



## The U.S. Decision to Quit the Nuclear Deal with Iran

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*As widely expected, President Donald Trump decided to withdraw the U.S. from the 2015 nuclear agreement with Iran. America also has begun to reinstate sanctions on Iran that were suspended under the deal, a move perceived as an exacerbation of U.S. policy towards that country. However, the Trump administration did not present any strategy for further action. It might be in Iran's interest, at least in short term, to continue to honour the limits on its nuclear programme. And, it is necessary to ease the tensions on the Iranian issue between the U.S. administration and EU institutions and some of its Member States.*

**U.S. Withdrawal.** On 8 May, President Trump denounced U.S. participation in the Joint Comprehensive Plan of Action (JCPOA), i.e., the nuclear agreement with Iran, which was finally negotiated in 2013–2015 with support from France, Germany, the UK, Russia, and China. Trump based his decision on Iran's supposed breaking of the *spirit* of the JCPOA, which in the agreement's preamble presumes that implementation of the deal will lead to a more stable Middle East. During his press conference announcing the withdrawal, the U.S. president recalled shortly the history of Iranian-American antagonism since 1979 but was silent on the fact that Iran had not broken the binding provisions of the JCPOA, which limit the scale of its nuclear programme. Iran's respect to the letter of the agreement had been confirmed by all U.S. intelligence assessments and reports by the International Atomic Energy Agency (IAEA) published since its entry into force in 2016. The presidential memos accompanying Trump's decision also mention the readiness of the U.S. to contain any work by Iran on its nuclear or ballistic missile arsenals and the destabilising activities of the Iranian Revolutionary Guard in the region. But Trump's announcement first and foremost called for the reinstatement of sanctions approved before 2016. The U.S. Treasury is in process to restore the sanctions regime and specifies which sanctions and in what sequence they will return by August and November.

The U.S. withdrawal from the nuclear agreement was presented by Trump as a fulfilment of his campaign promises. Despite the recommendations of his advisers, the U.S. president in autumn 2017 refused to "certify" the JCPOA, unlike his predecessor Barack Obama. In the few months that followed, Congress did not take any initiative on it, even though it could have changed the laws about the obligations and prerogatives of the administration regarding the JCPOA.<sup>1</sup> In January, Trump set some expectations on Congress, which did not act, and issued an ultimatum to the other signatories to fill what he called gaps in the JCPOA, such as limits on the Iranian missile programme. The president's decision was preceded over several months by the removal of advocates of U.S. participation in the deal and nominations of well-known critics, including Mike Pompeo, now the U.S. Secretary of State, and John Bolton, the president's National Security Adviser. Moreover, Trump made many comments in recent years that revealed his personal and negative view of the JCPOA was strongly motivated by an eagerness to end an agreement negotiated by the Obama administration.

**Iran's Likely Calculations.** Contrary to some reports from Iran, it is unlikely it will leave the JCPOA immediately, too, or renew its nuclear programme on the scale seen before 2015 or withdraw from the Non-

<sup>1</sup> See also: M.A. Piotrowski, "The Trump Administration's 'Decertification' of the Iran Nuclear Deal," *PISM Spotlight*, no. 59/2017, 16 October 2017.

Proliferation Treaty (NPT). President Hassan Rouhani announced that an assessment of the U.S. decision to quit the JCPOA and the next steps by Iran need analysis over the next “few weeks.” It should be noted that the negotiations of the nuclear deal were possible only because of the willingness of Supreme Leader Ali Khamenei along with the personal participation of the current president of Iran.

Iran has the nuclear technology in place and is advanced enough to produce its first few nuclear devices within about 12 months, but only if its government decides to go ahead. If it restarts the programme and quickly resumes the military aspects of its nuclear programme, that would engender pre-emptive strikes by the U.S. If, instead, Iran decides to slowly exit the JCPOA, mainly by expelling the IAEA inspectors, it might result in a renewal of acute sanctions by the EU. All these factors should persuade Iran to find a balanced reaction rather than turn to far-reaching threats.

