CONTAIN, ENFORCE, AND ENGAGE
An Integrated U.S. Strategy to Address Iran’s Nuclear and Regional Challenges

Jarrett Blanc, Elisa Catalano Ewers, Ilan Goldenberg, Ariel E. Levite, Elizabeth Rosenberg, and Karim Sadjadpour

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Foreword

The United States ended a thirty-five-year diplomatic vacuum with Tehran with one objective in mind: to stop it from developing a nuclear weapon.

The Joint Comprehensive Plan of Action (JCPOA) did precisely that. It cut off Iran’s pathways to a bomb, sharply constrained its nuclear program, and subjected it to an unprecedentedly strict monitoring and verification regime. The JCPOA is far from perfect and required coming to terms with painful realities and making difficult compromises—the inevitable outcome of tough, multilateral negotiations. Nevertheless, the JCPOA was successful in halting, and in some cases reversing, Iran’s progress toward a nuclear weapon, at least for the next decade. Iran today is much further away from a nuclear bomb, and the prospect of direct military conflict between the United States and Iran is forestalled. We are safer. Our partners in the region are safer. And the world is safer.

The JCPOA, essential as it is to retain and implement effectively, however, must not be the end of the diplomatic road with Iran. It is merely the beginning, the cornerstone of a broader, longer-term strategy to prevent Iran from obtaining a nuclear weapon and to diminish and counter Iran’s threatening behavior—from its growing ballistic missile arsenal, to its dangerous use of regional proxies, to its human rights abuses at home.

This report outlines the key elements of such a strategy—a tough-minded approach to playing a strong American hand against an adversary that is formidable, but hardly ten feet tall. It calls on the United States to continue to enforce rigorous implementation of the nuclear agreement; to embed the agreement in a wider regional strategy deploying all elements of American power to limit Iran’s ability to meddle in the internal affairs of our regional partners or threaten Israel; and to engage Iran to avoid inadvertent escalation, make clear our profound concerns with Iran’s behavior at home and abroad, address the eventual sunset of JCPOA nuclear limits, and test opportunities to advance shared interests. This is all easier said than done. There will be no avoiding complicated tradeoffs. But it is an honest and realistic guide for U.S. policy today and in the difficult years ahead.
Any strategy’s success will depend in large measure on whether it can keep the burden of proof on Iran, demonstrating American good faith and seriousness of purpose and preventing Iran from painting the United States as the diplomatic outlier. U.S. threats to abrogate the deal or call for its renegotiation, reimposing nuclear-related sanctions, provocatively threatening military action, or otherwise failing to uphold America’s end of the bargain would leave the United States in a weaker, not stronger, position to deal with Iran and other looming crises, especially North Korea.

The Donald Trump administration’s decision to not certify to Congress that the JCPOA’s suspension of sanctions is appropriate and proportionate, and to seek to modify the deal, puts the deal on the path to failure. This occurs notwithstanding repeated affirmations by U.S. intelligence agencies and the International Atomic Energy Agency (IAEA) that Iran continues to abide by its JCPOA commitments. Congress, the administration, and our P5+1 partners (the United States, China, Russia, France, Germany, and the UK) must now work together to avert a strategic “own goal” of historic proportions that would also undermine the prospects of dealing effectively with the other challenges presented by Iran. The strategy laid out in this report offers a road map that should appeal to leaders of both U.S. political parties, and all those serious about being tough on Iran and confident in America’s continued strength.

We are pleased and proud that our two institutions could come together to try to answer one of the most consequential foreign policy questions facing the United States. With our shared commitment to independent thinking and our experts’ combined brainpower and decades of experience in the policy trenches, we hope this report will help policymakers build on the achievements of the JCPOA and secure at least a semblance of order in a disordered Middle East.

William J. Burns
President
Carnegie Endowment for International Peace

Michèle A. Flournoy
Chief Executive Officer
Center for a New American Security

October 2017
The fundamental premise of this report is that Iran represents a serious and
difficult challenge to U.S. interests in the Middle East, requiring the United
States to adopt a comprehensive and integrated strategy toward it, one employ-
ing a multitude of policy tools simultaneously and calibrated to one another.
At its heart lies the combined employment of engagement and coercion. Past
experience suggests that Iran will not accommodate U.S. interests unless sub-
jected to skillful application of such a powerful combination of approaches.

What does this basic strategy mean for today’s policy toward Iran? On the
nuclear front, it means the United States should not renege on the JCPOA
without a demonstrably viable diplomatic alternative in place. While the
JCPOA is imperfect, so long as Iran complies with it, it is still the best available
mechanism both to contain Iran’s short- to medium-term nuclear ambitions
and to free the United States to concentrate its energies on checking Iran’s very
disconcerting regional actions. There is no realistic prospect of attaining a bet-
ter agreement in the near term, which would make abandoning the JCPOA an
exceptionally risky strategy. Congress will of course speak out on Iran policy,
including the policy embodied in the JCPOA, and it may lay down param-
eters for U.S. policy toward Iran on nuclear and other issues. But it would
be counterproductive to attempt to reopen the JCPOA or impose new condi-
tions that would make it more difficult for the United States to implement
its commitments under the deal. Such unilateral actions would make it more
difficult for the United States to mobilize international pressure to obtain scrup-
ulous implementation by Iran. Instead of trying to renegotiate the JCPOA
now, the United States should vigorously implement the agreement, tackle key
outstanding concerns, encourage the peaceful transformation of Iran’s nuclear
program, and pursue multiple options to create enduring constraints on Iran’s
nuclear activities.

In terms of Iran’s destabilizing activities in the Middle East, a combination
of coercion and engagement has never been truly tried and should be. This
means increasing the costs to Iran of its support for surrogates and proxies
through a combination of direct military and intelligence activities aimed at
exposing and countering Iranian actions, applying economic sanctions, and in
some cases sending American military deployments designed to increase U.S. leverage and counter specific Iranian aims and actions. These steps must be complemented by a willingness to keep multiple channels of dialogue open. De-confliction mechanisms will be necessary to prevent unintended escalation. The United States should remain willing to discuss disputes with Iran—because ultimately Iran is a player in the Middle East, and will at a minimum have to acquiesce in order for political arrangements to be successful in stabilizing the region.

Finally, even as the United States pursues these policies, it should also expand other tools for engagement with Iran, most notably channels for diplomacy, people-to-people exchanges, and economic interaction. These steps should be pursued in concert with the elements outlined above—to promote U.S. interests in stability and security, and to ensure U.S. ability to communicate its intentions and positions. Such outreach should not strive to change the nature of the Iranian regime, and should not work against containing Iran’s nuclear program and nuclear-capable missile programs or countering its destabilizing regional policies. Diplomacy should leave open the opportunity to slowly improve U.S.-Iran relations with those in Iran who are calling for greater economic and political engagement.

To pursue this integrated strategy, this report recommends taking the following steps:

**JCPOA Implementation**—The United States can best serve its short- to medium-term strategic interests by sustaining the Joint Comprehensive Plan of Action and vigorously employing its verification tools.

To do so, the United States should:

- Encourage and support the IAEA to fully monitor Iran’s nuclear activities.
- Lead efforts to resolve JCPOA ambiguities and disputes to the United States’ satisfaction.
- Insist on full implementation of the Additional Protocol and judicious application of additional verification powers contained in the JCPOA.
- Remain involved in Iran’s peaceful nuclear program.
- Continue to meet U.S. sanctions-relief commitments.
- Coordinate closely with the European Union (EU) and E3 partners (France, Germany, and the UK), and work energetically with Russia and China.
- Fully participate in the Joint Commission.
- Organize the State Department and the interagency process to implement the deal effectively.
Structural Nuclear Issues—The United States should explore multiple options now to constrain Iran’s nuclear activity after the JCPOA’s provisions begin to expire in 2023, rather than betting on renegotiation of the JCPOA or on any other single approach.

The United States should explore the following four options simultaneously:

- Build a case around current and future challenges to implementation of the JCPOA and related United Nations Security Council (UNSC) resolutions, in order to deny Iran the legitimacy to scale up its nuclear activities once the restrictions they impose begin to expire.
- Extend and expand upon some of the JCPOA’s innovations and seek international support for a new global framework for enhancing the capacity to distinguish between peaceful and nonpeaceful nuclear energy activities.
- Develop a regional Middle Eastern (or alternatively a subregional Gulf) regime for handling nuclear fuel-cycle activities.
- Negotiate a follow-on agreement to the JCPOA, well in advance of the expiry of the JCPOA’s uranium enrichment clauses (probably even before Transition Day), which would commit Iran not to scale up its infrastructure for developing nuclear weapons capabilities.

Coercion—Focused and smart pressure, through military operations, intelligence activities, and targeted sanctions, can deter destabilizing Iranian initiatives, impose costly consequences in response to provocations, slow and complicate Iranian acquisition of the most destabilizing weapon systems, and directly counter Iranian activities in the region.

In particular, the United States should:

- Closely monitor Iran’s nuclear program (in collaboration with friendly partners) to detect any indication of activity to acquire nuclear weapons or otherwise violate the JCPOA.
- Work closely now with international counterparts to pre-plan for a coordinated, proportional response to an evident Iranian breach of the JCPOA.
- Conduct contingency planning and exercises for operations to prevent Iran from acquiring a nuclear weapon.
- Maintain a robust military presence in the Middle East.
- Undermine Iranian asymmetric activities in the Middle East and around the world by publicizing them and using their exposure to embarrass and isolate Iran.
• Dedicate more resources to identify and impede the Islamic Revolutionary Guard Corps’ (IRGC) economic role at home and abroad.
• Aggressively identify, sanction, and counter Iranian missile procurement activities.
• Take military steps to ensure that Iran-supported militias and Hezbollah are kept out of the Golan Heights and southwestern Syria.
• Dedicate more resources to aggressively identify and sanction leaders, businesses, bankers, and facilitators aiding Hezbollah’s violent operations.
• Limit a so-called land bridge from Iran to the Mediterranean by positioning U.S.-supported forces to retake most territory held by the self-proclaimed Islamic State in eastern Syria.
• Prevent or limit a conventional Iranian military buildup in Syria.
• Aggressively identify and sanction the individuals and entities Iran uses to support Syrian President Bashar al-Assad.
• Maintain a small long-term military presence in Iraq at current force levels.
• Posture military forces to clearly message Iran that any effort to disrupt the flow of trade through the Bab al-Mandeb strait will be met with firm U.S. resolve.
• Engage in close military and intelligence collaboration with Israel and other U.S. allies in the region on checking the most disconcerting aspects of Iranian activity.
• Support targeted maritime interdiction operations to intercept Iranian arms shipments.
• Continue military assistance to regional Gulf partners.
• Proceed with care in addressing evidence that any Iranian entity de-listed under the JCPOA is conducting sanctionable activity.

