



## U.S. Policy toward Iran and Prospects for the Nuclear Deal

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*Within the Trump administration, there is still the prevailing opinion on the necessity to continue the “two-track” policy approach towards Iran. It is based on decoupling and separating the issue of the Iranian nuclear programme from other issues with this country, including its ballistic missile programme and sponsoring terrorism. However, President Trump has repeatedly signalled his willingness to unilaterally withdraw the U.S. from the nuclear agreement signed in 2015. This decision would cause tension between the U.S. and Europe in the context of countering nuclear proliferation and expanding economic cooperation with Iran.*

**U.S. Interests.** For over three decades, Iran was perceived by the U.S. as a threat to oil export from the Gulf region and to allies in the Middle East. During the presidencies of George W. Bush and Barack Obama, a major problem was Iran’s progress in its nuclear programme. Negotiating the Joint Comprehensive Plan of Action (JCPOA) agreement between Iran and six world powers became a priority for President Obama, overwhelming other problematic issues. Concluded in 2015, the JCPOA became a target of criticism from then-candidate Donald Trump during the 2016 presidential campaign. He called it “the worst possible deal” and suggested renegotiation or even withdrawal.

The JCPOA “freezes” Iran’s nuclear programme for at least 10–15 years and is aimed at preventing the covert and rapid construction of nuclear warheads. By signing the agreement, Iran accepted its limitations on the scale of its nuclear programme in exchange for relief from UN economic sanctions. The JCPOA also strengthened international control and monitoring of Iran’s nuclear infrastructure and, according to the intention of the negotiators, separates the technical details from other issues in American-Iranian relations.<sup>1</sup> Moreover, the provisions of the nuclear agreement are in the interests of Iran. The JCPOA does not eliminate all nuclear research and development and gives Iran time for détente with the major powers and gradual reintegration with the world economy. If the U.S. withdraws from the JCPOA, Iran might radically alter its calculation of the benefits of the agreement.

**Options for the U.S. Administration.** Trump’s rhetoric on the JCPOA is far from the opinions dominant within his own administration. Like their predecessors, the current heads of U.S. diplomacy and the defence and intelligence communities so far have not questioned the nuclear agreement. The U.S. State Department confirmed in its 90-day reports in March and July that Iran is implementing the provisions of the JCPOA. These conclusions are corroborated by International Atomic Energy Agency inspections and American intelligence estimates. For the U.S. to withdraw from the JCPOA, there should be many convincing reasons, and so concern about the consequences of such a step were the main reason for extending the “strategic review” by the National Security Council (NSC). This review has already produced recommend changes in policy towards Iran, prepared in the first 3–4 months of Trump’s presidency.

<sup>1</sup> For more on the JCPOA, see: M.A. Piotrowski, “Effects of the P5+1 Nuclear Deal with Iran,” *PISM Bulletin*, no. 74 (806), 23 July 2015.

However, the president is said to be unsatisfied with what he perceived as “not creative” recommendations and allegedly is moving directly to withdrawal from the JCPOA.

For now, the U.S. might choose from among three strategies towards Iran. The first is based on continuation of the U.S. “dual-track” approach to Iran, that is, remaining a part of the JCPOA but in parallel with much stronger increased military aid to American allies in the region. This option may be supported by Israel and Saudi Arabia. Even though both countries criticised Obama policy towards Iran, unofficially they might recognise that it will be much more dangerous without limitations on Iran’s nuclear programme. The second is based on looking for a pretext to withdraw from the JCPOA and increase economic sanctions on Iran, along with indirect or direct confrontation (including militarily)—even support for a regime change in Tehran. This approach might be favoured by Republicans but is rejected by Democrats in Congress. The third option—less risky than the second—might foresee intentional ambiguity in U.S. policy in the coming months or even years. This approach might increase leverage for the U.S., keep Iran in uncertainty, and discourage potential investors from the latter. Moreover, besides the suspension of the majority of Obama’s executive orders on sanctions on Iran and apart from the uncertainty about Trump’s priorities, there is American legislation not touched by the JCPOA. One should remember that sanctions on Iran has been implemented by the U.S. Congress since 1979—the most important being the Iran Sanctions Act. The laws that enacted them were passed based on claims about Iran’s support for international terrorism, expansion of its ballistic missile arsenal, repression of the opposition, and detention of American citizens there. In addition, for more than a decade now, laws in many U.S. states containing sanctions on Iran’s business partners have been passed, independent of federal law.

**Possible Iranian Reactions.** Trump’s rhetoric has been presented by the Iranian government as the “true face of an America hostile to Iranians.” Iran has no motive to breach the JCPOA. The nuclear agreement has been presented as a personal success of President Hassan Rowhani. Even when some conservative factions in Tehran question the benefits of the deal, the Iranian government stresses all sides are abiding by its terms. Moreover, the conclusion of the JCPOA was possible thanks to a decision by Supreme Leader Ali Khamenei. As long as Khamenei is alive (he is 78), it is highly possible Iran will continue to further implement the obligations of the deal. Rowhani’s re-election this past spring shows that the majority of Iranians do not want a return to the country’s isolation and “resistance economy” of the UN sanctions period. Consensus within the Iranian elite on the JCPOA might be very strong until there is a struggle for succession after Khamenei. The policy pursued by Iran in recent months suggests a more general strategy of the government based on “waiting out” the Trump presidency and honouring the nuclear deal. Iran’s calculus may change in reaction to new U.S. actions. The “dual track” option may be tolerated because Iran still gains from the decoupling under JCPOA of nuclear and regional issues with the U.S. Iran’s Revolutionary Guard are destabilising the Middle East—Yemen, Iraq, Lebanon, and the West Bank—and Afghanistan through proxy forces (including terrorist groups). Efforts by Arab countries to contain Iran are ineffective without American engagement and active support. Iran’s essential interest in preserving the regime of Bashar al-Assad in Syria seems much simpler after Trump’s decision to limit aid to Syrian armed opposition groups. Nevertheless, the U.S. withdrawal from the JCPOA might result in a greater dilemma for Iran, including the need to make decisions about renewing full uranium enrichment on an industrial scale and the military dimension of its nuclear programme, as well as how to retaliate against the Americans (even through terrorism). Iran may also react without resorting to the renewal of full-scale enrichment and weaponisation, but through propaganda and diplomatic criticism of any U.S. unilateral withdrawal from the JCPOA. The continuation of Trump’s currently ambiguous and unpredictable policy for the next three and a half years might also result in changes to Iran’s calculus of the expected gains and price of the JCPOA.

**Conclusion.** Since the conclusion of the nuclear deal and end of the UN and EU sanctions, many governments and investors from Europe have been testing economic relations with Iran. Expansion of these ties is limited by systemic barriers within Iran. The investors’ risk is multiplied by extraterritorial financial sanctions in American law on Iran’s commercial partners and growing uncertainties around the JCPOA. However, more serious tensions in transatlantic relations might come only if the Trump administration withdraws from the JCPOA and sets up a more open confrontation between the U.S. and Iran. It seems that the messages from European allies to the administration and even Trump himself are not changing his opinion on either the agreement or Iran. Russian and Chinese influence is similarly blunted, mostly because those bilateral relations are subject to a wider agenda. In this context, much more influence over the U.S. strategy might come from Israel and Saudi Arabia, which are vitally interested in containing Iran in the region but also in keeping the limits of its nuclear potential within the provisions of the JCPOA.