



## Centre for Air Power Studies (CAPS)

Forum for National Security Studies (FNSS)

97/16

# US-IRAN BONHOMIE: NOT NOW!

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In the immediate aftermath of the P5+1, an immediate sense of jubilation about US-Iran rapprochement made many experts suggest the beginning of a new era in the US-Iran relations. In fact US Defence Secretary Kerry himself expressed that the brokering of the nuclear deal had opened up a new opportunity for communication for both the countries<sup>1</sup>.

It is true that landmark nuclear agreements do have the potential to completely re-shape the dynamics of a bilateral relationship. However, the same cannot be expected out of the US-Iran bilateral ties for the time being. The Islamic Republic of Iran has been considered as one of the most hostile nation towards US interests and vice versa. The two countries have witnessed periods of extreme engagement, estrangement, and nuclear standoff with each other. More than a year has now passed since the nuclear deal. However, not much has changed in US-Iran relations despite a newly opened channel of communication. According to the recent IAEA reports the nuclear deal is being executed with sufficient cooperation from Iran. There remains a

generic positivity about the successful (ongoing) implementation of the nuclear deal. However, this has failed to generate any positivity in the mutually hostile perception of each other. The recent trend in the US-Iran relations only adds to this observation. One may argue that US-Iran rapprochement in the true sense is yet to take place.

January 16, 2016 marked the implementation day of the Joint Comprehensive Plan of Action (JCPOA). This day the IAEA confirmed its verification of Iran's implementation of the key nuclear-related measures in accordance with the nuclear deal.<sup>2</sup> The very same day, the United States Department of Treasury amended the Iranian Transactions and Sanctions Regulations (ITSR) and lifted certain sanctions on Iran in order to pursue commitments given in the JCPOA.

However, in the subsequent two months, the US also renewed its National Emergencies Act on 15 March 2016. According to which, Iran is still considered as a 'national emergency' by



the United States. It was further stated by President Obama in a letter to the speakers of both the Houses, that Iran, "*continue to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States*".<sup>3</sup>

Additionally, the Ambassadorial relations between the two countries are yet to blossom. The US still operates its consulate in Iran through the Swiss Embassy. Similar is the case with people to people ties. According to the recent travel warnings, American citizens are warned to not undertake unnecessary travel to Iran. On the economic front, the engagement is characterised by trade embargos. This implies that, the American citizens and banks are prohibited in dealings with the Iranian companies, including investing in Iran. Iran is still classified under the 'Country of Particular Concern's (CPC), which calls for further restrictions on certain imports from and exports to the country.<sup>4</sup> According to the official statement by the US Department of Treasury- entering into financial agreements with Iranian banks is strictly prohibited. The embargo further extends to the importing of technology and goods originating in the US from anywhere in the world. The US continues to deny access to these good and services.<sup>5</sup>

Amidst these American denials, the most irksome for Iran are sanctions on its ballistic missiles programme. It must be noted that various key Iranian Defence entities such as the

Ministry of Defence and Armed Forces Logistics (MODAFL), Defence Industries Organization, Aerospace Industries Organization and other missile entities have still remained under sanctions outside of the JCPOA agreement. Recently, fresh rounds of sanctions have already been imposed on 11 individuals and entities for supporting the development of ballistic missile Defence.<sup>6</sup> Iran's ballistic missile programme is considered as a significant threat to regional security; and it is less likely that the American debate surrounding it would diminish in coming years. There is every reason to believe that in future if Iran conducts more missile tests, more sanctions from the US would likely be placed. This should be viewed in the light that the US would have anti-Iran allies to answer to. But Iran is in no mood to go slow on its missile developments either

Two observations could be deduced from the recent trends - 1) contrary to popular assumption, nuclear deal would not likely to make much difference in other areas as expected. While the removal of sanctions and Iran's opening up to the world affects regional dynamics, nevertheless it has little impact on to security 2) The nature of these sanctions convey that the American attitude towards Iran would take a long time to change. It is important to point here the areas where export/import exception has been granted- these remain limited to the import of food items, carpets, agricultural and medical supplies etc. on humanitarian

grounds. These issues do not reflect a paradigm shift. Since, both countries have remained estranged for almost two decades, immediate bonhomie between the two cannot be expected quickly. US-Iran ties would take a longer time to normalize due to the deep rooted hostilities and bureaucratic hurdles.

***(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])***

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#### Notes

<sup>1</sup> John Kerry, Kerry: Iran Helpful in Fight Against ISIS, *Iran Primer*, June 30, 2016, Available at <http://iranprimer.usip.org/blog/2016/jun/30/kerry-iran-helpful-fight-against-isis>, Accessed on September 02

<sup>2</sup> Iran Sanctions, Statement Relating to the Joint Comprehensive Plan of Action "Implementation Day" of January 16, 2016, *US Department of Treasury*, Available at <https://www.treasury.gov/resource-center/sanctions/Programs/pages/iran.aspx>, Accessed on September 22, 2016.

<sup>3</sup>Notice - Continuation of the National Emergency with Respect to Iran, *White House Press*, March 09, 2016, Available at <https://www.whitehouse.gov/the-press-office/2016/03/09/notice-and-letter-continuation-national-emergency-respect-iran>, Accessed on September 08, 2016.

<sup>4</sup>Executive Summary, Iran 2014 International Religious Freedom Report, Available at <http://www.state.gov/documents/organization/238666.pdf>, Accessed on September 16, 2016.

<sup>5</sup>Adam Szubin, US Treasury Official on Nuclear Deal August 6, 2015, Accessed on 01 September 2016.

<sup>6</sup>Non Proliferation Designations, US Office of Foreign Assets Control, *US Department of Treasury*, January, 17, 2016. Available at <https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20160117.aspx>, Accessed on 01 September 2016.