that you can imagine being viable that through the Europeans presumably would satisfy Iran's desire to have cash, have some liquidity, and in that sense, economy relief that the Trump administration could describe as holding fast or success? You know, there's no way that in an election year Donald Trump is either, (a) going to go to war, in my judgment; or (b) appear to be conceding to Iranian demands. So is there something that you can see or hear whispers about that might satisfy those conditions?

MS. MALONEY: I don't think we've quite found the right formula but I think something that looked like the interim nuclear deal, the joint plan of action which isn't permanent, which doesn't provide the Iranians with full-fledged access to all of their cash, but at least provides some opening for negotiations, could be tolerable from at least some within the administration. Certainly, would be appealing from the Iranian point of view. The difficulty is that the most ardent advocate of diplomacy in Washington, or east least within this administration, is the President himself. And the President himself doesn't care about the details. What he cares about is the opportunity to grandstand at a photo op. And I think that's the one thing that we can almost ensure that the Iranians won't give because really, you know, we have now waited 40 years. It has been 40 years since an Iranian at a leadership level, I mean, above foreign minister level, has met with an American counterpart. That meeting was with the then-provisional Prime Minister Mehdi Bazargan, who met with the national security advisors, Zbig Brzezinski in Algiers in October of 1979. And we all know what happens a couple of weeks later. It was part of precipitant for the seizure of the U.S. Embassy. That memory lives long. The aversion to kind of legitimizing, just as we talk here in Washington about not wanting to legitimate the regime, they have their own sort of need to avoid that kind of direct face-to-face contact. And it would be I think a historic concession on the part of

the Iranians and they would be looking for a historic return from making such a concession. And I think the president has no incentive to do that in an election year. He can go to his base and say that he's done what he promised to do, which was walk away from the deal, impose pressure on Iran. It's had absolutely no blowback on the U.S. economy. And so he doesn't really need to do anything until and unless there's a threat of a war. And I think that's again why we're likely to see the Iranians push the envelope because they recognize that's the one thing that this administration is sensitive to.

MR. BAHARI: And it's not going to be acceptable to Khamenei either, because Khamenei is 80 now and he's thinking about like any other aging leader, he's thinking about his legacy. As you remember, Francois Mitterrand in France, he built those pyramids outside of the Louvre and, you know, he invested in Tejeva. And Khamenei is also thinking about his legacy. And his legacy, he doesn't want his legacy to be taking a picture with Trump.

So he is thinking about --

MR. IGNATIUS: He also doesn't want to be a country in flames.

MR. BAHARI: Well, I think if Khamenei had a choice between taking -- unfortunately, if he had a choice between taking a picture with Trump or a country in flames, he would choose a country in flames because for him the optics is much more important than the reality. And unfortunately, this government has proven time and again that it does not respect the lives of its citizens. Why Khamenei is like any other leader again, does not want to kill his citizens. He doesn't want the citizens to be miserable. You know? But when push comes to shove and it's a choice between his survival or people living miserably and getting killed, of course he chooses people living miserably.

MR. IGNATIUS: So that sets up my last question before we turn to the audience. And that is, it's often said by Iran observers that in the end, the fundamental breakthrough that we're talking about that normalizes relationships would provide a reliable check against Iran's nuclear program really isn't conceivable while Khamenei is alive. So people then argue that the center of wise policy for the United States should be to prepare for the post-Khamenei transition.

And let me just ask each of you to think a little bit about that out loud with us. What would sensible policies be? What are the pressure points in competing political dynamics going to be in Iran as people move towards this moment of change?

Maziar?

MR. BAHARI: Do you mean for the American administration?

MR. IGNATIUS: Yes. In other words, just thinking now about -- well, first, what do you see happening in Iran as we move toward that point? And then given that, what's good policy for the U.S.?

MR. BAHARI: It is very difficult to know what is going to happen in Iran because many regime supporters and many regime apologists, they are talking about Syrianization of Iran. Meaning that if this regime falls, Iran will become a failed state like Syria. But at the same time what we see in Iran is that this government, especially what happened during the protests, that this government as a whole -- I'm trying not to use the word "regime" because it's a very simple way of putting everything together and creates and say that this Iranian government establishment is a monolith. It is not a monolith. There are many different groups within the regime but they call themselves Regime Nizam. So it is a regime.

So this regime as a whole, whether they are reformists, whether they are conservatives, whether they are pragmatists, what we have seen during the November 2019 protests is that the regime, different parts of the regime come together and they are trying to protect the regime as a whole.