Engagement—U.S. engagement with Iran, complementing coercion, is essential to convey clear messages, de-conflict activities, de-escalate conflicts when merited, explore opportunities for diplomatic solutions to nuclear and regional issues, demonstrate reasonableness to U.S. partners and to pragmatic forces within Iran, and create incentives for Iran to limit its nuclear and regional activities of concern.

To do so, the United States should:

• Communicate directly with Iranian officials.
• Amplify and echo U.S. messages through indirect channels.
• Expand people-to-people contact between Iranian youth, entrepreneurs, and civil society groups and their U.S. counterparts.

• Keep an open dialogue on the JCPOA and regional challenges, especially with regard to the conflicts in Iraq, Syria, Yemen, and Afghanistan.

• Pursue a more robust maritime de-confliction process.

• Encourage the International Monetary Fund (IMF) to provide additional technical support and guidance on market reform to Iran.

• Reinstate the U-turn license to allow foreign businesses to use U.S. banks to conduct dollar-denominated transactions relating to Iranian entities, as an incentive for further nuclear commitments or other Iranian concessions.

• Consider limited options to allow direct U.S. corporate involvement in Iran in exchange for moderation of Iran’s nuclear, missile, and regional policies.

• Encourage the respect of human rights in Iran.
Preventing Iran from acquiring nuclear weapons and from exacerbating instability in the Middle East have been paramount U.S. objectives for decades. Yet they have proven challenging to accomplish, especially as Iran’s capabilities and aims for the region grew after the U.S.-led invasion of Iraq in 2003. The Joint Comprehensive Plan of Action replaced an exclusively coercive U.S. posture for containing Iranian nuclear weapons ambitions with an internationally agreed-upon basis for pursuing the nuclear nonproliferation objective. The JCPOA has accomplished for now its primary objective, namely providing a viable diplomatic mechanism for constraining Iran’s nuclear activities. However, the JCPOA is naturally far from perfect, leaving something to be desired in four primary areas. Some of its key nuclear constraints sunset in the coming years. Some of its modalities are challenging to implement effectively. It does not impede Iran’s development of ballistic missiles capable of delivering nuclear weapons (though UN Security Council Resolution 2231 does). And it has not tempered Iran’s militant exertions in Iraq, Syria, Lebanon, Gaza, and Yemen. Yet, none of these circumstances would be better without the JCPOA. Indeed, by providing the basis for constraining Iran’s nuclear program for years to come, the JCPOA strengthens the United States’ and other countries’ capacities to more assertively temper Iran’s disconcerting regional activities and its missile program. As the Donald Trump administration seeks revisions to the JCPOA, the United States should in the interim retain the deal and continue to make use of its monitoring and verification provisions.1

This report, produced jointly by scholars at the Carnegie Endowment for International Peace and the Center for a New American Security, presents an integrated strategy combining coercion and engagement to address these nuclear and regional challenges in both the short and long term.

The Nuclear Challenge

The JCPOA provides clear and tangible short- and medium-term benefits by imposing strict limits on the most worrisome aspects of Iran’s nuclear activities.2 Before the JCPOA, Iran could have produced enough fissile material for a nuclear weapon in less than two months (the “breakout” time). Now, under the deal, Iran would need roughly a year. Iran accepted transparency

Twin Pillars of the Strategy

Preventing Iran from acquiring nuclear weapons and from exacerbating instability in the Middle East have been paramount U.S. objectives for decades. Yet they have proven challenging to accomplish, especially as Iran’s capabilities and aims for the region grew after the U.S.-led invasion of Iraq in 2003. The Joint Comprehensive Plan of Action replaced an exclusively coercive U.S. posture for containing Iranian nuclear weapons ambitions with an internationally agreed-upon basis for pursuing the nuclear nonproliferation objective. The JCPOA has accomplished for now its primary objective, namely providing a viable diplomatic mechanism for constraining Iran’s nuclear activities. However, the JCPOA is naturally far from perfect, leaving something to be desired in four primary areas. Some of its key nuclear constraints sunset in the coming years. Some of its modalities are challenging to implement effectively. It does not impede Iran’s development of ballistic missiles capable of delivering nuclear weapons (though UN Security Council Resolution 2231 does). And it has not tempered Iran’s militant exertions in Iraq, Syria, Lebanon, Gaza, and Yemen. Yet, none of these circumstances would be better without the JCPOA. Indeed, by providing the basis for constraining Iran’s nuclear program for years to come, the JCPOA strengthens the United States’ and other countries’ capacities to more assertively temper Iran’s disconcerting regional activities and its missile program. As the Donald Trump administration seeks revisions to the JCPOA, the United States should in the interim retain the deal and continue to make use of its monitoring and verification provisions.1

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The Nuclear Challenge

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and verification measures for the duration of the deal that go well beyond the standard tools of the International Atomic Energy Agency, giving the agency and the international community greater confidence that a major clandestine nuclear effort would be detected in time.

But the deal faces some implementation challenges. The most difficult tradeoffs inherent in the deal will be felt in the years to come, as agreed restrictions on Iran’s nuclear program gradually lift. Iran’s nuclear activities could again develop in a manner that would prove threatening to U.S. partners in the region. When core JCPOA (and related UN Security Council) constraints on Iranian nuclear activity begin to phase out, Iran will be able to increase the scale and pace of its fuel-cycle activity and weapons-oriented research, which would give it the means to quickly make nuclear weapons and reach a virtual nuclear arsenal (consisting of both serial bomb making and delivery capacity). The combination of massive uranium enrichment capacity, possession of nuclear-capable long-range missiles, and the nuclear weapons expertise Iran has acquired over the years, coupled with the international rehabilitation Iran is acquiring as a result of the JCPOA, would afford it the option to get to within weeks of a nuclear arsenal with formal impunity (under the terms of both the Nuclear Non-Proliferation Treaty, or NPT, and the new Nuclear Ban Treaty). Iran remains obligated under the JCPOA and the NPT to eschew nuclear weapons in perpetuity; thus, were it to openly and bellicosely resume nuclear-related activities that indicate an ambition to acquire nuclear weapons, international resistance presumably would be remobilized.

The most effective way to retain the deal’s short-term gains while mitigating the long-term consequences would be to rigorously monitor, implement, and enforce the JCPOA now while simultaneously laying the groundwork for later constraints on Iran’s nuclear activity, and on its ballistic missile activities addressed in UNSC Resolution 2231. Like many time-bound international agreements, the JCPOA will need a successor in some form. This report describes approaches to maximize the deal’s immediate advantages while pursuing several options for follow-on constraints.

The Regional Challenge

Over the past fifteen years, the Middle East has faced extensive instability and state failure, from the overthrow of former Iraqi leader Saddam Hussein through the Arab uprisings and subsequent civil wars. Iran has tried to promote its interests in this new reality primarily through support for local surrogates and proxies in weak states. Part of this strategy has been defensive. Iran has consistently sought to protect Shia minorities’ interests in the region against perceived threats from Sunni actors, and to protect Iran’s borders from potential threats such as the Islamic State. However, these actions also have taken on offensive characteristics meant to increase Iranian influence and
leverage throughout the Middle East. This approach—and particularly Iran’s support for Hezbollah, Bashar al-Assad, Shia militia groups in Syria, extra-governmental forces in Iraq, Hamas and Islamic Jihad in Gaza, and the Houthis in Yemen—runs directly counter to U.S. interests in regional stability, counterterrorism, human rights, and the security of regional partners.

A central component of Iran’s strategy has been an effort to reduce American influence and presence in the Middle East. Iran views the United States as its greatest security threat and believes that a reduced American presence would result in Iran assuming its natural role as a leader in the region—though recent experiences with the Islamic State have caused at least some in Iran’s leadership to reevaluate their assumptions and acknowledge that a limited American presence in the region can be useful for meeting some objectives. Iran also views Israel as America’s most important partner in the region and a conduit for pursuing American goals. This security concern combined with an ideological and domestically attractive opposition to Israel’s very existence explains the centrality that the Islamic Republic places on publicly threatening Israel’s destruction while aggressively threatening Israeli interests in the region and beyond.

Iran’s deepest investments have been in Lebanon, Syria, and Iraq. In Lebanon, Iran has spent the past thirty years cultivating Hezbollah as a force to project influence into the Levant and threaten Israel. In Syria, Iran has used Hezbollah, the IRGC’s Quds Force, and other foreign Shia militia groups to prop up President Bashar al-Assad—both to increase Iranian influence but also out of fear that if Assad’s government were to collapse it would be replaced by Sunni extremists unfriendly to Tehran. In Iraq, Iran seeks a stable central government that is dominated by Shia politicians. It has supported various extra-governmental Popular Mobilization Forces to counter the Islamic State and used them to increase its political influence. But there is at least some recognition in Tehran that if it overplays its hand, it could cause a Sunni backlash and a return of the Islamic State. Finally, Iran has viewed both Gaza and Yemen as targets of opportunity to put additional pressure on Israel and Saudi Arabia, through support for Islamic Jihad and even Hamas, and the Houthis, respectively. But Iran does not view either Gaza or Yemen nearly as strategically important as the Levant, in which it is actively trying to build a demographic Shia land bridge.

The Need for an Integrated Strategy

The nuclear and regional challenges Iran poses are closely linked. A nuclear-armed Iran would be able to exert greater leverage in the region and would likely feel that it has impunity to any military response—resulting in more aggressive and adventurous Iranian regional initiatives. Therefore, any U.S. strategy must address the nuclear and regional challenges together. Without the short-term threat of a nuclear-armed Iran, other concerns about Iran in
the region become much more tractable. Strictly enforcing the JCPOA while laying the groundwork for future constraints on Iran's nuclear activities would better position the United States to bolster its efforts to deal with the regional challenges. In addition, the United States would be in a far better position to assertively resist Iran's regional ambitions were the United States not seen as responsible for triggering the collapse of the JCPOA. A new Iranian nuclear crisis sparked by the collapse of the agreement would leave the United States distracted by the nuclear challenge and far weaker diplomatically to check Iranian misbehavior outside the parameters of the JCPOA.

Neither coercion nor engagement by themselves would provide an effective response to the twin challenges presented by Iran. To maximize the chances of success, the United States should combine pressure on Iran and constructive engagement with it. Such a strategy induced Iran to restrain its nuclear program for an extended period of time. Biting sanctions, interdictions, and cyber operations were deployed along with the threat of the use of force, but these were accompanied by the prospect of dialogue, the prospect of sanctions relief, a willingness to accept a peaceful nuclear program, and targeted economic benefits (such as civilian aircraft sales and an expansion of Iranian crude oil sales). Both pressure and engagement proved essential; sanctions alone would not have compelled Iran to limit its nuclear program, military and cyber operations could not have delayed Iranian nuclear weapons capability indefinitely, and positive incentives would have achieved little without coercive leverage. Whatever one thinks of the substance of the JCPOA, this approach demonstrated the power to bring Iran to the negotiating table. Similarly positive effects have been evident in other areas where such a combination of incentives was applied to Iran.

