



UNDERSTANDING PRESIDENT TRUMP'S JCPOA DECISION & POTENTIAL LOSSES TO THE US

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Keywords: *Iran, JCPOA, P-4+1, Nuclear Deal, JCPOA Withdrawal, Trump's Iran Deal Withdrawal, Iran Deal*

Why Withdrawal?- Two Possible Explanations

The unthinkable has happened. President Trump announced his final decision on the landmark Iran deal after 841 days¹ of the implementation; a deal that was hailed as a non-proliferation promise by majority of nuclear experts. The US withdrawal is puzzling, especially in the context of the language of the JCPOA that categorically states that “under no circumstances will Iran ever seek, develop, or acquire any nuclear weapons”.² There are no clear answers to why the US prefer to incentivize Iran to ‘pursue’ their nuclear capability in future and invite the blame on self because it was, after all, it was the US that withdrew from the deal that could have guaranteed a check on Iran’s nuclear weapons ambition? It can be argued hypothetically that if the JCPOA collapses, the US would be responsible for weakening it in the first place.

The American withdrawal can be understood as a play out of two factors: First, the Israeli intelligence disclosure of the Iranian nuclear file³, that included many documents, archival evidences to show that Iran had acquired weaponisation, between 1999-2003, when its project AMAD was active. While there is little direct evidence to suggest that PM Netanyahu’s revelation might have influenced Trump’s decision – the timing of the Israeli disclosure cannot be ignored, neither PM Netanyahu’s reach to President Trump a secret. Especially when, Netanyahu’s presentation was “a prearranged show”⁴ Moreover, Netanyahu himself has affirmed that Israel had passed the information to the United States, which “can vouch for its authenticity.”⁵

Second, President Trump’s own contention with the Iran deal that largely emanates from his personal view of Iran. Trump’s view of Iran is

clearly expressed in White House Statement post the JCPOA withdrawal that describes Iranian regime as a State Sponsor of terror, ...plundering the wealth of its own people..., in pursuit of the most dangerous task- acquisition of nuclear weapon and the means of delivering them..."⁶ As the most vocal critic of the nuclear deal since his election campaign days President even ordered an interagency review of the Iran deal in the first 100 days of his Presidency. The JCPOA withdrawal may seem unthinkable for many empathizers of non-proliferation, but not a surprise especially when taken into account President Trump's mistrust for the JCPOA since beginning..

However, the JCPOA still holds as the other parties are committed to holding their part of the deal. In this context it is rather hard to imagine the gains US would make by this decision. However, observations on what the US may lose in near and long term is fairly easy to predict.

American Business Interests will be Hurt

The most immediate repercussion of JCPOA withdrawal could be that some American business interests are likely to get hurt, if sanctions are re-imposed. In fact as per President Trump's declaration, all the existing contracts with Iran would be subject to a 90 days to six months provision. It is almost certain that the biggest deal between Iran and Boeing and Airbus, would get cancelled. Boeing was to sell Iran Air 80 aircrafts for \$ 17 billion⁷; similarly, Airbus

too, had agreed to sell 100 aircraft worth about \$19 billion. The deals aimed at replacing the aging Iranian fleet of commercial aircrafts. Together, both would lose business worth \$39 billion⁸. While the Iranian deal might just be a fraction of the business empire of both the commercial giants; Boeing itself has announced that such an order would have supported 100,000 American jobs. On the other hand Airbus might feel some impact as it had already delivered three planes as part of its 100-plane order to Iran Air and more than 10% of its parts come from the US.⁹ Additionally, after the re-imposition of sanctions, it is likely that the US may not be able to buy oil from Iran,¹⁰ Thus, depending on the specific sanctions, by 04 November 2018¹¹, all the sanctions are likely to be reinstated.

US Might Get Isolated While Iran May Win More Friends

Because the nuclear deal was not a bilateral decision between the P5, Iran and the International Atomic Energy Agency (IAEA) under which each party was supposed to keep its end of the commitment, this unilateral act by the US would likely cast a rift between the US and its key allies. Already, a joint statement¹² by Britain, France and Germany has expressed great regret, and urged Iran to abide by the JCPOA. Furthermore, all three countries would like to continue economic benefits for Iran, including continuous sanctions relief as long as Iran

remains in compliance. Additionally for Iran, no other multilateral (EU) and UN sanctions are likely to be returned, and it may also get respite from embargo on its oil imports. It all depends now on the P-4 +1 countries and how they are willing to incentivize the economic benefits for Iran as relief from economic sanctions was the reason Iran became the part of the deal. This effort from both side in sustaining the JCPOA would likely to bring them closer to understanding each other. The P-4's attempt to soften the effect of US sanctions might result in US getting isolated.