In the short term, Iran would prefer to continue to “wait out Trump.” The U.S. withdrawal from the nuclear deal will be fully used in anti-American and anti-Israeli propaganda. It also gives an opportunity for a closer partnership with Russia and China, and the tensions over Iran in transatlantic relations might be used for closer cooperation with selected European countries. During this period, Iran likely will try to avoid direct confrontation with the U.S., although equally possible are Iranian—or Hezbollah—actions against Israel from Syrian territory and Lebanon (similar to those before and during the war in 2006).

However, with the passage of time and increasing economic problems, Iran’s calculations might change and its withdrawal from the JCPOA may be more likely. This would be more likely if the U.S. begins aiming outright for “regime change” in Iran, a policy position strongly promoted by Bolton but unlikely to succeed without support from allies outside the Middle East, at least during Trump’s current term. Another decisive factor for a change in Iran’s position might be internal instability. The stability of the regime is guaranteed by Khamenei, who is 79. His death during this time could provoke a dire factional power struggle for succession. In the last few months, Rouhani’s chances to become Supreme Leader have been decreasing and his cabinet’s ineffectiveness has given fire to ultra-conservatives over the fiasco of economic reforms. It is worth noting that the protests around the new year were predominantly in the country’s provincial areas and were mainly against the president of Iran and much less against the pillars of the system, i.e., the theocratic regime and Revolutionary Guard.

**Implications and Conclusions.** The U.S. withdrawal from the Iran nuclear deal was made over the opinions of its signatories and might be Trump’s most risky decision yet in the international arena. The president, without a long-term strategy and support from a broader coalition of allies, will not be able to succeed with his apparent policy towards Iran. Also, the chances of a return to closing his purported gaps in the JCPOA are slim, especially when the U.S. and EU were not able to work together on a French proposal to negotiate a missile annex to the deal. So, for now, both Iran and the other JCPOA signatories are highly likely to continue to abide by their obligations under the deal. At the same time, Iran, for strategic and internal reasons, might limit further enrichment of uranium and in a quantity necessary for a nuclear arsenal to guarantee continuation of the JCPOA.

The renewal of American sanctions might worsen the economic conditions in Iran and could affect its commercial partners from Europe. It is possible that France and Germany will continue the dialogue with the Trump administration on companies that after implementation of the JCPOA have been testing opportunities for huge investment in the Iranian market. However, the U.S. sanctions, in connection with structural barriers in Iran’s economy and administration might deter any long-term or large investments by European companies. Despite fluctuations in the price of oil after Trump’s decision, even less oil exports from Iran should not disturb the global economy. Equally unlikely are further increases in oil prices because of this matter since any decrease in production in Iran is likely to be cushioned by increased exports from the U.S. and Arab countries.

President Trump’s decision on the JCPOA is also blow to the prestige of EU institutions that had been engaged in the negotiations and in weaving European sanctions. There also has been a gap in the categorical and principal statements of EU High Representative Federica Mogherini and very cautious reactions from the governments of France, Germany, and the UK. What is more important is that while Trump’s decision is extremely controversial for U.S. allies, it seems unlikely to lead to deep and long-term divisions in relations between the U.S. and the EU, like those that preceded the war in Iraq in 2003. France, Germany, and the UK are not interested in elevating the Iran issue into a main problem in relations with the U.S. At the same time, some countries in the EU might be open to a possible mediation offer from Russia, but the likely demands to link the Iran issue to other problems in European security is excluding all JCPOA signatories from accepting the Russian offer. The potential of an Iranian ballistic missile threat will be a crucial factor in the implementation of NATO’s missile defence plans, including finishing the interceptor base in Redzikowo, Poland. But denouncing unique non-proliferation and technical agreements like the JCPOA also puts a big question mark over the chances, shape, and durability of any compromise in North Korea’s denuclearisation.