

# CHANGING CONTOURS OF US-IRAN NUCLEAR RELATIONS

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The P-5+1 Iranian nuclear deal concluded on July 14, 2015, was hailed as a landmark deal, having the potential to overcome the mutual resentment between the US and Iran—long estranged, though once former allies of three decades. One and a half years later, much has changed in the dynamics of Iran's nuclear programme. The nuclear deal has for now been able to contain Iran from developing weapons capability. However, the Iranian nuclear issue, as a bone of contention in the US-Iran nuclear dyad, has been not completely phased out.

In this context, this paper attempts to comprehend the US-Iran nuclear relationship in contemporary times. It is divided into three parts: (a) a broad overview of the history of US-Iran relations; (b) an analysis of the domestic push and pull in the US that evolved during the unfolding of the P5+1 nuclear deal; (c) an assessment of the nuclear deal and whether it has influenced the US-Iran nuclear dynamics positively to explore the possibilities of cooperation in other areas in the future.

It is noteworthy that it was only the nuclear dimension that defined the nature of US-Iran relations for almost 30 years, even in the absence of any official bilateral ties between the two countries. The Iranian nuclear issue from the outside had always influenced the US domestic politics and foreign/security policy. On the other hand, Iran's nuclear narrative often fluctuated in response to the American brandishing of Iran as a nuclear threat.

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Specifically, the issue of nuclear enrichment largely dominated US-Iran nuclear relations.

## **US-IRAN RELATIONS: A HISTORICAL OVERVIEW**

### *Political Relations*

The nature of US-Iran relations is complex. These two countries have supported each other's strategic goals, cooperated on sensitive dual use technologies, represented opposite camps during the Iran-Iraq War in

1988, their domestic constituencies have undergone a period of trial due to extreme political crises erupting out of their bilateral interactions, and refused to forge direct communication between each other. The Governments of Iran and the US did not maintain bilateral relations for three decades since the Iranian revolution (1979). After the breaking up of US-Iranian ties, the American interests in Iran were represented by the Swiss government and Iranian interests in the United States were represented by the Iranian Interests Section of the Pakistan Embassy in the US. In the recent years, since 2011, the US has maintained a virtual embassy of Iran on its official website.<sup>1</sup>

Historically, American involvement in Iran's domestic socio-political sphere has been deep. The range of activities varied—from individual ventures, to educational, cultural and technological exchanges, and subsequently expanded towards economic and military assistance. Observers of US-Iran relations have commented, "...In the last half of the twentieth century, American-Iranian interactions have covered virtually the whole field of international affairs..."<sup>2</sup> Iran, especially the Shah, had been the pillar of the US' containment policy in the Middle East that played an integral part in sustaining the US preeminence during the Cold War era.

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1. For details see the official website of the Virtual US Embassy of Iran at <http://iran.usembassy.gov/>.

2. Willim. R. Polk, *Understanding Iran* (Palgrave Macmillan, 2009), p.169.

The first point of interaction between the two countries dates back to the time when American democracy was still coming of age. In the year 1856, the Treaty of Commerce and Navigation was signed, marking the beginning of the first ever diplomatic interaction between the two countries. However, much before the conclusion of the treaty, American missionaries had already sent their representatives, as early as in the year 1829. The nature of activities was limited to running schools, hospitals, and, at times, publication of Iranian religious texts in the Farsi font. During this period of limited interaction through the people-to-people ties, the US had convinced Iran of its benign intentions. This principle element of Iranian acceptance defined US-Iran relations for almost a century. Viewed in this context, the American officials working for the Iranian government within the *Majles*, responsible for running the fiscal affairs of the government, doesn't come as a surprise. W. Morgan Shuster and A.C. Millspuagh were two American citizens who were hired by the Iranian *Majles* from the period from 1910-11 and 1922-27 respectively.<sup>3</sup> Such was the nature of proximity in US-Iran relations.

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Ambassadorial relations between the two were established much later, at the end of World War II. In fact, by then, the US had recognised Iran's significance for its own strategic gains. During the Roosevelt Presidency, Secretary of State Cordell Hull had broadened the scope of American foreign policy and urged the president to support Iran's independence and prosperity in the year 1943. By the year 1947, the US policy of containment was taking shape—a loan of \$25 million was already sanctioned by the US to Iran by June that very year. The loan enabled Iran to buy used American military equipment. In the subsequent two years, the arms shipments arrived, leading to closer ties between the US Ambassador to Iran George Allan and Muhamad Reza Shah by 1949-50.<sup>4</sup>

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3. Ibid., pp. 170-171.

4. Ibid., pp. 173-174.

The relations continued to advance in warmth, characterised by state visits, the American 'Four-Point' programme, and oil trade. It is significant to mention here that Iran was the first country to receive economic aid under the Four-Point Programme in 1950. It is to be noted that the programme was "...was designed to help strengthen Iran's economy and to help underwrite her political integrity", in the words of the programme's first director.<sup>5</sup> In 1953, a pro-US democratic prime minister was installed in a US supported coup, after the overthrow of the government of Mohammad Mossadegh. This was followed by an era of very close alliance and friendship between Shah Mohammad Reza Pahlavi's regime and the US government. It was during this time that Iran was invaded by the United Kingdom and the Soviet Union, both US allies, but the relations continued to be positive after the war, until the later years of Mossadegh, who was overthrown in a coup organised by the US Central Intelligence Agency (CIA) and aided by the British M-I6. Until the fall of the Shah in 1979, Iran was one of the United States' closest allies. This was followed by a long period of estrangement between the two countries.