So the IRGC kills a certain group of people in different parts of Iran. The Ministry of Intelligence, which is run by President Rouhani, who is supposedly a pragmatist is arresting a number of activist students and putting pressure on different political groups. And the reformists are cheering for them and except for a few of them, they are quite silent about what is happening in Iran.

So with that scenario, it is very difficult to know what will happen if Khamenei dies tomorrow, next year, whenever. For many people within the IRGC, Khamenei is the last Supreme Leader. Whereas, Khamenei in the beginning of his reign, after he became the Supreme Leader in 1989, he chose to ally himself with the intelligence officers and Minister of Intelligence and the Revolutionary Guards as his allies. Right now he sees his survival in being an ally of them. So they are really running the show. Khamenei is somehow listening to them as much as they are listening to him. So after his demise, maybe the Revolutionary Guard, they try to overtake the government and create a military regime and we'll see that most probably the next speaker of the Iranian Parliament will be a former Revolutionary Guard commander, Ghalibaf, who was the mayor of Tehran. So that is one scenario.

But of course, in many cases these regimes fall and there will be a replacement. You know, an opposition group can replace them. Who that opposition group can be, again, we don't know. Many people in Iran, they are supporting Reza Pahlavi, the son of the shah. We, again, don't know how many people support him. But from the videos that we are receiving from Iran, from the slogans that people are chanting in Iran, we see that he has a sizeable support in the country. So whether there is room for him in the future of Iran, again, it's unknown. It's one of those multi-billion dollar questions that you're asking.

MR. IGNATIUS: Suzanne, any thoughts about post-Khamenei Iran?

MS. MALONEY: Well, I think we're already seeing an intense jockeying around the succession process and the parliamentary elections that will take place in February, the presidential elections that will take place next year are all part of this jockeying for influence. I don't think it's so much about who gets the nod as the successor right now appears strongly, and of course, this is Iran. Predictions have an almost infinitesimally short half-life. But the most likely candidate is Ebrahim Raisi, who ran against Rouhani in the last presidential election. He's now head of the Judiciary in Iran. He seems to be being set up in a very direct and public way to be the point person, the next Supreme Leader.

But of course, as important as the Supreme Leader is, everyone who surrounds him, the making of the Supreme Leader, the structure of his office, his control of the system is equally important. There were massive changes that went into the preparation and then the aftermath of Khamenei's succession, the only time that this has ever been done in 1989. And I expect that there already is quite a bit of kind of maneuvering around who would be in the position to influence the shape of the post-Khamenei order.

And I think it's no longer just about the who. I actually wrote this months about, back in February, it's very much about the what. You know, how does this happen? What does it look like? The Islamic Republic post-1989 in structural ways is quite different than the way that the system was run by Khomeini, the original Supreme Leader. And I think we have to assume there will be significant differences that come over time. And more importantly, this is just a political moment of opportunity for entrepreneurs within the system, for people on the street, for whomever it is that has been helping to

galvanize what's happening in terms of popular frustration. And this is a population that is literate, connected. You know, twice as many SIM cards as citizens in Iran the last time I looked at the statistics. People are engaged and knowledgeable, and they've had a lot of experience with political competition within very narrow bounds and they're interested in expanding those bounds.

I think the United States will have almost no direct or constructive role to play. We didn't do in 1979, even at a time when we had hundreds of thousands of Americans in Iran and many Iranians here at the time, our ability to influence the shape of the order post-Khamenei is fairly minimal. The one thing that we can and should do at every point in time is simply to remove this visa ban that was imposed by the Trump administration which has no possible reasonable argument in favor of it and hurts Iranian human rights activists more than anyone else.

MR. BAHARI: One thing that we have to remember about the Iranian government is that it's been losing its legitimacy as theocracy has been eroding for the past decade or so. Khamenei was not a high-ranking ayatollah. He was not even an ayatollah when he became the Supreme Leader. So, but still he had some revolutionary background. He had some relationship with the ayatollahs and grand ayatollahs, so he has had some legitimacy. And he's been trying to create some alliance within the houses as they call the different grand ayatollahs.

His successor, if it's Raisi, has no connection whatsoever with those grand ayatollahs. So the regime has been transforming from a theocracy into a quasi-military definition. And when Khamenei -- if Khamenei dies, that process I think is going to be expedited and the regime comes more of a military regime rather than a theocracy.

MR. IGNATIUS: So let's go to the audience. Let me ask you, please, to identify yourselves. There's a microphone that will come to you. Keep your questions short, please. Make sure they really are questions.