In designing and implementing this strategy, the United States must remain carefully attuned to the impact of U.S. policies on Iranian domestic politics. This requires eschewing active promotion of regime change in Tehran (the United States has a terrible track record of doing so, and it provides Iran's hardliners a pretext for repression); rather, it means crafting policies that preserve options to support U.S. interests. In that process, the United States should consider how it communicates to the Iranian people that their interests are best served by pragmatic leaders who prioritize domestic welfare, economic engagement, and acting as a responsible nation—not by hardline ideologues who emphasize Iran's nuclear program and support for terrorism.

This report first identifies the key drivers of Iran's foreign and security policy, and describes Iran's likely reaction to a strategy that combines coercion and engagement. The report then discusses Russian, Saudi, and Israeli perspectives on the Iranian threat and the ways to deal with it. Based on all of these inputs, the report proceeds to present an integrated U.S. strategy that combines pressure and engagement to address the current nuclear and regional challenges,
recommends ways the JCPOA’s tools can be best used to limit Iran’s nuclear activity now, and analyzes how the deal could be supplemented to extend nuclear constraints further into the future. Next, the report outlines pressure points that could be leveraged to coerce Iran (including military, intelligence, and sanctions), and discusses areas that offer opportunities for constructive engagement (including economic integration, multilateral de-confliction, and people-to-people exchanges) with Iran.

Views From Tehran, Moscow, Riyadh, and Jerusalem

To successfully counter the nuclear and regional challenges Iran poses, the U.S. strategy must understand the drivers of Iran’s nuclear and regional policies. The strategy must also take into account how it will affect Iran’s domestic politics, and how Iranian actors are likely to respond. In addition, the responses of major players in the region such as Saudi Arabia, Russia, and Israel will have a significant impact on how the strategy unfolds.

The View From Tehran

Drivers of Iran’s Nuclear and Regional Policies

Since Iran’s 1979 revolution, the country’s two enduring foreign policy pillars have been opposition to U.S. influence and Israel’s existence. Virtually every Iranian foreign policy gambit—from Syria to Venezuela—is framed as an effort to resist these twin evils, and domestic agitations are commonly attributed to American and Zionist plots. Various Iranian and American presidents (including most recently Hassan Rouhani and Barack Obama, respectively) have attempted, unsuccessfully, to change these dynamics. The Trump administration, in contrast, has thus far exacerbated this tension.

Iranian politics are authoritarian but not monolithic, and meaningful differences exist among competing political factions about how to best sustain the Islamic Republic. Principlists, led by Supreme Leader Ayatollah Ali Khamenei, describe themselves as loyal to the principles of the 1979 revolution, such as strict Islamic mores at home and a resistance foreign policy abroad. But while these hardliners cloak enmity toward the United States in the ideology of the revolution and the identity of the Islamic Republic, it is also driven by self-preservation.

Like most revolutionary regimes, Iran’s has sought external antagonism for internal expediency. Khamenei has long warned that compromising on revolutionary principles could weaken the pillars of the Islamic Republic, just as Mikhail Gorbachev’s attempts at perestroika hastened the USSR’s demise. “If pro-American tendencies come to power in Iran,” powerful Ayatollah Ahmad
Jannati once noted, “we have to say goodbye to everything. After all, anti-Americanism is among the main features of our Islamic state.” Khamenei has been similarly blunt, saying in July 2014, “reconciliation between Iran and America is possible, but it is not possible between the Islamic Republic and America.”

In contrast, Iran’s pragmatists, led by President Hassan Rouhani, prioritize economic interests before revolutionary ideology and believe the slogans Iran adopted in 1979—such as “death to America”—do not necessarily serve the country’s interests four decades later. For the pragmatists, détente with the United States is a critical prerequisite for sustained economic growth. In reaction to Trump’s hostile rhetoric and refusal to recertify the JCPOA, however, Iran’s pragmatists will distance themselves from Washington and close ranks with Iran’s hardliners.

In light of these dynamics, a combination of pressure and engagement has the best prospect of changing Tehran’s calculus on nuclear and regional issues. This is one of the important lessons of the 2015 nuclear deal: policies of coercion and engagement are often complementary, not contradictory. Such a strategy induced Iran to restrain its nuclear program for an extended period of time. Before the deal, Obama’s unprecedented but unreciprocated efforts to engage Iran helped convince Brussels, Beijing, and Moscow that the obstacle lay in Tehran, not Washington. From the outset of his presidency, Obama was keen to negotiate a nuclear deal with Iran, but Tehran did not begin to seriously engage until several years later, when it faced a global economic embargo.

Such efforts will be most effective if they are multilateral. History has shown that Iran demonstrates most flexibility when it faces a broad international front. Unilateral U.S. pressure, however significant, will likely fail if Tehran feels it has escape doors in Europe, Russia, and Asia. Iranian leaders know that generating multilateral action against Iran is a particular challenge for the United States now because most major countries in the world (with the notable exception of the United States, Israel, and Saudi Arabia) see Iran as a stable regional power in the midst of an already overly chaotic Middle East and a tactical ally against the more nefarious threat of radical Sunni jihadists, like the Islamic State. Russia is working in unison with Iran in Syria, Iran is central to China’s Belt and Road Initiative, and Europe cannot afford another unpredictable conflict that exacerbates regional unrest and creates more refugees.

The Obama administration’s greatest ally in isolating Tehran was previous Iranian president Mahmoud Ahmadinejad, whose bombast and Holocaust denial convinced many countries around the world the problem was Tehran, not Washington. In contrast, today much of the world believes Iran to have a relatively moderate president in Hassan Rouhani and an urbane foreign minister in Mohammad Javad Zarif who should be engaged, not isolated. Zarif will work assiduously to dissuade European and Asian countries from pressuring Iran, and prevent consensus within organizations such as the IAEA and UN to penalize Iran for nuclear misconduct or missile testing.
Iran’s Reaction to an Integrated Strategy

Iran’s reactions to increased U.S. efforts to counter and expose Iran’s power and influence in the Middle East will likely vary based on the geopolitical importance of the area to Iran. In Syria and Iraq—core Iranian areas of influence—Tehran is unlikely to be deterred or persuaded to curtail its enormous investments. But in the face of serious pushback and willingness to accommodate its interests, Tehran may be willing to tone down some of its ambitions and accept political settlements with which the United States can live. In Yemen, of lesser strategic importance, efforts to limit Iranian influence—including via naval interdictions—are likely to have a greater impact. Exposing Iranian support for radical groups—including not only allies like Hezbollah and Hamas but also groups such as the Taliban and al-Qaeda—is damaging for the IRGC in the eyes of the Iranian public, the Rouhani government, and the international community.

Whether efforts to vigorously counter Iran’s regional activities will affect Iran’s behavior on nuclear issues is unclear. In response to greater U.S. efforts to counter Iran in the region and expose its malign behavior, senior IRGC commanders and hardline clerics may publicly threaten to abandon the JCPOA or reduce cooperation with the IAEA. While such a move would be opposed by President Rouhani and Foreign Minister Zarif, Khamenei may believe it a necessary response to U.S. pressure. Khamenei signed the JCPOA under economic duress and never offered a strong endorsement of it. On the contrary, he regularly complains about the JCPOA’s unmet economic expectations, blaming the “devilish” United States for scaring away foreign business while at the same time denouncing foreign investment as a Trojan horse for Western imperialism. In a meeting with a group of Iranian poets, he suggested they write “to-the-point poetry . . . expressing the Americans’ instances of treason in the issue of JCPOA” in order to sour popular views about the deal. Trump’s recent refusal to recertify the deal only vindicates Khamenei’s longtime cynicism.

While Iran is likely to remain defiant about constraining its development of ballistic missiles capable of delivering a nuclear weapon (though it may remain cautious about testing intercontinental ballistic missiles), its behavior in the nuclear domain is likely to prove more cautious. Absent unprovoked massive U.S. nuclear sanctions, Iran’s nuclear response to a combined coercion and pressure campaign, if any, would likely be designed to undermine the deal itself and to split the P5+1. Washington would argue that Iran must be further penalized for violating the nuclear agreement, while Beijing, Moscow, and most of Europe would be eager to preserve the deal and argue that more diplomacy, not pressure, is needed. According to Carnegie nuclear expert Mark Hibbs, “If Tehran aimed to divide the P5+1 and aggravate Israel and Western countries, it might do things not expressly forbidden by the JCPOA but that would not be in the spirit of the accord. Iran’s scientists might do theoretical studies suggesting they are interested in nuclear weapons, enriching uranium with lasers, and plutonium
metallurgy; Iran’s diplomats might get suddenly tougher in negotiations with the IAEA over access to places inspectors want to visit.9

Iran may retaliate against increased pressure in areas other than its nuclear and regional activities, including in cyberspace. Cyberspace has become the newest frontier in the four-decade long U.S.-Iranian cold war. Perhaps more than any other government in the world, Iran has been the target of uniquely destructive cyber attacks by Washington and its allies. As a result, Tehran has itself become increasingly adept at conducting cyber espionage and disruptive attacks against Iranian critics at home and abroad. Cyber warfare has become a credible retaliatory threat for Iran against the political and economic institutions of its adversaries, most notably the United States, Israel, and Saudi Arabia.

Finally, the United States should remain realistic about what any policy toward Iran can be expected to accomplish. The last two decades of U.S. policy toward Iran show Washington’s limited ability—using either coercion or engagement—to fundamentally transform Iran’s geopolitical orientation. Between 2000 and 2008, then U.S. president George W. Bush’s administration made more efforts than any previous administration to intimidate Tehran militarily (“All options are on the table”10) and support Iranian democracy activists. Yet during this period, Iran relentlessly attacked U.S. forces in Iraq—reportedly causing about 1,000 U.S. casualties11—and the country’s reform movement withered. Between 2009 and 2016, Barack Obama’s White House, in contrast, tried harder than any previous administration to improve relations with Tehran, including numerous letters Obama wrote to Khamenei. Yet Iran and its regional policies remained hostile toward the United States and U.S. interests.

The View From Riyadh

Saudi Arabia and Iran have long had a simmering regional competition that goes back to the time of the Islamic Revolution. Indeed, even before 1979 Saudi Arabia viewed Iran as a significant competitor for American attention and support in the region. These tensions have continued through the past forty years with the Khobar Towers bombing in the 1990s and Saudi concerns about Iranian support for Shia minorities in eastern Saudi Arabia and Shia majorities in Bahrain.