Unfortunately, the 1979 revolution ousted the pro-American Shah and replaced him with the anti-American Supreme Leader Ayatollah Khomeini. This set the stage for mutually antagonistic attitudes between the US and Iran. In the following years, the American perception of Tehran and vice-versa remained negative for several reasons: (a) the radical Khomeini had ousted a regime that served the US' interest in the region, thereby upsetting the US' grand strategy; (b) Iran's seizure of the US Embassy for 444 days; (c) and, Hezbollah's terror attacks, including the bombing of the US Marines' barracks in Beirut that took a toll of many American lives in 1983. Likewise, for Iran too, the US represented an arch enemy, with a proclivity towards regime change to serve its own interests.

The ascendancy of President Carter to the White House from 1977-81 coincided with Iran's domestic political upheaval. The Shah's regime, as a representative of the American interest in the Persian Gulf, was unable to

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5. Lisa Reynolds Wolfe, "Cold War Iran: The Point Four Agreement", *Cold War Studies*, June 15, 2011, Available at <http://www.coldwarstudies.com/2011/06/15/cold-war-iran-the-point-four-agreement/>. Accessed on August 15, 2016.

contain the opposition forces led by Ayatollah Khomeini. Ultimately, the government fell, leading to the establishment of an Islamic revolutionary government. It was during this phase of the US-Iran association that the hostage crisis too erupted as a reaction to the provision of the Shah's medical asylum by the United States. The captivity of 52 American nationals for 444 days by Iranian radicals had a severe political-economic fallout for Iran. Its financial deposits and assets abroad were frozen by the US and the bilateral arms relationship came to a halt.<sup>6</sup> The hostage crisis ended with the signing of the Algiers Accord on January 19, 1981, but it led to lasting economic and diplomatic damage that greatly shaped the subsequent American perception of Iran. The political equation between the two countries worsened to such a point that for the next 30 years, the US was unable to establish any working relationship with the ayatollahs/ clerics/radicals who continued to dominate Iran's foreign policy to a large extent.

Subsequent Administrations of Presidents Reagan, Bush-I, Clinton and Bush-II too experienced a similar fate. Although, the hostage crisis had ended on the first day of the Reagan presidency, within months, newer issues entered the US-Iran bilateral dynamics. It was during this Administration that the two countries witnessed their first military confrontation. The 1980s generally marked the most volatile period in relations between the United States and Iran during the revolution's first three decades. Armed and aided by Iran, Hezbollah was responsible for the first suicide bombings against American targets in 1983 and 1984 on the US Embassy in Beirut and the US Marine peace-keepers' barracks. The US Marines suffered 241 casualties—the highest loss of US military personnel in a single incident since World War II.<sup>7</sup> The relationship throughout this phase remained stagnant. Furthermore, the traumatic experience of the Iran-Iraq War (1980-88) that witnessed US support against Iran and the accidental shooting of an Iranian aircraft by the US, killing 290 Iranians on board, worsened the relations.

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6. Gary Sick, "The Carter Administration", in *The Iran Primer* (Washington: USIP Press, 2010), pp.129-132.

7. Geoffrey Kemp, "The Reagan Administration", in *The Iran Primer* (Washington: USIP Press, 2010), pp. 133-136.

Scholars have argued that due to these historical experiences, the American outlook defined Iran in adversarial terms not only because of conflating interests but also in terms of the moral compulsions of dealing with evil.<sup>8</sup> Thus, when it comes to framing the US policy towards Iran, some American policy-makers have looked at the issue as a moral struggle between 'good' and 'evil'. This has manifested as a deeply held belief about Iran that the country poses a great danger to American interests. The succeeding Clinton Administration inherited a troubled relationship, with animosity on both sides. It is noteworthy that, in the year 2001, when Clinton demitted office, there were no major breakthroughs in the bilateral relations. However, it is argued by Bruce Riedel that during the second term of the Clinton Administration, the US and Iran had moved away from armed conflict to an indirect dialogue. Despite that, issues such as Iran's role in terrorism, its ties to Hezbollah and its pursuit of nuclear technology have continued to dominate the tensions between the two countries.

## THE NUCLEAR DIMENSION

### *US-Iran Nuclear Cooperation: From Atoms for Peace to P5+1 Nuclear Deal*

President Bush began with a positive engagement as both nations worked together in Afghanistan; however, one year later, with the revelation of Tehran's nuclear activity in Natanz, the possibility of further cooperation was doomed. Additionally, after the 9/11 attacks, the Administration had placed a high priority on fighting terrorism and countering nuclear proliferation. In his State of the Union Address (2002), Bush identified Iran among other two countries as the "Axis of Evil".<sup>9</sup> Since 2002, the US indirectly led its campaign against Iran's acquisition of nuclear weapons capability, through its support and, at times, attempts to influence the International Atomic Energy Agency (IAEA) and the European Union (EU) 3+3 negotiations. With regard to the nuclear dimension, two clear phases

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8. Ibid.

9. Richard N. Haas, Bruce Riedel, and Stephan J. Headly, "The H.W. Bush Administration Clinton Administration and George W. Bush Administration", in *The Iran Primer* (Washington: USIP Press), pp. 136-145.

of 'engagement' and 'containment' are visible in US-Iran bilateral relations. Post 1979 and especially, since 2002 onwards, the American attitude towards Iran's nuclear programme acquired a stringent tone. But, during the periods of stable political relations, the US and Iran had enjoyed an era of engagement during which the US extended its full cooperation towards Iran's civilian nuclear programme, debarring plutonium reprocessing, until the fall of the Shah's regime.