Yes, the gentleman in the third row.

QUESTIONER: Thank you. Piotr from SAIS (inaudible) Amnesty.

Yes. So I was at a talk in May at the Atlantic Council and it was just after the Gulf escalation. And I spoke to -- I asked the question to General James Cartwright about the idea of U.S. ground strategy towards Iran in particular, but the Middle East. And while I personally don't think a zero

tolerance policy is perhaps the best idea, the U.K. did it when they seized the tanker in Gibraltar and that didn't really amount to much. And General Cartwright emphasized the idea that we need to actually not use a strategy of isolation and scrutiny but more of a reintegration of Iran over a longer term.

And my question is, how much do you agree with that? Particularly, how much of that might come around if we have a change of administration in the United States? Thank you.

MR. BAHARI: Well, I think what happened in Gibraltar was somehow maybe half baked. And as our friend John Lambert, who was a hostage in Iran says, Iran does not respond to pressure but it responds to a lot of pressure.

I believe that there should be no tolerance of Iranian attack and Iranian interference in other countries in the region. And I believe that -- I heard about what you said yesterday in the British media. I think that's a different European approach to Iran's military presence than the American one. But the Europeans really do not matter as much in this equilibrium. I think it's Iran versus the U.S. and it's either -- in that region you either have to be on Team America or you have to be on Team Iran. There is no Team France or Team UK. There's Team America and there's Team Iran.

And I think for Americans, they have to really defend Team America because otherwise it is going to embolden the regime within Iran. And that is the mentality that they have. And they're trying to push it. And, you know, I personally supported the JCPOA at that time because it was a good deal to contain Iran's nuclear program. But I always told people that it's not a panacea. That Iran is not going to transform into a democracy or it's not going to prosper because of this. And you know, the people who prospered from JCPOA money was really people within the regime, the IRGC, the Bonyads, and people within the regime. And people in general, ordinary Iranians, did not benefit from that.

MR. IGNATIUS: Suzanne, any thoughts you want to add?

Okay. So the gentleman. Yes.

MR. HUMPHREY: I'm Peter Humphrey, an intelligence analyst and a former diplomat.

So Iran increases the U235 enrichment by almost a point and not the smallest sanctions snapped back. It's very easy for me to imagine an increase to 5.5 percent enrichment. To slice the salami even further, with yet another absence of snapback sanctions.

So I want to ask, what is the red line on the European sanctions? Or can they continue

to slice the salami forever? Or was the snapback concept just baloney from the outset?

MR. IGNATIUS: Okay. Suzanne can answer that.

MS. MALONEY: I don't think the snapback concept was baloney from the outset. I think it was meaningful as long as the United States was part of the deal. But the difficult predicament that the Europeans have been in since May of 2018 is that they're trying to maintain some degree of compliance and some degree of viability for the JCPOA and maintain the relationships with both countries. And it's I think increasingly tenuous their ability to do so.

They don't want to snap back. They're prepared to do it under certain circumstances. I don't think you'll ever get a sort of public redline from them because they know if they articulate it, the Iranians will immediately exceed it. But they are still, I think, holding on to this, what I think is an increasingly chimerical notion that the JCPOA can -- we can all revert to status quo ante. I don't think that's true any longer, and this is not because I wish that were the case. I wish it were not the case. I wish, in fact, that we at least had that intact as a mechanism for containing Iran's nuclear activities so that we could address all the other issues.

But unfortunately, I think even if we see a democrat elected here in Washington, one of the many who has pledged to revert to the JCPOA come January 2021, we won't have that happen because we will have all these other issues of Iran's activities around the region and because the Iranians will have begun to slice so far at their own obligations, away from their own obligations that the deal itself will be meaningless. We will have to start a new negotiation with the Iranians at that time to get to a bigger, better deal, one that perhaps addresses some of the deficiencies in the JCPOA. One that at least has a nod to some of the other issues, the regional concerns which were part of the fuel for the fire against the JCPOA in this country. I think we have a very large and difficult diplomatic burden to bear even if there is a president who is willing to undertake it, and we've done almost none of the prep work for that whatsoever. It is a shocking dereliction on the part of the United States, both people in and out of government, but also on the part of the Europeans because they have invested so much in this nuclear agreement and they can't begin to walk away from the idea. They can't begin to conceptualize the sense that that investment is essentially a sunk cost and they're going to have to find a new vehicle for addressing the concerns about Iran.

MR. IGNATIUS: Fascinating.