However, in the last several years, Iran’s rivalry with Saudi Arabia and to a lesser extent some of the other members of the Gulf Cooperation Council (GCC) has escalated from a simmering feud to become a significant feature of the regional landscape. The two countries are on opposing sides in Syria, Yemen, and Iraq, and their willingness to pour weapons and money into these conflicts—and in some cases to directly intervene—has exacerbated them. While the animosity between Tehran and Riyadh is often framed in ethnic and sectarian terms—Shia/Persian Iran versus Sunni/Arab Saudi Arabia—it is driven primarily by geopolitical differences and the pursuit of primacy in an
unstable neighborhood. Riyadh, led by its young Crown Prince Mohammed Bin Salman, has taken an increasingly hard line on Iran—viewing it as threatening the traditional regional order and fueling instability across the region. Tehran has always put countering the United States and Israel at the center of its regional strategy but has increasingly focused on its competition with Saudi Arabia, believing Sunni radical groups such as the Islamic State to be a direct product of Saudi ideology and financing.

For the United States this creates an extraordinarily difficult balancing act. The United States has long maintained a deep strategic alliance with Saudi Arabia, and shares many similar concerns with regards to Iran. But the United States sometimes disagrees on Saudi tactics, strategy, and threat perception. The problem for the United States is that because of Saudi insecurity and fear of Iran, there are moments when if the United States pulls back it simply provokes Saudi Arabia to act more aggressively on its own. Yet when the United States tries to reassure Saudi Arabia in an effort to influence its behavior, the United States is seen as complicit in Saudi actions thus increasing tensions with Iran. Nowhere has this problem been more acute than in Yemen, where the United States continues to support a Saudi intervention although U.S. interests are only marginally engaged and some Saudi actions have led to a humanitarian crisis that serves no one’s interests.

The View From Moscow

Russia shares with the United States the goal of nonproliferation. Russia looks at Iran as a regional power in the Middle East, while assessing Tehran’s policies in various parts of the region on a case-by-case basis. Russia generally prefers pragmatists to radicals and ideologues. However, Russia rejects any linkage between the JCPOA and Iran’s regional activism. It views Hezbollah, like Hamas, as a politico-military organization rather than a terrorist group; and views Iran as part of a very complex geopolitical environment in a region where there are no saints. For Moscow, Iran is a situational ally in Syria and, even though a tough customer overall, a candidate for joining the Shanghai Cooperation Organization.

Moscow would stand by the JCPOA, considering any U.S. move to withdraw from it as destabilizing. In the Russian view, a U.S. withdrawal from the JCPOA because of Iranian actions beyond the nuclear program would be absolutely unjustified; any issues dealing with Iran’s compliance should be dealt with diplomatically, with all P5+1 countries taking part on an equal basis. Russia would also be skeptical of the intelligence provided to the IAEA by the United States and its allies, viewing the information as politically motivated and manipulative. And Russia would firmly oppose any effort by the United States to intervene militarily in Iran, though Russia would be unlikely to respond with force.
Russia, of course, would support the United States in foreclosing Iran’s path to nuclear weapons in the future. However, the Russian redline may be different from the American one. Moscow would insist that any differences be discussed and settled by means of negotiations and consultations. Russia, however, would not likely support a U.S. initiative to conclude a follow-up nuclear agreement with Iran to succeed the JCPOA if it finds its terms too stringent. Rosatom, a state-run nuclear company, views Iran as an important customer, and Moscow would not want to limit its operation in the country. Russia would support a broader effort to create a subregional regime regulating nuclear fuel-cycle activities. Moscow would not bring up the issue of Israel’s nuclear weapons, which it regards as an ultimate deterrence.

In terms of Iran’s regional behavior, the most important issue for Moscow is to find a balance between Iran and Israel in Syria, where Iran is a situational ally and Israel is a conditional friend. Russians understand Israeli security interests, but they also realize that Iran will not accept being shut out of Syria, or allow its lifeline to Hezbollah to be severed. The practical question is, how much or how little Iranian presence in Syria can either Jerusalem or Tehran accept to make a peace settlement possible. Regarding Iranian activism in other parts of the region—Iraq, the Gulf, and Yemen—Russia has no compelling interests of its own. Moscow will continue to preach dialogue, mutual understanding, creating an inclusive security arrangement, and stopping the wars by political means, with the involvement of the United Nations. Russia will deplore or condemn U.S. limited military actions against Iranian interests, while its level of tolerance of Israeli actions will continue to be substantially higher. The United States is seen from Moscow as a hegemonic power seeking to perpetuate its global dominance, whereas Israel is credited with protecting its vital security interests.

Should Iran take an unprovoked military action against the United States or particularly Israel, Russia would not support it. Iran, however, would not be held publicly responsible for actions by Hezbollah, which Russia would condemn as aggravating the situation in the region.

Overall, barring dramatic improvement of Russian-U.S. relations, Russia constitutes an important check on U.S. efforts to counter Iran’s nuclear and regional challenges. Even warming up of the bilateral relationship would not entirely remove Russian-U.S. tension over Iran policy.

The View From Jerusalem

The 1979 Islamic Revolution fundamentally transformed Iran’s attitude toward Israel. Partnership and cooperation gave way to visceral enmity, rivalry, and occasional confrontation, which became menacing after the Islamic Republic reaped the benefits of the second Gulf War. After Iraq was knocked off balance, the threat it posed to Iran greatly diminished, and the buffer it posed against
Iranian force and influence projection into the Levant virtually disappeared. Vitriolic rhetoric challenging Israel’s very right to exist, accompanied by an aggressive nuclear weapons program, would henceforth be complemented by active support for a proxy war against Israel (and selectively also against Jews elsewhere). These have put the Islamic Republic and Israel on a certain collision course, transforming Iran into Israel’s preeminent security threat since the early 2000s.

For over a decade, Iran’s nuclear weapons program was Israel’s primary preoccupation. But Iran’s buildup of Hezbollah as a sophisticated proxy on Israel’s northern border (with significant presence well beyond the region), and its support for Islamic Jihad and at times Hamas, have gradually affected Israel’s threat assessment. The conclusion of the JCPOA has temporarily diminished the acuteness of the Iranian nuclear threat for Israel, but it also expanded Iran’s income and freed its hands to step up its struggle against Israel, through proxies as well as through buildup of an ever-larger arsenal of long-range (and increasingly accurate) missiles that can reach Israel from Iran. More recently, the threat Israel sees in Iran was further escalated by Iran’s intense intervention in the Syrian civil war, deployment of troops in Syria that could be used to open another front against Israel, and dramatic effort to scale up the qualitative armaments of Hezbollah.

Israel has long sought to confront the multifaceted Iranian threat primarily through the combination of indigenous capabilities and operations and intimate collaboration with and support from the United States. This combination remains Israel’s preferred policy. But anxieties about the U.S. regional role; opportunities opening up for collaboration with Egypt, Jordan, Saudi Arabia (and the UAE) in checking Iran; and the reemergence of Russia as a major Middle East player are gradually shifting Israel’s mix of responses against the Iranian threat. Deterrence (beefed up by long-range force projection capability and multilayered missile defenses), intelligence and covert actions, low-key military interdictions, and diplomacy (most prominently recently with Russia) constitute the backbone of Israel’s current response to the Iranian threat. Yet Israel is gearing up for a possible direct confrontation with Iran and its proxies throughout the region should Iran resume its pursuit of nuclear weapons, establish a permanent military presence in Syria, or deliver more strategically destabilizing capabilities to Hezbollah—especially were Israel to conclude that it is increasingly on its own in this campaign.

Sustaining the Nonproliferation Accomplishments of the JCPOA

The United States can best serve its short- to medium-term strategic interests by sustaining the JCPOA. Scrapping the deal now would remove important
existing constraints on Iran's nuclear program (along with the monitoring and verification mechanisms to enforce them), and would leave the United States in a far weaker position to negotiate meaningful future limits on the program. In the absence of clear and credible evidence of significant Iranian violations, ending the deal now would also weaken the United States in contesting Iran's destabilizing regional actions: the United States would be widely blamed for the deal's failure, making it extremely difficult if not impossible to muster the multilateral attention and cooperation that would be necessary to act vigorously against these activities. Furthermore, excessive U.S. bellicosity toward the JCPOA is also likely to dampen the willingness of the other participants in the JCPOA (and the IAEA) to engage in assertive monitoring of the Iranian nuclear program, for fear of triggering discord within the IAEA Board of Governors and a conflict with Iran.

Iran is complying with its core JCPOA commitments, but it is a complex and in many ways innovative deal, and there are concerns about the current state of its implementation. These can best be dealt with through assertive but sophisticated employment of the instruments set up by the JCPOA. A number of serious implementation challenges lie ahead; the JCPOA itself provides the most feasible means to achieve the underlying nonproliferation objectives at stake. Accordingly, the United States should push for strong and effective monitoring, implementation, and enforcement of the JCPOA's obligations, in the following ways.

**Encourage and support the IAEA to fully monitor Iran's nuclear activities.** The IAEA needs America’s strong continued support to monitor and verify Iran’s nuclear commitments. This includes diplomatic and financial support, technical resources, and information sharing. Most importantly, the United States should ensure that the IAEA is prepared to expeditiously investigate any credible and specific information that raises a genuine concern about Iran's compliance with its JCPOA commitments. If such information arises, the United States should push the IAEA to conduct any and all inspections at any sites that are necessary to address the concern. In particular, the IAEA needs full international support if any issues arise concerning military sites or the verification of commitments not to engage in activities that could contribute to a nuclear explosive device. Addressing both categories of concern will be essential to full verification of Iran's commitments and will be politically sensitive within Iran. This approach would maximize the IAEA's ability to effectively pursue and address real information raising genuine concerns about Iran's nuclear program. By contrast, pushing the IAEA to test its monitoring authorities under the JCPOA in the absence of such information would likely backfire by implying to the IAEA and the other JCPOA participants that U.S. monitoring efforts are motivated by politics and ideology rather than legitimate nuclear concerns.
Lead efforts to resolve JCPOA ambiguities and disputes to the United States’ satisfaction. As in any complex deal, there are ambiguities in the JCPOA and disputes about the meaning of particular provisions. Some have become public, such as the interpretation of the cap on Iran’s heavy water stockpiles, accounting for nuclear waste products, Iran’s permitted R&D program on enrichment, and verification of the JCPOA’s Section T. The United States should continue to take the leadership role among the deal’s participants in addressing and resolving to its satisfaction these issues within the Joint Commission, the discussion and dispute resolution body the deal established. Thus far, the deal’s participants have largely worked well together to address questions and facilitate Iranian compliance, despite deep diplomatic divisions on issues outside of the JCPOA, but tensions may arise. (For example, within the broader context of the IAEA’s remit and operations, Russia objects to the state-level approach to information gathering and analysis, and to the agency’s use of intelligence provided by states.) If the United States surrenders this leadership role to others—for example, by breaching the JCPOA itself—the outcomes within the Joint Commission will reflect other participants’ interests, not those of the United States.