Historically, the US-Iran nuclear cooperation began under President Eisenhower's "Atoms for Peace" policy in 1953, but was later stalled after the Iranian revolution of 1979. It is ironical that the United States spent decades in addressing the proliferation challenge emanating from Iran, the same country, that it had supported technologically for its civilian nuclear programme. After the estrangement of relations, Iran's nuclear threat had figured prominently in the US' non-proliferation policy. For almost three decades, the US policy-makers spent Congressional time and resources in preventing a 'perceived' nuclear threat emanating from Tehran. Iran's nuclear aspirations were an extraordinary preoccupation of the United States for nearly three decades. Its nuclear programme was viewed by many American political pundits as the biggest threat to US interests.<sup>10</sup> Furthermore, the US Congress spent an immeasurable amount of time on debates pertaining to sanctioning Iran, based on the 'fear' of nuclear weapons that Iran might acquire in the future. It is, indeed, true through the benefit of hindsight that the 'perception of threat', rather than the 'actual threat' itself motivated the US nuclear policy towards Iran in all these years.

Since the 1950s, Iran has maintained a civilian nuclear programme, legally recognised under the Non-Proliferation Treaty (NPT). In fact, much before joining the NPT, the United States itself had facilitated the development of peaceful nuclear technology in Iran through its "Atoms for Peace" programme. In the decade of the 1950s and 1960s, the United States provided many countries, including Iran, with the option of nuclear energy development. US assistance not only resulted in the training of scientists in

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10. Paul R. Pillar, "Iran and US Foreign Policy", *Political Science Quarterly*, vol. 128 no. 2, 2013, pp. 211-232.

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these countries in the peaceful applications of nuclear technology, it also sold nuclear power reactors and enriched uranium fuel to these countries.<sup>11</sup>

In 1957, the US and Iran signed a bilateral civilian nuclear cooperation agreement under which the United States supplied "...*information on the design, construction and operation of research reactors...*" to Iran. The cooperation in the civilian nuclear field flourished with the construction of a 5MWt research reactor along with 5.5 kg of Highly Enriched Fuel (HEU) fuel for the same. The first US assisted nuclear reactor in Iran went critical in 1967, after which the US-Iran nuclear

cooperation deepened.

Within two years, the bilateral agreement was extended for another 10 years. One year later (1968), Iran also became one of the first countries to sign the NPT, which was ratified by the Iranian Parliament two years later (1970). During the period of the Shah's regime in Iran (1974 onwards), US-Iran nuclear civilian nuclear cooperation accelerated to a point that the US wanted to become one of the major sources of nuclear equipment and technology in Iran. One must recognise that it was the same period when Iran began its domestic institutionalising of the nuclear energy programme. This resulted in the establishment of the Atomic Energy Organisation of Iran (AEOI). The year also coincided with Iran completing its safeguards agreement with the IAEA.<sup>12</sup> Subsequently, countries such as the United States, France and West Germany sought lucrative power reactor deals with Iran. In 1974, Iran signed a contract with the German firm Kraftwerk Union (a subsidiary of Siemens) to build two reactors at Bushehr. It also purchased

11. The United States reportedly had supplied HEU fuel to 8 nuclear power reactors during the Shah's regime.

12. Mathew Fuhrmann, *Atomic Assistance: How Atoms for Peace Programs Cause Nuclear Insecurity* (Cornell University Press, 2011), p.82, and Ali Vaez and Karim Sadjadpour, "Iran's Nuclear Odyssey: Costs and Risks", 2013, Carnegie Endowment for International Peace and Federation of American Scientists.



nearly 600 tonnes of uranium yellowcake from South Africa.<sup>13</sup>

By 1977, Iran's AEOI had undergone an expansion in its nuclear programme, including more than 3,800 staff experts, engineers, technicians, and interns. Iranian students were also sent abroad for training. The AEOI witnessed a twelve-fold increase in the number of its nuclear scientists, from 67 to 862, in a period of three years (1977). The two countries also created a joint sub-commission on nuclear energy in order to facilitate a broad range of bilateral nuclear relations. The intimacy

of the nuclear equation could be assessed from the fact that direct contact was established between the US Atomic Energy Commission (AEC) and AEOI. As a part of US-Iran nuclear cooperation, Iran also proposed participation in the American commercial enrichment facility, as, since the very beginning, the Shah's regime was focussed on mastering the complete fuel cycle, along with the possession of plutonium reprocessing capabilities. However, as mentioned earlier, during the early stage, the US-Iran civilian nuclear cooperation had soured due to Iran's insistence on possessing the full fuel cycle capability. In the United States, the concerns about a possible diversion of dual use technology by countries has persisted. It is noteworthy to point out that the US Administration was also battling with the dilemma created by India's Peaceful Nuclear Explosion (PNE) in the year 1974. The US nuclear export control laws too had acquired a stringent tone, that led the US government to banning companies from selling nuclear technology to Iran.<sup>14</sup>

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13. David Albright and Andrea Stricker, "Iran's Nuclear Program", in *The Iran Primer* (Washington: USIPP Press, 2010), Available at <http://iranprimer.usip.org/resource/irans-nuclear-program>, Accessed on June 24, 2015.

14. Vaez and Sadjadpour, n.12, pp.1-62.

In fact, the United States had always been cautious in allowing the recipient country to conduct indigenous enrichment and reprocessing. This caution was exercised in dealing with Iran as well, despite the fact that historically both countries had shared a strong nuclear partnership. Eventually, by 1978, the Shah agreed to forego plans to build a plutonium processing plant, and agreed to put Iran's nuclear activities under enhanced monitoring, and also to send the spent nuclear fuel back to the United States. This breakthrough allowed the American companies to resume the sale of nuclear reactors to Iran. However, the subsequent regime change post the Iranian revolution resulted in these agreements becoming a moot point.