A Loss for American Non-Proliferation Policy:

President Trump's historic decision of his Presidency will have long term implications for the future of any nuclear related negotiations that the US would enter. The JCPOA was a win for nuclear non-proliferation, and the US, since Washington was grappling with the possibility of 'Iran's nuclear weapons pursuit' since 2002 so much so that in 2007 the US was deliberating a military solution to address Iran's nuclear threat. The conclusion of the deal had muted that option. Majority of nuclear non-proliferation experts were of opinion that a military solution would have been catastrophic in this case, as it would have strengthened Iran's resolve to acquire nuclear weapons even more. Now, in the absence of any clear strategy by President Trump, and Israel already striking out almost all of the Iranian Infrastructure in Syria, it can be argued

that this option is back on the table. It is noteworthy that the Republicans in the Obama Administration had tried to push forward 'Nuclear Weapon Free Iran Act of 2013' in the 113th US Congress¹³ one of whose provisions was US support to Israel's military option to strike Iran's nuclear facilities if in future Iran goes nuclear despite the deal. One may argue that if the deal fails and Iran resumes enrichment beyond the scope of JCPOA, not only Iran would refuse to re-negotiate but will also possibly resume its weapons pursuit-. Overall the US withdrawal from the JCPOA implies in the long run that, good faith negotiations will be a challenge for the US diplomacy in future.

Conclusion: What is the Message President Trump trying to send?

It is rather interesting that at this juncture in the US non-proliferation policy; two significant developments are taking place. 1) A possibility of JCPOA collapsing, which might further lead to Iran's nuclear pursuit and 2) North Korea's historic 'nuclear freeze'. In Iran's case – giving up the nuclear option is inviting more sanctions, economic arm-twisting and a possible military penalization for abiding by the JCPOA. On the other hand in the North Korean case – going forward with a nuclear weapons pursuit, withdrawing from the NPT and defying the US pressure has transcended into a golden peace opportunity with economic benefits. Clearly- having the bravado to stand up against American

pressure by pursuing nuclear weapons capability is the behavior getting rewarded in the end. Is this a lesson that the US wants others to learn?

(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies [CAPS])

Notes

¹*Note: The JCPOA was implemented on 16 January 2016.

² JCPOA Text of the Agreement, *US State Department*, 14 July 2015, Available at <https://www.state.gov/documents/organization/245317.pdf>, Accessed on May 11, 2018.

³ David M. Halbfinger, David E. Sanger and Ronen Bergman, (2018), "Israel Says Secret Files Detail Iran's Nuclear Subterfuge", *New York Times*, 30 April 2018, Available at <https://www.nytimes.com/2018/04/30/world/middleeast/israel-iran-nuclear-netanyahu.html>, Accessed on 10 May 2018, Accessed on 09 May 2018.

⁴ Ibid.

⁵ Ibid.

⁶ "Remarks by President Trump on the Joint Comprehensive Plan of Action", 08 May 2018 *White House*, Available at <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-joint-comprehensive-plan-action/>, Accessed on 10 May 2018.

⁷By Anne Gearan and Karen DeYoung, (2018), "Trump pulls United States out of Iran nuclear deal, calling the pact 'an embarrassment'", *Washington Post*, 08 May 2018, Available at <https://www.washingtonpost.com/politics/trump-will-announce-plans-to-pull-out-of-iran-nuclear-deal-despite-pleas-from-european-leaders/2018/05/08/>, Accessed on 10 May 2018

⁸ Steve Mufson, Damian Paletta, (2018) "Boeing, Air bus to lose \$39 Billion in Contracts because of Trump Sanctions on Iran", *Washington Post*, 09 May 2018.

⁹Michael Sheetz| Leslie Josephs, (2018), "Boeing May Lose \$20 Billion In Aircraft Deals As Trump To Pull US Out Of Iran Nuclear Pact", *CNBC*, 08 May 2018, Available at <https://www.cNBC.com/2018/05/08/iran-deal-fallout-boeing-may-lose-20-billion-in-aircraft-deals.html>, Accessed on May 15, 2018 and Sarah Grey, (2018), "Why Boeing and Airbus Stand to Lose Billions of Dollars Due to New Iran Sanctions", *Fortune*, 09 May 2018, Available at

<http://fortune.com/2018/05/09/boeing-airbus-lose-billions-iran-sanctions/>, Accessed on 15, May 2018.

¹⁰ Zeeshan Aleem, (2018), "Trump just pulled out of the Iran deal. Here's what happens next.", *Voice of America*, 08 May 2018, Available at <https://www.vox.com/world/2018/5/8/17330716/iran-nuclear-deal-trump-withdraw-what-happens-next>, Accessed on May 11, 2018.

¹¹ "What the U.S. Withdrawal Will Do to the Iran Nuclear Deal", *Stratfor Global Intelligence*, 08 May 2018, pp.01-05.

¹² Full text of the Joint Statement, France, Germany, Britain, *First Post*, 09 May 2018, Available at <https://www.firstpost.com/world/united-states-to-exit-iran-nuclear-deal-full-text-of-joint-statement-by-germany-france-and-uk-4462099.html>, Accessed on 10 May 2018.

¹³ Nuclear Weapon Free Iran Act of 2013', MRW13A27, 113th US Congress, US Senate, Introduced in the US Senate on 12/19/2013, Available at <https://www.congress.gov/bill/113th-congress/senate-bill/1881>, Accessed on May 10, 2018.