Insist on full implementation of the Additional Protocol. Under the JCPOA, Iran is obligated to implement the Additional Protocol—which constitutes the IAEA’s most comprehensive and intrusive tool for benchmarking, monitoring, and inspecting states’ compliance with their nuclear safeguards obligations—and to ratify the protocol within eight years. Given Iran’s history of clandestine and illicit nuclear activities, fulfilling its obligations under the Additional Protocol continues to be a challenge. Its required declarations need further clarifications, both to provide the benchmarking that lies at the heart of the early warning function of IAEA comprehensive safeguards and to serve as a prerequisite for facilitating a Broader Conclusion from the IAEA. The Additional Protocol also requires IAEA access to military facilities, which the United States must strongly support, though whether and how to publicly describe specific inspections should be left to the discretion of the IAEA.

Remain involved in Iran’s peaceful nuclear program. The JCPOA permits Iran to have a limited nuclear program, and the United States has an interest and role in making that feasible—a role that gives the United States a degree of insight and influence to encourage genuinely peaceful nuclear pursuits while discouraging others. First and foremost, the United States and China jointly chair a working group on modernizing the Arak heavy water reactor so that it cannot be used to produce weapons-grade plutonium. The United States should continue to be an active and constructive participant in these technical planning discussions; such involvement keeps the United States in the strongest possible position to ensure that Iran’s nuclear program stays within
its limitations. Second, the United States should not discourage allies and partners from civil nuclear cooperation permitted under the JCPOA, for example in safety, security, regulation, and nuclear medicine. Responsible parties will be alert to possibilities for abuse and should take appropriate measures to prevent it, such as end-use and end-user arrangements.

**Continue to meet U.S. sanctions-relief commitments.** The JCPOA is in some ways a simple deal—Iran accepts verifiable limits on its nuclear program, and the United States and the EU lift the sanctions that targeted the nuclear program. For the United States, that mainly means lifting secondary sanctions and allowing non-U.S. entities to do business with Iran, though some U.S. industries (notably in aviation, agriculture, and medicine) are also allowed to do certain types of business under the JCPOA. The threat to reapply the lifted sanctions—known as snapback—is the United States’ essential leverage for encouraging continued Iranian compliance. In order to sustain that leverage, the United States must fully comply with its commitments so that restoring the sanctions would bite Iran’s economy.

**Coordinate closely with the EU and E3 partners, and work energetically with Russia and China.** The United States should coordinate closely but quietly with the EU and the E3 partners on the best means to address concerns about nuclear issues. Similar coordination with Russia and China, while more challenging, has also been essential to both achieving and implementing the deal. Vigorous efforts to build consensus with U.S. partners, especially in Europe, and to maintain a serious corresponding dialogue with China and Russia are vital to preserve the widest range of tools to address nuclear and related challenges. Such consultation will clarify for partners the concerns of this U.S. administration, build diplomatic goodwill, and facilitate the best timing and approach for eventually beginning such discussions with Iran and in the Joint Commission.

**Fully participate in the Joint Commission.** The Joint Commission meets at political director or ministerial level. Maintaining that level of participation by the U.S. government, as Secretary of State Rex Tillerson did in September 2017 on the margins of the UN meetings, is the best way to resolve any implementation issues and will demonstrate to Iran and the deal’s other participants that the United States is watching the deal very carefully at the political level. Also, given restricted U.S. communications with Tehran, Joint Commission meetings are important opportunities to pass messages on other sensitive issues. Within the Joint Commission, the United States should carefully review and scrutinize any transfers of nuclear or dual-use items through the Procurement Channel (a process established by the deal to review such
requests) and approve them only when consistent with the deal’s limitations on Iran’s nuclear program.

Organize the State Department and the interagency process to implement the deal effectively. Pursuing these approaches will require political focus and a smart bureaucratic structure to ensure that all relevant elements of the U.S. government, including the Departments of State, Energy, and Treasury, as well as the intelligence community, are well coordinated. A special office was established under the secretary of state to oversee early implementation efforts. In line with Secretary Tillerson’s intention to minimize such special envoys, it is now appropriate to return this function to the Near Eastern Affairs Bureau to act as primary lead and coordinator of the department’s activities so long as it is appropriately staffed, has an interagency mandate, and has a direct line to the secretary of state and other senior policymakers.

Planning for the Future to Limit Iran’s Path to Nuclear Weapons Capabilities

While current implementation issues merit careful attention, the more difficult tradeoffs in the deal will be felt in the years to come, as agreed restrictions on Iran’s nuclear program slowly lift and Iran presumably gets nuclear rehabilitation by virtue of implementing the JCPOA. The gravity of the challenge and the difficulty of arriving at a satisfactory outcome through diplomacy mandate that the U.S. administration’s overall strategy therefore begin to focus now on constraining Iran’s nuclear activity after key JCPOA provisions expire. The cornerstone of the U.S. strategy ought to be to dissuade and if necessary prevent Iran from returning to a nuclear program that would lead it to be either a nuclear weapons state or a threshold state that could acquire nuclear weapons, at its discretion, within a matter of weeks. It is a fundamental U.S. interest to deny Iran such discretion not only from a nonproliferation point of view but also for purposes of managing regional security and relations with Arab states and Israel. The sobering lessons of failing to stop North Korea in time should not be lost here.

The goal would be neither to humiliate Iran nor to coerce it into submission, but simply to affect its incentive structure and to position the United States to respond effectively to any scenario. An essential (but not sufficient) part of the posture is to make clear to Iran that any decision on its part to proceed toward nuclear weapons acquisition would not only be detected early but also resisted powerfully. By the same token, the credibility, legitimacy, and efficacy of any U.S. policy would also be greatly enhanced by leaving Iran a respectable way to proceed in developing a genuinely peaceful nuclear program, while also giving
the United States ample warning time and credible evidence to draw on to respond forcefully to an Iranian dash toward nuclear weapons.

Given that the Trump administration has no longer certified the sanctions relief in the agreement to be appropriate and proportionate to the steps taken by Iran, the United States should move forward by exploring four options to constrain Iran’s long-term nuclear capabilities. These options are not mutually exclusive. They all boil down to assertive U.S. diplomacy backed by other policy tools, employing both carrots and sticks.

**Option 1: Build a case around current and future challenges to implementation of the JCPOA and related UN Security Council resolutions, in order to deny Iran the legitimacy to scale up its nuclear activities once the restrictions they impose begin to expire.** This option may be the most feasible, but among its challenges is that Iran is unlikely to play into U.S. hands by blatantly violating the JCPOA in ways that could warrant the snapping back of all nuclear sanctions. The United States will need to make a sophisticated case to maintain international unity against expansions of Iran’s nuclear program in ways that are particularly suited for acquiring nuclear weapons. This certainly includes demanding strict application of JCPOA provisions, including regarding weapons-related research and development (in Section T of Annex I of the agreement).

The United States could reinforce its case by focusing on Iranian testing of nuclear-capable ballistic missiles and arms sales in defiance of UNSC Resolution 2231. That resolution maintains restrictions on transfers of arms, ballistic missile components, and nuclear material to and from Iran, as well as targeted financial and travel sanctions on designated persons, for a limited amount of time. The resolution also calls on Iran not to launch ballistic missiles designed to be capable of carrying a nuclear weapon. The Security Council restrictions on non-nuclear issues are not part of the JCPOA, but the United States sought to sustain the restrictions in Resolution 2231 because the missile-related issues had not been resolved by the JCPOA. These restrictions are important because these activities are a genuine concern, and the resolution provides a legal basis for countries to support law enforcement efforts targeting prohibited activities and transfers, such as interdictions and asset freezes. These efforts manifestly cannot prevent a country like Iran from developing ballistic missiles capable of delivering a nuclear weapon, but they can and do slow such a program and raise its costs. Maintaining such efforts by the United States and seeking cooperation with third countries is easier if they believe the United States is acting in good faith. For many of the key third countries, this starts with continued implementation of the JCPOA.

The United States could also bolster its argument by drawing attention to possible Iranian failures to ratify (and implement properly) the IAEA Additional Protocol, and to secure a robust Broader Conclusion from the IAEA that Iran’s nuclear program is truly, exclusively peaceful. This latter issue could be made far
more salient if Iran continues to refuse to ratify mainstream treaties or conventions on nuclear safety, the handling of spent and irradiated fuel, physical protection of nuclear materials, and nuclear liability. All other countries with purely peaceful nuclear programs have ratified and implemented these four treaties.

A policy of pressing Iran on each and all of these issues would seek to dissuade Iran from exercising its "inalienable right" under the NPT (presumably regained once the JCPOA has run its course) to expand its nuclear activities in areas of utmost concern once the JCPOA restrictions on undertaking these activities begin to fade. Obviously the viability of this option hinges to a large extent on the degree to which Iran's behavior is disconcerting enough to justify the United States' taking coercive steps on its own. U.S. pressure would prove more effective if at least some of its JCPOA partners and other leading members of the international community could be persuaded that the U.S. concerns are valid and that it is indeed Iran that fails to deliver at least on the spirit of the JCPOA. Here the U.S. administration and Congress will need to take great care in marshaling evidence of Iranian misdeeds in these domains.

Iran will of course push back hard on this approach. The credibility and viability of this option would be greatly enhanced if the United States were to simultaneously explore the other three options that follow.

Option 2: Extend and expand upon some of the JCPOA's innovations and seek international support for a new global framework for enhancing the capacity to distinguish between peaceful and nonpeaceful nuclear energy activities. Such a framework would discourage and help warn against nonpeaceful efforts, while facilitating peaceful activities. As Carnegie's nuclear firewall project has described, such a framework could cover not only nuclear fuel-cycle activities (as the NPT does). It also would fill gaps in the NPT by prohibiting specific research and development activities, and military practices that are singularly necessary for producing and operating nuclear weapons.

Option 3: Develop a regional Middle Eastern (or alternatively a subregional Gulf) regime for handling nuclear fuel-cycle activities. Such a regime could even potentially address nuclear-capable ballistic missiles. This approach could take several forms, but each should displace indigenous and national Iranian activity in the fuel-cycle domain, and, separately, in a regional context, restrict its development and testing of nuclear-capable ballistic missiles.