Post the 1979 revolution, Iran suspended its nuclear programme due to opposition from the supreme leader. It was alleged that the country's nuclear programme was revived in the closing phases of the Iran-Iraq War (1980-88). It was suspected that Iran wanted to guard against a future surprise attack by Iraq. Additionally, the alleged reports of a possible Iraqi clandestine nuclear programme during the period of the Iran-Iraq War provided impetus to the Iranian leadership's nuclear ambitions. One may argue that since then, the Iranian nuclear programme has also been encouraged as symbiotic to national pride by the leadership. However, while Iran denied any such allegations, it continued to maintain steady progress in its quest to achieve full nuclear fuel cycle capability.<sup>15</sup>

Interestingly, in the 1990s, Iran was also reported to have acquired nuclear power contracts from China and Russia. In 1991, it secretly imported one metric tonne of uranium hexafluoride (UF<sub>6</sub>) from China. Under the IAEA safeguards agreement, Iran was obligated to report this to the agency, but it did not. Additionally, in early 1995, Russia too resumed construction of one of Iran's reactors at Bushehr that had been damaged during the Iran-Iraq War. Between the years 1994-96, Iran had also been reported to have purchased network design drawings and components for 500 P-1 centrifuges from the A.Q. Khan network. , According to the IAEA, in 1995, Iran received

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15. David Albright and Andrea Stricker, "Iran's Nuclear Program", in *The Iran Primer* (Washington: USIP Press, 2010). Available at <http://iranprimer.usip.org/resource/irans-nuclear-program>. Accessed on June 24, 2015.

drawings for an even more sophisticated P-2 centrifuge from the network but claimed that it did not start work on the P-2 until 2002.<sup>16</sup>

## IRAN'S NUCLEAR CRISIS: 2002-13

### *Incompatibility with the IAEA*

In the year 2002, an Iranian exile group known as the Mujahedin-e-Khalq (MEK) revealed to the IAEA, the construction of a large industrial uranium enrichment facility in Tehran (Natanz). The recent 18-month-long nuclear crisis over Iran's nuclear programme was the manifestation of this revelation of sensitive information. The existence of the enrichment activity at Natanz, including the construction and operation of a gas centrifuge, was not known to the IAEA. This is one of the main sources of proliferation concerns emanating from Iran. Similarly, another heavy water reactor at Arak had also led to concerns in the IAEA, as its spent fuel was said to have contained plutonium which is well suited for military nuclear use. However, Iran has maintained that the reactor has been used for the production of radioisotopes for medical purposes.

When questioned later by the former head of the IAEA (El Baradei), about the true nature of this revealed enrichment facility, the (former) Vice President of Iran Gholameraza Aghazadeh, also the (then) head of the AEOL, responded vaguely. His reply to Baradei was, "...Of course, we will invite you soon and then we will clarify everything..."<sup>17</sup> This revelation and Iran's ambiguous response began a series of inspections among the IAEA, Iran, EU-3 (UK, France, and Germany) Russia and China since 2003. It must be noted that throughout the period of these talks, Iran had emphasised on its right to have an enrichment capability, and had claimed its nuclear programme to be of a peaceful nature.

Meanwhile, intermittent IAEA inspections (continuing from 2003 onwards) and the nuclear negotiations further disclosed several other dubious

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16. Paul Kerr, CRS Report for Congress, "Iran's Nuclear Programme Status", RL34454, Available at <https://www.fas.org/sgp/crs/nuke/RL34454.pdf>. Accessed on November 11, 2015.

17. Mohamed El Baradei, "Iran, 2003-2005: The Riddle of Taqqia" in *The Age of Deception: Nuclear Diplomacy in Treacherous Times* (USA: Picador Publishers, ), p.112

layers in Iran's nuclear programme which cast doubts on its peaceful nature. In the due course of time, six UN Security Council (UNSC) Resolutions had also been passed on Iran between 2003-10.<sup>18</sup> These UNSC Resolutions have resulted in many rounds of sanctions upon Iran, which left a severe impact on the country's economy. Additionally, during this time, Iran had also made progress on the uranium enrichment from a minimal amount to a significant quantity by 2010. It also simultaneously refused to accede to the IAEA's Additional Protocol on safeguards. It must be recognised that the Additional Protocol clause requires intrusive inspections by the IAEA.<sup>19</sup>

Because Iran's peaceful nuclear programme was under IAEA safeguards, it was obligated to report all its peaceful nuclear developments to the IAEA. Consequently, the IAEA too, had the right to monitor, and verify Iran's nuclear programme. However, the Arak and Natanz nuclear facilities escaped IAEA verification because the IAEA was unaware about their operation. Since Iran has not signed and ratified the Additional Protocol to the IAEA safeguards, the IAEA had no authority to inspect these undeclared nuclear facilities.

In 2012, the American Congressional Research Service argued in its report that Iran was enriching uranium in three centrifuge facilities: a pilot centrifuge facility and a larger commercial facility—both located at Natanz—and a centrifuge facility located near the city of Qom. Iran was also reported to have operated a variety of facilities and workshops involved in the production of centrifuges and related components. According to the report, the commercial facility was said to eventually hold more than 47,000 centrifuges.<sup>20</sup>

Ever since the covert Iranian facilities were revealed, Iran came under the radar of the international community for provoking proliferation concerns.