The gentleman in the fourth row. And then, sir, back there in the second to last row.

MR. ABED: Thank you. George Abed, the Institute of National Finance.

I have a question on the militias that have been set up by Iran neighboring countries. And which are, by the way, at the center of concern for the U.S. Administration and potentially for the stability of the region as a whole. It turns out that not only has the so-called revolutionary regime in Iran oppressed its own citizens, but also in the recent uprising in Lebanon and Iraq, the militia that had been set up by Iran sided with the corrupt regimes against actually many of their own people, their own Shias who are demonstrating. And this was reflected in the chants against Iran and Iraq itself and the burning of the consulate in Najaf, I believe.

Now, my question is, what would be the reaction of Qasem Soleimani and the IRGC to this kind of demise of their so-called image as a revolutionary force to becoming an oppressive force? Will they double down on their investment in Hezbollah and the Shiites, Hashd Shaabi in Iraq and in Syria, or will they begin to withdraw and focus on Iran itself?

MR. BAHARI: Well, I think we have to differentiate between different militias, different groups that have been set up by Iran. Hezbollah is different from Hashd Shaabi, Hashd Shaabi is different from Iran's alliance with the Badr Brigade or with Muqtada Sadr. So these are all very different concepts. They have different organizations.

With Hezbollah particularly, Iran, I think, emulated what the Israelis have been doing for many years since, you know, when (inaudible) was talking about the periphery countries, that we have to have alliances with the periphery countries that are next to our enemies. And friendship with Iran, Ethiopia, et cetera.

Iran has been trying to push the war away from its borders and created Hezbollah on the border of Israel. And Hezbollah is not, I mean, it's a new organization but the members of Hezbollah and the leadership of Hezbollah, they've had decades of relationships with people, with ayatollahs in Iran, with different authorities in Iran. So with Hezbollah, it's very difficult to say that Iran changes its position and it's going to support Hezbollah. Hezbollah is doing very similar things to people within Hezbollah territories that the Iranian government is doing in Iran.

We sent a reporter to Beirut recently, and I know that (inaudible) went to Beirut recently and our reporter was saying that people in Hezbollah territories, they do not have access to media outside of Hezbollah. Hezbollah is jamming transmission of television channels from other channels. Hezbollah is blocking different sites within those areas. So one part of the civil rights activists in Beirut is to get the right information to people within those Hezbollah territories.

In terms of Hashd Shaabi and in terms of what is happening in Iraq is that they have been supporting a very corrupt, unaccountable government from the beginning. And as this gentleman said in the video that, you know, the river has a capacity and the river can overflow. And what we saw in Najaf and what we saw in Karbala and Nasiriya was that flood that was caused by supporting a very small clique of Iranian allies since 2003-2004. And I don't know whether the U.S. allies (inaudible) would be much cleaner and more accountable than the people who are in power in Iran and Iraq right now but these people, they have proven to be as corrupt as they can get. And because of that, I think people are manifesting part of their anger at least, you know, projecting part of their anger against Iran.

In Iran, Iran does not have, except for the Badr Brigade and part of the Badr Brigade does not have real allegiance to one group or another. And as you can see with Muqtada al-Sadr, Muqtada al-Sadr sometimes comes to Iran and sits right next to Khamenei. Sometimes he insults Iran when he goes back to Iraq. He's very critical of the Iran regime. And Muqtada al-Sadr's family traditionally have been very much against Iran's main ally, the Hakim family in Iraq. So that is different.

Sorry, my answers are just adding more conflicts.

MR. IGNATIUS: Oh, they're great.

MR. BAHARI: Confusion to the situation. Unfortunately, it's like explaining soap operas to people. Who is sleeping with who? Who is married to who? Who's dating, you know, who's the son of incest or whatever. It is like that in Iran.

MR. IGNATIUS: The nicest thing that was ever said about Middle East analysis.

So the gentleman in the next to the last row.

MR. COLBERT: Stanley Colbert.

Following up on that, the Israeli defense minister has just said, "Syria is becoming Iran's Vietnam. We will increase the pressure."

In 1967, Israel struck first. It worked really well. If that were to happen again, what would be the consequences? How do you think that would play out?

MR. IGNATIUS: Suzanne?