Either a regional or a subregional approach would not only help defuse concerns about Iran's nuclear activity (by restraining Iran and building a mechanism to warn of proliferation concerns), but also serve broad U.S. regional and global nonproliferation interests above and beyond Iran. Iran may be more amenable to such regional or global initiatives, compared to approaches that would single it out—although Iran is quick to point out double standards ("What about the United States? Why not Israel?"). But building such regimes and getting Iran to
subscribe to them would require significant time and energy to win over numerous skeptics. Russia and China (and many others) could probably be enticed to support such initiatives, especially if they would be recognized as serving all three pillars of the NPT, not merely nonproliferation and nuclear energy cooperation but also disarmament. Yet, achieving this cooperation would require deft, well-coordinated activity across multiple U.S. government agencies.

**Option 4: Negotiate a follow-on agreement to the JCPOA, well in advance of the expiry of the JCPOA’s uranium enrichment clauses (probably even before Transition Day), which would commit Iran not to scale up its infrastructure for developing nuclear weapons capabilities.** It is unlikely that Iran would voluntarily agree to such a deal absent strong incentives to do so. Iran reacts viscerally when singled out. “Imagine being told that you cannot do what everyone else is doing,” Zarif once said about Iran’s nuclear program. “Would you back down? Would you relent? Or would you stand your ground?” Accordingly, coercion would likely be required. Coercion applied exclusively, especially by the United States alone, is unlikely to succeed without a strong substantive case to make against Iran, coupled with serious U.S. willingness to back it up with the threat of use of force. At a minimum this approach would require the firm backing of the P5+1, including a strong consensus to penalize Iranian noncooperation. For coercion to have a chance, it would have to be paired with positive incentives Washington would offer Iran to entice it to accept (retain) open-ended, significant nuclear restraint in the areas of greatest concern. Such incentives could be offered in the areas of trade and investments (including by U.S. companies), nonlethal equipment transfers, peaceful nuclear cooperation, and other aspects of normalized relations. These would be designed at a minimum to tempt Iran to conform its nuclear program strictly with the standards and practices of purely peaceful programs in other countries.

This option appears highly attractive to explore, but it faces several potential obstacles. In practice its application would have to overcome serious domestic opposition within the Iranian regime to normalization with the United States. This opposition exists notwithstanding Iran’s desire to wean its peaceful nuclear program off exclusive dependence on Russia. Furthermore, the prospect of U.S. rapprochement with Iran would hardly be appealing to many within the United States, nor would it be welcomed by U.S. regional allies in the Middle East. Nor would it be appealing to Russia, which is bound to view it as undermining its own influence over Iran in general and competing with its captive nuclear market there in particular. But none of these difficulties is insurmountable, and they are all worth trying to overcome. In any event, given how difficult and time-consuming negotiations with Iran would prove even under the best of circumstances, early (and secret) development of an elaborate strategy for exercising this option would be indispensable.
Ultimately, given how challenging all of the options outlined here may be, the U.S. administration should explore all of them simultaneously. Iranian agreement to any Iran-specific, regional, or international follow-on to the JCPOA is likely to depend on both the mix of U.S.-led pressure and gestures and the skill with which they are applied. These would need to credibly confront Iran with a stark choice: seriously restrain its nuclear program and related capabilities and enjoy the benefits the international community can offer, or risk isolation, biting sanctions, covert actions, and potentially the use of force. Iran is already accustomed and receptive to combined U.S. employment of positive inducements and coercion; indeed, Iran often practices such art itself. The odds that any of the proposed policy options could succeed would depend to no small degree on the extent to which smart U.S. diplomatic leadership is combined and backed up by vigilant intelligence gathering and analysis, and a credible deterrence posture reinforced by the military capacity to act decisively and effectively.

**Pressure Points to Change Iran’s Foreign Policy**

Coercion should be the backbone of the U.S. strategy to address the nuclear and regional challenges. Pressure—through military operations, intelligence activities, and targeted sanctions—can deter destabilizing Iranian initiatives, impose costly consequences in response to provocations, slow down and complicate Iranian acquisition of the most destabilizing weapon systems, and directly counter Iranian activities in the region.

Military and intelligence activities can provide a tangible deterrent and a direct response to prevent destabilizing Iranian activities, all the while strengthening the strategy’s other tools by demonstrating U.S. capability and resolve. To counter Iran’s regional threats, U.S. military and intelligence efforts should aim to detect and deter Iranian acquisition of nuclear weapons and their means of delivery, limit the regional influence of Iranian forces and their surrogates, most notably Hezbollah, and protect the freedom of navigation and U.S. forces deployed in the region.

To accomplish these objectives, U.S. military and intelligence activities should focus on: (1) optimizing force posture and presence to deter problematic Iranian behavior, especially with regards to the nuclear program and freedom of navigation; (2) light military deployments, especially in Iraq and Syria, to build political leverage and prevent Iran from achieving specific objectives that would threaten the United States and its partners; (3) direct covert actions and maritime interdictions to directly counter Iran’s destabilizing behavior.

Sanctions can also exert strong pressure on Iran. It was forced to the nuclear negotiating table in large part because the United States designed and
coordinated a broad multilateral coalition to sanction Iran. U.S. leadership of this effort was indispensable, but multilateral cooperation and compliance—particularly by the European Union, importers of Iranian oil, and the UN Security Council—converted the sanctions from a loud unilateral bark to a vicious multilateral bite.

The United States should sharpen its sanctions sword—to respond in the event that Iran violates the JCPOA, and to target Iran's destabilizing regional activities. But to do so most effectively, it must bring along partners that have economic leverage over Iran. Unilateral U.S. sanctions will not be sufficient to moderate Iranian behavior, but they could quickly trigger an Iranian response and a process of escalation. Washington can twist arms to force states to go along with fresh efforts to punish Iran's regional destabilization, but tepid compliance, particularly from Iran's core energy customers, will enable circumvention and undermine U.S. leverage and credibility.

**Nuclear Concerns**

**Closely monitor Iran's nuclear program (in collaboration with friendly partners) to detect any indication of activity to acquire nuclear weapons or otherwise violate the JCPOA.** Intelligence collection on Iran's nuclear program should continue to be a national priority, to monitor compliance with the JCPOA's strict and specific limitations and to detect any Iranian attempt at a covert nuclear breakout.

**Work closely now with international counterparts to pre-plan for a coordinated, proportional response to an evident Iranian breach of the JCPOA.** Nuclear sanctions should be snapped back only in the event of an Iranian violation of the deal that is not satisfactorily addressed through the Joint Commission. The United States should plan with international partners now so if that happens, the United States would not be alone in snapping sanctions back and will not therefore risk a sanctions strategy that lacks economic force. A unilateral response would almost certainly fail to generate meaningful economic leverage and would signal to Iran that the international coalition against its nuclear ambitions has been shattered, weakening U.S. leverage and diminishing chances to resolve the crisis diplomatically.

Without the support of U.S. allies, sanctions circumvention will be a serious, predictable problem. Partners may refuse to comply, or help with enforcement, if they believe the United States is imposing sanctions on the basis of politics or ideology rather than credible evidence of an Iranian nuclear breach. Circumvention is a particular concern when it comes to the sale of petroleum. It is a major driver of Iran's economy, accounting for almost 90 percent of Iran's GDP growth in the first half of the 2016–2017 fiscal year.\(^\text{14}\) It is a difficult commodity to pursue with sanctions enforcement without robust cooperation
from Iran’s customers, many of whom are reluctant to take on the inconvenience and price spikes associated with halting crude purchases.

**Conduct contingency planning and exercises for operations to prevent Iran from acquiring a nuclear weapon.** If the JCPOA fails, the United States will need to be prepared to take military action to prevent Iran from acquiring a nuclear arsenal. While the JCPOA’s enrichment restrictions remain in effect, the extension of Iran’s breakout time to one year provides a valuable window for such action. But when the enrichment restrictions expire and Iran’s breakout time narrows dramatically, the military will need to be prepared to act even more swiftly. U.S. planning for such scenarios and joint exercises to prepare for them, in quiet cooperation with regional allies and partners, should help deter Iran from pursuing this path.

**Maintain a robust military presence in the Middle East.** Since the United States drew down from Iraq in 2011, it has maintained a force presence of roughly 30,000–40,000 troops in the Middle East conducting various missions, most notably in recent years operations against the Islamic State. Part of this mission has always been to ensure freedom of navigation in the Gulf and to deter destabilizing Iranian behavior. This force presence remains a key point of leverage in nuclear negotiations and a deterrent for Iranian nuclear breakout.

**Regional Destabilization**

**Undermine Iranian asymmetric activities in the Middle East and around the world by publicizing them and using their exposure to embarrass and isolate Iran.** During his confirmation hearing, Secretary of Defense Jim Mattis floated this approach, stating “I think to publicly display what Iran is up to with their surrogates and proxies, their terrorist units that they support, to recognize the ballistic missile threat, to deal with their maritime threat, and to publicly make clear to everyone what they are doing in the cyber realm all helps to constrain Iran.” And in recent years when Iran’s activities have been exposed in embarrassing ways, it has hurt them diplomatically—most notably when an Iranian plot to assassinate the Saudi ambassador to the United States in Washington was exposed in 2011, but also when an Iranian arms network was exposed in The Gambia causing a break in relations. The United States can more vividly leverage these incidents of Iranian malfeasance to signal deterrence and reassurance more strongly than in the past. For example, past Iranian arms interdictions have been exposed to the world via USCENTCOM press releases with pictures of weapons caches—a relatively low-profile way to expose such conduct publicly. If instead senior American officials, such as Secretary Mattis or General Joseph Dunford, were to conduct a news
conference standing in front of intercepted Iranian weapons, this would send a much firmer message to Iran and to U.S. partners.

**Dedicate more resources to identify and impede the IRGC’s economic role at home and abroad.** The IRGC controls Iran’s ballistic missile program and much of its broader regional force projection. As an enormous organization and Iranian property owner, it is relatively vulnerable to economic and logistical pressures. The group is estimated to control between approximately 20 and 40 percent of the formal Iranian economy. It may also control much more of the country’s informal economy. U.S. administration officials should work to shrink the IRGC’s role by more aggressively sanctioning IRGC front companies, banks, properties, and, in particular, its administrative leadership ranks. Doing so will create financial constraints on the IRGC and help international financial counterparts clarify the Iranian entities that are IRGC-linked and therefore off-limits. It will also signal to Iranian entrepreneurs and the revolutionary regime the macroeconomic incentives of shrinking the role of the IRGC in the Iranian economy and allowing a licit and robust private sector in Iran’s economy.