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18. These UNSC Resolutions can be noted as UNSC Resolution- SCR-1696 adopted on July 31, 2006; SCR- 1737, adopted on December 23, 2006; SCR 1747, adopted on March 24, 2007; SCR 1835, adopted on September 27, 2008; SCR 1803-adopted on March-2, 2008; SCR1929 adopted on June 9, 2010; for details of the UNSC resolutions and sanctions see, "UN Security Council Resolutions on Iran ", Fact Sheet and Brief, Kelsey Davenport, non-proliferation analyst, *Arms Control Association*, 2012, 202-463, Available at <http://www.armscontrol.org/factsheets/Security-Council-Resolutions-on-Iran>. Accessed on June 22, 2015.

19. While the talks were underway between the EU+3 and Iran, Iran had voluntarily accepted the inspections under the Additional Protocol (AP) to facilitate talks in good faith; however, Iran has consistently maintained opposition to the AP's inspections as a precondition for nuclear talks.

20. Kerr, n.16.

Although many elements complicate the Iranian nuclear problem, the foremost has been Iran's inconsistency in cooperating with the IAEA. This elevated concerns about a possible military dimension of the Iranian nuclear programme. Furthermore, claims and counter-claims by the US and Israel intelligence added more layers to the complexity. For instance, in 2009, the US Director of National Intelligence, Dennis Blair indicated during a Senate Armed Services Committee hearing that Iran's missile developments do not necessarily indicate that the government is pursuing nuclear weapons. He further stated that Iran's missile development was a separate issue.

Throughout the crisis, there were no clear answers as to what extent Iran had taken forward its nuclear weapons programme, but several facts, when linked together, contributed to the suspicion of a Possible Military Dimension (PMD) in Iran's nuclear ambitions. The former director of the IAEA in 2008 had said in a statement, "...*They (Iran) continue to insist that they are interested solely in using nuclear power for civilian purposes. We have yet to find a smoking gun that would prove them wrong...*".<sup>21</sup> Furthermore, earlier Iran had also taken actions that interfered with the IAEA's investigations, including concealing its nuclear activities and providing misleading statements. For instance, as of August 2012, Iran had produced an amount of Low Enriched Uranium (LEU) containing up to 5 percent uranium-235 which, if further enriched, could theoretically produce enough HEU for several nuclear weapons. Additionally, the intermittent IAEA inspections of the Iranian nuclear facility had verified that Iran might have conducted procurement activities and research directly applicable to nuclear weapons development. The United States intelligence reports too, many times claimed that Tehran had the technical capability to eventually produce nuclear weapons.<sup>22</sup> What remained clear during the period of the nuclear crisis was that Iran wanted to keep the nuclear weapons option open for the future. In 2010, the US Director of National Intelligence, James Clapper, too, reiterated the claim that Iran "*is keeping open the option to develop*" nuclear weapons. However, the Iranian government maintained that its plans were to expand its reliance on nuclear

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21. Ibid.

22. Ibid.

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power in order to generate electricity. The Iranian officials, however, had repeatedly asserted that the country's nuclear programme was meant exclusively for peaceful purposes, justifying it on the basis of religion. For example, Supreme Leader Ayatollah Ali Khamenei declared during a June 3, 2008 speech that Iran is opposed to nuclear weapons "based on religious and Islamic beliefs as well as based on logic and wisdom." He added, "Nuclear weapons have no benefit but high costs to manufacture and keep them. Nuclear weapons

do not bring power to a nation because they are not applicable. Nuclear weapons cannot be used." Similarly, Iranian Foreign Ministry spokesperson Hassan Qashqavi stated on November 10, 2008, that "pursuance of nuclear weapons has no place in the country's defense doctrine."<sup>23</sup>

In 2002, the IAEA began to investigate Iran's nuclear activities at Natanz and Arak on the basis of claims made by MEK and US- Israel intelligence suspicions. IAEA inspectors visited the sites the following February (2003). The IAEA board adopted its first resolution in 2003, which called on Tehran to increase its cooperation with the agency's investigation and to suspend its uranium enrichment activities. The subsequent month, Iran concluded an agreement with France, Germany, and the United Kingdom, collectively known as the "E-3," to suspend its enrichment activities and signed and implemented an (voluntary) Additional Protocol to its IAEA safeguards agreement. As a result, the IAEA board decided to refrain from referring the matter to the UNSC. The IAEA's investigation, as well as information that Tehran provided after the October 2003 agreement, ultimately revealed that Iran had engaged in a variety of clandestine nuclear-related activities, some of which violated Iran's safeguards agreement.<sup>24</sup>

In the year 2007, Iran and the IAEA agreed to clarify outstanding questions regarding Tehran's nuclear programme. The two had a series of discussions

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23. Ibid.

24. Ibid.

regarding these issues. The agency provided Iran with documents or, in some cases, descriptions of documents which had been provided to the IAEA by several governments. The documents indicated that Iranian entities may have conducted studies related to nuclear weapons development. Additionally, Iranian officials themselves acknowledged the authenticity of the information, but argued that the activities described were exclusively for non-nuclear purposes. In 2008, Tehran did provide some relevant information about these matters to the IAEA, but more substantive information

was needed. Strangely, during the course of the negotiations, which began at the beginning of 2002, the voluntary implementation of the Additional Protocol revealed many discrepancies in the Iranian nuclear programme. It must be recognised that the IAEA's ability to inspect and monitor nuclear facilities, as well as obtain relevant information previously had remained limited to facilities that have been declared by the government. The IAEA had expressed concern that Iran had not been providing the agency with all relevant information about its nuclear programmes, but had never found it in violation of its safeguards agreement

Since 2010, the United States had also played a more direct role in the Iranian crisis. Iran and the P5+1 met in December 2010 and January 2011, however, the initial two meetings, held in Geneva and Istanbul, respectively, produced no results.