MS. MALONEY: Well, the Israelis have been striking Iranian positions in Syria for several years with, I think, considerable effect. We've seen possible Israeli strikes in other countries as well. So I think what we see is a readiness and a willingness on the part of the Israelis to continue to maintain deterrence with Iran with respect to the homeland. And that message has been received but the Iranians are also quite creative. Qasem Soleimani is quite creative and determined to move technology. Not just armaments, not just militias, not just money, but actually create indigenous opportunities and installations for production of missiles across the region. And that's going to be I think a long-term challenge that the Israelis are going to have to continue to deal with.

MR. IGNATIUS: I just would add one comment of my own if I might. I'm struck by the really tripartite Israeli objective in their continuing actions in Syria. One, obviously, to check Iran to attack Iranian facilities, to hit any attempt to provide weaponry that would upgrade Hezbollah's capabilities.

Secondly, they're clearly trying to send a message to Moscow. The intensity, the breadth of Israeli diplomacy with Russia is something I think people don't understand. But it's really an important factor.

And then third, obviously, they're trying to send a message to Bashar al-Assad. If you allow Iran to continue with the freedom of maneuver that it now has, you're going to pay the price because we're going to keep attacking. So I think those three goals.

So yes? Yes, sir. And then you, sir.

MR. SEITZ: So both of you mentioned -- sorry, John Seitz from UCSIS.

Both of you mentioned that Iran now is in a new phase where violence has become much increased. Do you see that there's any chance that Iran might become Syria or anything similar to that if the violence spirals?

MR. BAHARI: Well, as I mentioned, that is the fear that the government, the regime tries to propagate that if the regime falls, Iran can become a failed state like Syria. Many supporters of the regime on social media and inside Iran they are saying that the people who are talking about regime

change in Iran or the downfall of this regime, they want a similar scenario as Syria, as Libya, and Iraq -- and Iraq for Iran.

But at the same time we see that the Iranian government itself is doing very similar things that the Syrian regime has been doing since 2011 and similar things that the Iranians helped the Assad regime do in Syria since 2011-2012.

And unfortunately, many people in Iran after seeing all the killings and shootings, they think that Iranians, they have rehearsed really well in Syria and now they are doing similar things in Iran.

So Syrianization of Iran is a fear that both the regime tries to perpetrate. But at the same time as they have proven when push comes to shove, they may want to go the way of Syria instead of listening to people and instead of allowing the reform of the system.

MR. IGNATIUS: Let's take a last question from this gentleman here, please.

MR. PERONNA: Phil Peronna. I'm retired from the State Department. Two questions.

One, if the U.S. and Israel struck Iran militarily, what would be the response, the popular response? Would the people rise up and rally to the government or would they use this as an opportunity to topple it?

Second question. Does China's western expansion into central and western Asia offer any prospect for economic relief for Iran?

MR. IGNATIUS: Two good questions. Which -- Maziar, do you want to tackle the first and Suzanne, the second?

MR. BAHARI: In terms of, yeah, yeah, the first question, Iranians have proven throughout their history that when it comes to their own disparates and their own authoritarian ruler and a foreign invader, they will side with the disparates. So that is something that everyone has to bear in mind. But again, it depends on the kind of attack. It depends on the causalities in the attack.

It depends on where they're going to it, what kind of -- a war has been going on. I mean, a hidden war has been going on between Iran and the U.S. and Israel when you hear about Stuxnet and about different attacks against Iran's cyberinfrastructure. So it depends on the attack.

But if you're talking about a classic military attack, I think people would side with the regime because people do not want a foreign invader in their country. It's a simple as that.

MR. IGNATIUS: Suzanne?

MS. MALONEY: Real quickly. I think that's a highly unlikely scenario. The shadow wars that Maziar mentioned are ongoing and, in fact, quite likely. But conventional assaults, invasion of any kind or air campaign against Iran I think is highly, highly unlikely. We spend a lot -- too much time I think here in Washington talking about it as either a possibility or a threat.

In terms of China, China is a player but the Iranians have seen in very explicit ways that the Chinese won't jeopardize their priorities and interests with Washington in order to gain any access or ground or diplomatic leverage with Iran. So it's certainly a relationship that has mattered since the '80s and has grown significantly but it is not going to be the salvation of the system under American economic pressure.

MR. BAHARI: Also, we were talking about Washington bubble often. You know, Iranians, they lived in their own bubble as well. A few days ago, Iran's vice president (inaudible) said that we were really surprised that India joined the sanctions and stopped buying oil from us.

We thought that India is independent. They just don't have any concept of geopolitics. They do not understand what's going on beyond their own bubble, similar to what's happening here maybe.

MR. IGNATIUS: So great discussion. Thank you very much, panelists.

(Applause)

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