**Aggressively identify, sanction, and counter Iranian missile procurement activities.** Further sanctions can impose consequences on Iran for its ballistic missile activity, including raising costs for the program’s procurement and financing. To the greatest extent possible, U.S. officials should coordinate with international counterparts, urging them to match U.S. sanctions designations. U.S. sanctions officials should act expeditiously with sanctions responding to Iranian provocations, avoiding delaying such sanctions until JCPOA deadlines for reporting or certification. This will reinforce the message that sanctions are not intended to undercut the nuclear deal. In addition, transfers of ballistic missile items to and from Iran remain prohibited under UNSC Resolution 2231, and the United States should continue to prioritize resources and efforts to work aggressively with partners to interdict such shipments in accordance with international law.

**Take military steps to ensure that Iran-supported militias and Hezbollah are kept out of the Golan Heights and southwestern Syria and make this a top priority for the United States in Syria in terms of countering Iran.**

Protection of Israel and Jordan has been one of the central rationales behind U.S. support for the Southern Front—a coalition of moderate fighters who control portions of southwest Syria. Keeping Iran-supported militias out of this area should be a readily achievable objective, as U.S. partners hold the upper hand in this part of Syria and simply keeping the status quo in place would be sufficient. The Trump administration has agreed to a ceasefire in southwest Syria with Russia and Jordan to address this concern. But while the
U.S. administration appears committed to keeping Iranian forces off of Israel’s border, it is not yet clear whether the details of the de-escalation agreement will ensure that outcome. And Israel has expressed concerns that if Russian forces act as monitor of the agreement they will not stop Iranian encroachment into this area. The United States should prioritize this objective in its broader negotiation with Russia on Syria and if necessary be willing to place a number of U.S. forces into southwest Syria to oversee the implementation of a ceasefire and also provide intelligence, surveillance, and reconnaissance (ISR) capabilities to monitor implementation of the agreement.

**Dedicate more resources to aggressively identify and sanction leaders, businesses, bankers, and facilitators aiding Hezbollah’s violent operations.** It will be difficult to effectively target Iran’s support to Hezbollah with sanctions, given the regime’s priority to sustain the group and the limited cost of low-intensity conflict. Funding for Hezbollah did not dry up during the period of most intensive sanctions pressure on Iran from 2010 to 2015. Since the JCPOA, and without clear evidence of a budgetary increase, Hezbollah’s aggressiveness has troublingly increased. However, such efforts will at least signal that the United States refuses to let Iran’s support for terror and regional destabilization go unaddressed, even if the efforts are not expected to have a significant material impact.

**Limit a so-called land bridge from Iran to the Mediterranean by positioning U.S.-supported forces to retake most territory held by the Islamic State in eastern Syria.** The concept of an Iranian land bridge has received significant attention in the press and from regional analysts but is often misunderstood. Using land routes to transport a large number of Iranian forces or materiel 1,000 miles across some of the most treacherous terrain of the Middle East is impractical, especially when Iran already has air routes into Damascus and is helping Hezbollah build a domestic weapons production capability Lebanon. Iran’s real objective is to hold as many key lines of communication as possible within Syria and Iraq so that it can more easily move its forces including Hezbollah, other Shia militias, or the IRGC Quds Force within and between these territories; give itself maximum battlefield flexibility; and develop diversified supply routes.

The United States should limit Iranian flexibility and control of these lines of communication, though it must also recognize that this will be more difficult and less important than its top priority in keeping Iran out of the Golan Heights and Israel’s border areas. By maintaining forces at al-Tanf in Syria, the United States has cut off Iranian use of the southern (and most direct) route from Baghdad to Damascus. Because protecting this enclave comes with a significant U.S. resource commitment, especially in terms of air support, the United States should look for alternatives with partners that reduce this
burden. In the north, the United States should be able to use its close alliance with Syrian Kurds to prevent Iranian shipments of weapons. The question will be at the border crossing between Anbar and Deir Ezzor Provinces. If American-supported forces are able to retake this territory from the Islamic State, they would cut off any options for Iran—though even if Iranian proxies hold it, it is highly inhospitable terrain for Shia militia groups.

Finally, it is important to recognize that such an approach will not fully prevent Iranian movement through this territory. Security vacuums plague eastern Syria and will continue to for years to come, and in that environment Iran will find opportunities to increase its influence and move materiel and personnel.

**Prevent or limit a conventional Iranian military buildup in Syria.** There are increasing concerns that Iran may be looking to establish a naval base in Syria or move in high-end conventional forces. This could fundamentally reshape the strategic balance in the Levant and threaten Israel. The United States should clearly oppose such actions and take steps to interdict weapons shipments, expose this behavior, assist Israel in countering Iranian actions, and press Russia to diplomatically prevent such a buildup. While a demobilization of Shia militias and withdrawal of Hezbollah from western Syria is unrealistic, generating international support to prevent any significant buildup may be more likely. But the reality is that the United States has only limited military leverage to accomplish this goal without a significant escalation in Syria that is unwise, and thus limiting the degree of the buildup may be the only achievable outcome.

**Aggressively identify and sanction the individuals and entities Iran uses to support Syrian President Assad.** Such sanctions will give useful information to responsible banks and companies in the region and beyond to avoid inadvertently enabling or facilitating Assad’s continued aggression.

**Maintain a small long-term military presence in Iraq at current force levels.** The primary purpose of this presence would be to support the Iraqi security forces and ensure the Islamic State does not return. But a small yet meaningful enduring U.S. presence would provide political influence in Iraq that can be used to check Tehran’s problematic policies while seeking negotiated political outcomes. As evidenced by the U.S. deployments to Iraq since 2014, even a small number of American troops acts as a major force multiplier in countering the Islamic State and thus is valued by the Iraqi government. This in turn gives the United States leverage in Baghdad. The United States should use this influence to weaken the influence of the Popular Mobilization Units—Shia militia groups often supported by Iran—and press the government in Baghdad to decommission as many of these as possible or roll them into the Iraqi security forces. The United States should also use its leverage
to press for the Iraqi government to represent Sunnis more fairly and address their grievances, thereby closing off the opportunity for the Islamic State. Iran is likely to publicly object to any long-term American force presence. However, if Prime Minister Haider al-Abadi and the Iraqi leadership privately press the case in Tehran, Iran is likely to acquiesce privately because it knows American troops can help counter a resurgent Islamic State—as long as force levels are low enough that the Iranian regime does not perceive them as a threat.

Posture military forces to clearly message Iran that any effort to disrupt the flow of trade through the Bab al-Mandeb strait will be met with firm U.S. resolve. Houthi forces have launched a number of missile strikes on ships passing through the area and in one case the Obama administration responded with a strike on Houthi facilities. The United States should make clear that further attacks at sea will be met with similar responses, and the United States will hold Iran responsible for these types of attacks because it is clear that the capability is not indigenous.28

Support targeted maritime interdiction operations to intercept Iranian arms. Iranian arms shipments, including to the Houthis in Yemen, to Hamas and Islamic Jihad in Gaza, and elsewhere in the Gulf, violate UNSC Resolution 2231 and destabilize the region. The United States should provide intelligence, and in appropriate cases military support, to targeted interdiction operations that can be conducted in accordance with international law. For example, scholars at the Washington Institute for Near East Policy have outlined a promising proposal to support targeted interdictions near Yemen that would increase ISR capabilities, improve intelligence sharing, and provide more training and cooperation for interdictions.29 This could result not only in more Iranian arms being interdicted but also in more food aid getting through.

Continue military assistance to Gulf partners, but dissuade behavior counter to U.S. interests. The United States should maintain and in some cases increase military support for Gulf regional partners, notably Saudi Arabia. While major conventional arms sales will remain a central part of this effort, a greater focus should be put on enabling these partners to more effectively conduct irregular warfare strategies that focus on low-end capabilities. Such capabilities may be less attractive from a national prestige perspective but are more meaningful in countering both Iran’s asymmetric activities and those of Sunni extremist groups. But this support should not be free or unconditional. Especially in Yemen, the United States should be wary of getting too deeply involved outside of its support for countering al-Qaeda in the Arabian Peninsula. And the United States should press its partners to improve the humanitarian situation in Yemen, be more judicious about the strikes they
conduct, and stay open to a negotiated outcome to the conflict similar to what was proposed by the U.S. road map proposal at the end of 2016.30

Proceed with care in addressing evidence that any Iranian entity de-listed under the JCPOA is conducting sanctionable activity. One of the fundamental disagreements about the JCPOA is whether it is permissible to further sanction Iran for non-nuclear behavior. Washington—including both Democrats and Republicans—says yes, while Tehran believes any additional sanctions constitute a violation. In an August 2015 letter to President Hassan Rouhani, Ayatollah Khamenei warned that “Any imposition of sanctions at any level and under any pretext (including repetitive and fabricated pretexts of terrorism and human rights) . . . will constitute a violation of the JCPOA and the [Iranian] government would be obligated to take the necessary action . . . and stop its activities committed under the JCPOA.”31

If there is evidence that an Iranian entity de-listed under the deal is conducting sanctionable activity, U.S. officials should work quietly and directly with Iranians and security allies to address the concerns. When appropriate, U.S. officials should consider other means for resolution, including covert action and law enforcement interdiction, which may be more effective in any case. If sanctions are necessary, the United States should make public details of the illicit Iranian activity and offer U.S. security allies information about prior U.S. efforts to address this activity. This will bolster the credibility of, and support for, U.S. foreign policy and make clear that the United States is pursuing its concerns in a manner consistent with the JCPOA. While such a re-listing would not necessarily constitute a breach of the deal, the United States would effectively dig itself into a hole by imposing such a sanction without laying the multilateral groundwork for it.

Expanding Constructive U.S. Engagement With Iran

The nuclear and regional challenges Iran poses may seem to leave little room for engagement through diplomatic tools and constructive economic statecraft. But pressure alone is not a strategy and cannot deliver true stability and security. It is the pairing of pressure and engagement that can advance U.S. interests. Well-executed, constructive engagement helps the United States communicate clearly its positions and demands to the Iranian government, demonstrates that the United States is not the enemy of the Iranian people, and builds the multilateral support necessary to effectively address the nuclear and regional challenges. It also provides valuable intelligence and insight into Iran’s calculations, decisionmaking, and behaviors. The United States will accrue credibility and authority among its allies, and position itself as resolute,
reasonable, and principled in its discourse with Iran, if it shows that it is prepared to take yes for an answer.

If the United States does take active, significant steps beyond non-certification to abrogate the JCPOA and unilaterally reimpose nuclear-related sanctions on Iran, it will have gone a great distance to foreclose any policy course of engagement, and with it the ability to use this tool to engineer diplomatic outcomes. This is presumably the aim of some JCPOA critics who view a diplomatic or economic détente as unconditionally unacceptable. It will not be impossible to eventually pursue engagement options, but a very long path of regaining international credibility and rebuilding alliances will necessarily come first. This is work well worth doing in the interest of eventually accomplishing a stable, and hopefully more secure, posture with Iran.