### *The Nuclear Opposition in the US*

It is often argued in US strategic circles that the possession/acquisition of nuclear weapons by Iran might trigger a corresponding response by other Middle Eastern states. The fear of a cascade of nuclear proliferation, leading to instability in the region, had been a primary driver in the US' Iran policy. Additionally, the Iranian nuclear threat narrative had also been

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reinforced by the equation between the US and Israel. The Israeli perception of Iran as posing an existential threat to it had acted as a significant factor in shaping the Iranian nuclear threat narrative. As Paul Pillar had argued, *"In the United States, the Iran issue has become in large part an Israel issue and a way for American politicians to demonstrate support for Israel"*. The portrayal of the nuclear threat perception could be well measured by the fact that scholars within the US academia have argued for nothing less than a military solution to Iran's nuclear dilemma. Mathew Kroenig in his work, *"Time to Attack Iran, 2012"* had argued for a US military strike on Iran's nuclear facilities in order to mitigate the threat. Kroenig had suggested military action as preferable to other available alternatives. Preventive war, according to him is the "least bad option". Justifying the military option on the available IAEA report that, in fact, is not the "smoking gun evidence"<sup>25</sup>, Kroenig argued that Tehran could well produce a nuclear weapon in a six-month timeframe. The work further reinforces the US capability of a "clean, calibrated" and preventive response which could limit the prospects for escalation by providing Iran with certain redline warnings which would invite devastating consequences.<sup>26</sup> Steady nuclear negotiations between the EU3 + 3 and Iran (later joined by the US) have unfolded since 2013. These negotiations, in their first phase, were able to set a path for a comprehensive solution to the Iranian nuclear problem.

#### **PRESIDENT OBAMA AND THE LANDMARK DEAL**

Eighteen months of intermittent negotiations finally produced the first breakthrough in 2013 in the form of an agreement between the P-5+1 and Iran. The nuclear commentators hailed the Geneva Agreement as a step forward in the Iranian nuclear stalemate. It was for the first time since 2002, that a formal agreement for curtailing the Iranian nuclear capability was signed between Iran and the six world powers. The Geneva Accord, in principle, had set the framework for all the parties, such that

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25. According to El Baradei, n.17.

26. Colin H. Kahl, "Not Time to Attack Iran: Why War Should Be a Last Resort", *Foreign Affairs*, vol. 91, issue, 2, 91.2, March-April 2012, pp.166-173.



a comprehensive solution could be delivered in a designated timeframe. The aim of the accord was to facilitate many guidelines for all the parties, on which the negotiations could be based in the coming months. A formal document titled the “Joint Action Plan-2013 (JPOA-1)” was released. The JPOA-1, being politically binding in nature, did put upon the negotiating parties commitment towards reaching a final agreement. It also established a joint commission of the negotiating parties, which was made responsible for monitoring the step by step implementation and IAEA verification of the measures.

The JPOA-1, among other guidelines, had provided a condition for Iran under which the UNSC, US and EU parties would not be able to impose additional nuclear related sanctions as long as the agreement remained in place. The final goal of these negotiations was also defined by the JPOA-1 as “a mutually acceptable comprehensive solution, such that Iran’s nuclear programme remains exclusively for peaceful purposes”. This was mentioned in its Preamble, that recognised a complete solution as one that constituted the agreement of all the parties. The underlying philosophy mentioned in the Preamble had the standard operating principle in place: “nothing is agreed until everything is agreed” implying that a final agreement would be concluded only when all the parties agreed to all the terms.<sup>27</sup>

The Iran-P-5 negotiations passed the first phase of the interim agreement in June 2014. The IAEA head Gen Yukiya Amano confirmed in June 2014, that Iran was complying with the terms of the interim agreement. Subsequently, the final Phase I of the negotiations began but a comprehensive nuclear agreement could not be concluded. The talks, which initially were supposed to finish by November 24, 2014, had to be extended and Iran was tasked to take a few more additional steps before a final deal could be secured. Unfortunately, Iran missed the deadline of September 18, 2014, in providing

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27. Text of the Joint Plan of Action agreed to in Geneva on November 24, 2013, between the P5+1 nations (China, France, Germany, Russia, the United Kingdom, and the United States) and Iran, *New York Times*, Available at [http://www.nytimes.com/interactive/2013/11/25/world/middleeast/iran-nuclear-deal-document.html?\\_r=0](http://www.nytimes.com/interactive/2013/11/25/world/middleeast/iran-nuclear-deal-document.html?_r=0), Accessed on February 3, 2015. \*. note that the official framework of agreement is titled Joint Plan of Action (JPOA) concluded at Geneva, on November 24, 2013, and Joint Comprehensive Plan of Action (JCPOA) released at Lausanne, Switzerland on April 2, 2015. The author has used JPOA-1 & JCPOA-2 in order to offer more clarity.

the IAEA with information about its past activities with possible military dimensions, though it kept its compliance with the Geneva Accord.

*Phase II: The Lausanne Agreement: April 2015*

The fresh round of US-Iran negotiations began on January 14, 2014<sup>28</sup>, when US Secretary of State Kerry met with Iranian Foreign Minister Mohammad Javed Zarif to advance the nuclear talks. Two months later, on April 2, 2015, a second framework of the agreement was achieved at Lausanne, Switzerland. The “Parameters for a Joint Comprehensive Plan of Action Regarding the Islamic Republic of Iran’s Nuclear Programme” (JCPOA-2), a blueprint of the agreed framework, was released by the White House the same day. The JCPOA-2 clearly set the foundation upon which the final agreement would be based.

However, the second breakthrough on the Iran-P-5 talks became a controversial issue. While it was commendable that in under one and a half years of the conclusion of the Joint Plan of Action (JPOA-1), the negotiating parties were able to achieve another breakthrough out of the Iran-P5+1 talks, the ‘Parameters’ as the title suggested were viewed by Iran as ‘only’ the parameters or agreed guidelines, upon which the final ‘comprehensive’ solution would be negotiated. The legality of the parameters was still non-binding in nature and provided huge scope for further deliberations.

Interestingly, three versions of the ‘Parameters’ of the JCPOA-2 were released by all the three key negotiating parties immediately after the JCPOA was released: (a) the US State Department Press Release; (b) the EU-Iran Joint Statement (both released on the same day); and (c) Summary of the Package of Joint Solutions for Reaching a Comprehensive Plan of Joint Action by the Islamic Republic of Iran

Subsequently, on July 14, 2015, the P5+1 and Iran reached a landmark nuclear accord responsible for ensuring that Iran’s nuclear programme would be only for peaceful purpose. This breakthrough in the Iranian nuclear crisis came after a decade of intermittent, and two years of steady, negotiations

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28. “Zarif and Kerry to Meet for Talks on Iranian Nuclear Negotiations”, Radio Free Europe Radio Liberty, January 14, 2014, Available at <http://www.rferl.org/content/iran-united-state-kerry-zarif-nuclear-talks/26792694.html>. Accessed on January 15, 2014.

between the two sides. The entire process of negotiations underwent a tumultuous exchange of views among the six negotiating parties (later joined by the United States) — the EU-3 (UK, France, Germany) and China, Russia and the IAEA.

The landmark deal had made significant non-proliferation gains such as (a) reduction in the current enrichment capability; (b) transparent and vigorous monitoring by the IAEA; (c) an extended timeline for (suspected) nuclear breakout. It also limited the scope for Iran's enrichment and its R&D capabilities. This included a reduction of two-thirds of Iran's installed centrifuges. Through the nuclear deal, Iran had also agreed to not enrich uranium over 3.67 percent. Furthermore, it was also prohibited from building newer enrichment facilities for the next 15 years. It was argued by the proponents of the nuclear deal that this would further impact the breakout timeline of Iran's (suspected) acquisition of nuclear weapons in the future.<sup>29</sup>

The deal also expanded the IAEA's monitoring of the Iranian nuclear programme provisionally. Demands for regular IAEA access to all of Iran's nuclear facilities, enrichment facilities, and access to supply chains, uranium mines and uranium mills were put forward. Iran also agreed to implement explicit inspections under the Additional Protocol of the IAEA. Furthermore, Iran wilfully agreed to redesign and rebuild a heavy water research reactor at Arak, based upon the design provided by the P-5+1. According to the agreed framework, the original core of the reactor would be destroyed under the specified P-5+1 design. Iran had also committed towards a 'no' reprocessing of spent fuel policy.<sup>30</sup>

### **US-IRAN RELATIONS: BEGINNING OF A NEW ERA?**

In the immediate aftermath of the deal between the P5+1 and Iran, a flawed sense of jubilation about the US-Iran rapprochement prevailed. It was observed by many experts that this would mean the beginning of a new era in US-Iran relations. In fact, US Defence Secretary Kerry himself had expressed that the brokering of the nuclear deal had opened up a

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29. "Decoding the Iran Nuclear Deal", Belfer Centre, Harvard Kennedy School, April 2015.

30. Ibid.

**It is true that landmark nuclear agreements do have the potential to completely reshape the dynamics of a bilateral relationship. However, the same cannot be expected out of the US-Iran bilateral ties for the time being.**

new opportunity for communication for both countries.<sup>31</sup> Optimism about the US-Iran reunion was hinted at by President Rouhani in his UN General Assembly (UNGA) speech, wherein he expressed that the deal might, "...lead to positive outcomes regarding the establishment of sustainable peace and stability in the region."<sup>32</sup>

He suggested that the Joint Comprehensive Plan of Action (JCPOA), should not be limited to seeking a nuclear deal but also be employed

in recreating a fresh constructive international order. To the US, he hinted at constructive engagement by highlighting, "... (Iran) will not forget war and sanctions but we look to peace and development. Indeed, the entire process of nuclear negotiations had opened up the possibility for former allies to cooperate on significant regional security issues". As both countries had evolved from sharing a hostile perception of one another, this breakthrough was viewed by many scholars as a promising opportunity.

It is true that landmark nuclear agreements do have the potential to completely reshape 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 nations towards US interests and vice versa. The two countries have witnessed periods of extreme engagement, estrangement and nuclear standoff with each other. However, in less than 90 days of the US-Iran rapprochement, the highest authority in the Islamic Republic had called for an outright ban on future bilateral negotiations. On October 7, 2015, the Supreme Leader of Iran, Ayatollah Ali Khamenei banned any further

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31. "Kerry: Iran Helpful in Fight Against ISIS", in *Iran Primer* (Washington: UISP Press, 2010). Available at <http://iranprimer.usip.org/blog/2016/jun/30/kerry-iran-helpful-fight-against-isis>, Accessed on September 2, 2016.