The effective use of engagement aims to do a number of specific things: 1) provide a reliable and low-cost vehicle to issue warnings, clarify intentions, underscore bottom lines, and emphasize choices available to Iran’s leadership and the costs of those choices; 2) offer a mechanism for de-confliction and de-escalation, particularly in acute scenarios driven by miscalculation or inadvertent accidents; 3) demonstrate to U.S. partners, particularly those in Europe and Asia, that the United States is willing to engage constructively on issues of shared interests, thereby mitigating against U.S. isolation on key issues and helping to secure collective approaches on key Iran-related issues; and 4) make Iran’s economy less susceptible to malign actors like the IRGC.

Increased bilateral ties between the United States and Iran have always represented a double-edged sword for Iran. This is unlikely to change in the near term; therefore, the most effective engagement may need to utilize multilateral mechanisms and work in concert with partners. But even within such limits, there are several valuable steps the United States can take to engage with Iran and with partners to address the nuclear and regional challenges.

**Communicate directly with Iranian officials.** Direct communication between senior U.S. and Iranian officials, including at the ministerial level, provides a valuable unfiltered channel to deliver clear and unequivocal messages to Tehran about U.S. nuclear and regional concerns, to receive confidential responses, and to negotiate (including on nuclear issues). Such channels may be essential in future crises calling for swift communication and possible de-escalation. The alternative is for U.S. and Iranian officials to tie their own hands—by limiting themselves to public statements, or leaving the clarity and accuracy of private messages at the mercy of their messengers. Indeed, the difference such communication can make was demonstrated during the crisis in 2016 when American sailors were taken captive by the IRGC Navy and a direct line between John Kerry and Javad Zarif was key in quickly de-escalating the situation.
The United States should maintain cordial and private contact on the margins of multilateral forums should the need to communicate directly on a pressing issue arise. While not a substitute for empowered senior-level contact, the administration should also maintain the policy that allows U.S. diplomats to meet with their Iranian counterparts at international meetings. For the issue of American citizens detained in Iran, it is imperative that direct communication be maintained using the mechanisms that have been established.

**Amplify and echo U.S. messages through indirect channels.** Delivering a consistent message simultaneously through multiple channels can signal its importance and strength. Several channels are already available. The Swiss government, charged as the U.S. protecting power since 1980, could again take on a role as interlocutor beyond its more traditional consular duties. The U.S. administration should make sure that it maintains sufficiently senior contacts with the Swiss who would constitute the channel. The Oman channel, used to facilitate contact between U.S. and Iranian officials during the Obama administration, is strained by its association with the JCPOA, but nevertheless is another reliable option. The U.S. administration should also consider enlisting a prominent and credible international statesperson to act as a neutral, untainted interlocutor; former UN secretary general Ban Ki-moon could be one such candidate.

**Expand people-to-people contact between Iranian youth, entrepreneurs, and civil society groups and their U.S. counterparts.** The United States has used educational and cultural exchanges with Iran to promote and support internet freedom, culture, health, education, science, the environment, public diplomacy, and broadcasting. The funds supporting such programs across the region have decreased in recent years, with only $15 million requested in the 2018 fiscal budget—half of that in the 2017 budget. Continuing this activity and expanding exchanges will empower constituencies in Iran that can help orient public perceptions and preferences toward greater connectivity with the West. This will serve U.S. interests by building avenues for communication and connectivity on the civil society level, and mitigating some of the mutual enmity expressed in popular discourse in both Iran and the United States and fueled by restrictive travel prohibitions on Iranians entering the United States. Additionally, it will help clarify that the United States is challenging the Iranian government, not the Iranian people, and may be a powerful investment in constructive U.S. engagement with future Iranian leaders.

However, it carries risks. Over the past decade, Tehran has imprisoned numerous U.S. citizens on trumped-up charges, including most recently a Princeton University doctoral student. Absent a marked improvement in U.S.-Iran relations, encouraging U.S. citizens to visit Iran is inadvisable—so such contact would need to occur in the United States or third countries. The U.S.
administration’s September 24 travel proclamation suspends and limits entry by Iranians to the United States; it however stipulates exceptions for valid student and exchange visitor visas with the provision of possible enhanced screening and vetting requirements. The implementation of the proclamation should allow for these exceptions to be exercised fully.

A corollary to people-to-people exchanges is the numerous track 2 engagements between American policy analysts, former administration officials, congressional staff, and their Iranian counterparts. Recognizing that the Iranian participants are a self-selecting group, these interactions nevertheless provide insight into current Iranian dynamics and offer a vehicle through which to test policy ideas. In an environment where engagement is limited, the administration should consult with U.S. participants of track 2 processes and solicit their input.

**Keep an open dialogue on the regional challenges, especially with regard to the conflicts in Iraq, Syria, Yemen, and Afghanistan.** Even as the United States works to actively counter Iran in these arenas, it should keep open a channel for dialogue—both because Iranian acquiescence will be necessary to bring these civil wars to an end, and because in some cases the United States and Iran do share some common interests. In Syria, there is exhaustion on all sides of the conflict, and Iran should be amenable to some kind of arrangement that creates de-escalation zones and spheres of influence across the country to stop the fighting. In Iraq, the United States and Iran have both learned lessons from the rise of the Islamic State and should be able to find some common ground on political arrangements that keep a strong central government in place but ensure the Sunnis are not alienated to the point where it causes them to once again take up arms against the central government. In Yemen, neither side’s interests are deeply engaged and yet each is being drawn into the conflict, potentially offering opportunities for de-escalation. And in Afghanistan, the United States and Iran have a history of working together to bring the post-Taliban government to power and an interest in stopping the opium trade and stabilizing the country.

**Pursue a more robust maritime de-confliction process.** Given recent irresponsible and dangerous Iranian actions at sea, a renewed look at multilateral means of maritime communication is in order. Historically, Iran has been hesitant to accept offers of direct, senior military communication with U.S. naval leadership, and while a bilateral hotline of sorts remains in place, it is almost never used by the Iranians, and certainly not by those operating assets in close proximity to U.S. and partner naval assets.

A Code for Unplanned Encounters at Sea (CUES)—currently in practice in the Pacific with twenty-one participating nations—should be adopted in the waterways around the Gulf. Such a code promulgates a standardized protocol of safety procedures, basic communications, and basic maneuvering
instructions to follow for naval ships and aircraft during unplanned encounters at sea. Importantly, this code could include procedures for drone use as well, given the rise of drones operating in this area.

Rather than seeking a CUES with only the Gulf states and Iran, which would be difficult, the code should be adopted by the broader Combined Task Force 150, which includes navigation in the Red Sea, Gulf of Aden, Indian Ocean, and the Gulf of Oman. Pursuing this effort multilaterally would make Iran more likely to accept it than engaging strictly with the United States or the GCC. The CUES also should be shared with countries that conduct independent naval operations outside the Combined Maritime Forces, like China and Russia, in addition to Iran. The CUES would have the benefit of being available, in theory at least, to both the conventional Iranian navy and the IRGC Navy forces.

Given the increase in naval activities, incidents, and targeting as a result of the continued civil war in Yemen, an extension of Combined Task Force 151, focused on counterpiracy and the Gulf of Aden, the Somali Basin, and the Indian Ocean, should also be considered. The biggest challenge may remain the IRGC Navy’s unwillingness to accept or abide by such an approach, because doing so would weaken the effectiveness of its small boat tactics, which it often uses to intimidate or create uncertainty in the Gulf.

**Encourage the IMF to provide additional technical support and guidance on market reform to Iran.** The IMF, in conjunction with the Financial Action Task Force, will evaluate Iran’s financial system for safety and soundness, and adequacy of controls for money laundering and terrorist financing, following the current period of reform and IMF technical assistance. Though not at the forefront of this effort, the United States can help to encourage and strengthen it, facilitating a mutually beneficial outcome that elevates independent Iranian economic activity and undermines opaque, regime-controlled economic conglomerates that facilitate the IRGC’s extensive economic reach.

**Reinstate the U-turn license to allow foreign businesses to use U.S. banks to conduct dollar-denominated transactions relating to Iranian entities, as an incentive for further nuclear commitments or other Iranian concessions.** Allowing trade with Iran to be facilitated through offshore fund transfers passed through the United States merely for security and efficiency of commerce would be a major boon for Iran. It would keep in place broad restrictions on U.S. trade and investment with Iran, but make permitted dealings with Iran easier, more secure, and more reputable for international businesspeople. This could meaningfully accelerate Iran’s economic growth.
Consider limited options to allow direct U.S. corporate involvement with Iran in exchange for moderation of Iran's nuclear, missile, and regional policies. It will be extremely difficult from a legal and political perspective for U.S. policymakers to certify that Iran has made the substantial progress necessary to allow limited U.S. commercial ties with Iran. Moreover, private U.S. companies may not pursue such new opportunities in what will inevitably be perceived as an untested, highest-risk business environment with extremely expensive due diligence costs, thereby denying Iran much relief from a bargain. Nevertheless, offering Iran big economic rewards in the form of access to U.S. commerce may create diplomatic negotiating room for discussing big concessions from Iran on its nuclear program and regional destabilization. Additionally, enabling partnership between U.S. companies and independent Iranian firms can create learning opportunities to make the Iranian firms more skilled, efficient, and profitable, and, over time, undercut the IRGC’s economic position within Iran. The United States should not rule out the possibility of eventual corporate involvement with Iran, even if seemingly remote in the current political milieu.

Increasing commercial ties with the United States is a polarizing topic in Tehran. While pragmatists welcome it, hardliners—who can easily sabotage it—are skeptical of U.S. motivations and prefer working with Asian and European partners who have fewer restrictions and will not lecture Iran about its domestic behavior. Washington should work with European and Asian partners who have commercial relations with Iran to ensure their investments do not simply enhance the wealth, power, and repressive apparatus of Iranian government monopolies, cronies, and IRGC entities.

Encourage the respect of human rights in Iran. In conjunction with sanctions activity on terrorism, missile development, and other areas, the United States should continue to use its national authorities to sanction Iranian human rights abusers as well as companies that provide technology designed to support this abuse. Maintaining the U.S. voice on issues of human rights, especially in multilateral forums, is an important component of a comprehensive diplomatic strategy. Whether through coordination with EU partners on sanctions or other public actions, or through the full-throated support of the relatively new UN special rapporteur on Iran, the United States should continue to engage its partners on the human rights file.
Notes


12. For a description of these four nuclear treaties and their centrality in providing nuclear reassurance, see http://www-pub.iaea.org/MTCD/publications/PDF/Pub1456_web.pdf.

13. For a description of the firewall concept, see Toby Dalton, Wyatt Hoffman, Ariel E. Levite, Li Bin, George Perkovich, and Tong Zhao, “Toward a Nuclear Firewall:


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