32. "Full text of Rouhani's 2015 Address to the UN General Assembly" *Times of Israel*, September 29, 2015, Available at <http://www.timesofisrael.com/full-text-of-rouhanis-2015-address-to-the-un-general-assembly/>. Accessed on October 12, 2015.

negotiations between the two countries. While addressing the Iranian Revolutionary Guards, he stated that the “country (US) is aiming to infiltrate Iran through negotiations”.

Similarly, on a previous occasion too, the reaction on the Zarif-Obama handshake had invited a strong reaction from the hardliners in Iran. Eventually, the Iranian foreign minister had to apologise for hurting the national sensitivities. At the other end of the spectrum, opposition on further engagement with Iran emerged directly from the White House. The Obama Administration too declared American unwillingness to seeking economic ties with Iran. The US commercial sector also remained prohibited from conducting business with Iran.

More than a year has passed since the US and Iran engaged directly in negotiating 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. While there remains a generic positivity about the successful (ongoing) implementation of the nuclear deal, the recent trend in the US-Iran relations only reinforces the observation that US-Iran rapprochement in the true sense is yet to take place.

Recently, the United States lifted certain sanctions on Iran after the IAEA’s verification. However, within two months of the verification, the US also renewed its National Emergencies Act on March 15, 2016. According to the Act, Iran is still considered a “national emergency” by the United States. It was further stated by President Obama in a letter to speakers of both the Houses, that Iran “continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States”.<sup>33</sup>

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33. 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 8, 2016.

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 not to undertake unnecessary travel to Iran. On the economic front, the engagement is characterised by trade embargos. This implies that American citizens and banks are prohibited to deal with Iranian companies, including investing in Iran. Iran is still classified under the "Country of Particular Concern" (CPC), which calls for further restrictions on certain imports from, and exports to, the country.<sup>34</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 import of technology and goods originating in the US from anywhere in the world. The US continues to deny access to these goods and services.<sup>35</sup>

Amidst the American denial regime, the most troublesome are the sanctions on Iran's ballistic missile programme. It must be noted that various key Iranian defence entities such as the Ministry of Defence and Armed Forces Logistics (MODAFL), Defence Industries Organisation, Aerospace Industries Organisation and other key missile entities are still under sanctions, outside of the JCPOA agreement. Recently, fresh rounds of sanctions have been imposed on 11 individuals and entities for supporting the development of ballistic missile defence.<sup>36</sup> Iran's ballistic missile programme is considered to be a significant threat to regional security, and it is unlikely that the American debate surrounding it would diminish in the coming years. There is every reason to believe that if Iran conducts more missile tests in the future, more sanctions are likely to be imposed by the US.

It is important to point out here the areas wherein export/import exceptions have been granted: these remain imports of food items, carpets, agricultural

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

35. "Adam Szubin, US Treasury Official on Nuclear Deal," August 6, 2015. Accessed on September 1, 2016.

36. 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 September 1, 2016.

and medical supplies, etc. on humanitarian grounds. An assessment of the nature of these sanctions makes it clear that the American attitude towards Iran will take a long time to change. Indeed, both countries have remained estranged for almost two decades and immediate bonhomie between the two is not likely in the foreseeable future. The assessment also highlights an important observation that, contrary to popular assumption, the nuclear deal is not likely to make as much difference in other issue areas as expected. Of course, the removal of sanctions and Iran's opening up to the world is likely to affect the regional dynamics, but with regard to security considerations, only limited objectives ought to be expected from the nuclear breakthrough.

## CONCLUSION

As Iran's isolation has ended, it is ready to engage with the international community. Iran now has more than just the US to engage with—economically and strategically. An assessment of the trend of US-Iran relations offers some insight about the future trajectory of the bilateral relations. The nuclear deal has unveiled an Iran more confident about its place in the world. Iran is now ready to engage with more than just one international player. In the last one year, it has extended its interaction with other countries on issues of commercial, nuclear and strategic interests.

Many countries such as France are looking at partnering with Iran on infrastructure build-up; China too is ready to cooperate with Iran on the building of nuclear power plants; and Russia and Iran have resumed work on the Bushehr nuclear reactor. Additionally, Austria, has signed a Memorandum of Understanding (MoU) with Iran on joint research of oil and natural gas. Other countries that look forward to engaging with Iran are Mexico, Kazakhstan, and even India.<sup>37</sup>

It is interesting to note that even in the non-nuclear realm, the US and Iran have hardly engaged in any bilateral cooperation. Thus, it can be deduced, by observing a trend in the US-Iran bilateral relations, that their hostile perceptions of each other are not likely to change immediately post the nuclear deal. In fact,

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37. An assessment of the trend has been done through the archival study of news articles in the 'Nuclear Security Newsletters.

in the near future, the flashpoints in the US-Iran relations would become more visible, such as Iran's Ballistic Missile Defence (BMD) programme, etc. Decades of enmity between the two countries have resulted in a communication gap that cannot be bridged immediately. The nuclear deal has opened up a channel for communication, however, both countries are likely to be cautious on their approach towards walking the pathway to reconciliation. This should be viewed as a peculiar norm in US-Iran relations. Additionally, the nuclear deal may not be taken as a criterion for a transformation in bilateral ties. Successful implementation of the nuclear deal might impact the course of their bilateral ties. However, the deal is but one parameter. Nuclear deals have been used as strategic equalisers. It can be viewed as setting a pathway to a substantial remaking of ties. But the change in the White House does not yet allow arriving at concrete judgments about US-Iran relations.