



THE WOODROW WILSON SCHOOL'S GRADUATE POLICY WORKSHOP

PREVENTING A NUCLEAR-ARMED IRAN
A PHASED GRAND AGENDA

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Executive Summary

A decade after its uranium enrichment efforts were publicly revealed, Iran's nuclear program inches closer to a breakout weapons capability. If a nuclear-armed Iran were to emerge, regional dynamics could make containment difficult. We judge, therefore, that the primary U.S. objective should be to prevent Iran from acquiring nuclear weapons by extending Iran's breakout time in the short term, while simultaneously reducing Iran's motivation to obtain nuclear weapons in the long term.

An evaluation of the different strategies that have been proposed for responding to Iran's nuclear challenge, including the United States' current dual-track policy, targeted military action, and regime change, suggests that none is able to simultaneously achieve the short and long-term objectives listed above. Direct bilateral negotiations offer the best chance of success, but only if new attempts can avoid past failures and address the broader motivations behind Iran's nuclear program.

We propose a notional framework that we call a Phased Grand Agenda (PGA), which, in addition to addressing the nuclear issue, would contend with the smallest set of related non-nuclear issues upon which a peaceful resolution of Iran's nuclear ambitions depends. Negotiations would proceed in a set of phases, with each stage building confidence to allow for deeper cooperation in the next. The most urgent actions, such as freezing Iran's enrichment of uranium to levels below 5%, would be taken first, while the most difficult steps would come last. To minimize the temptation for either side to end implementation of an agreement before completing the entire PGA, reversibility for the two sides would be matched in each phase.

Workshop Purpose

The purpose of this workshop was to analyze the advantages and disadvantages of different strategies for ensuring that Iran does not acquire a nuclear weapons capability, in order to determine which policy option offers the United States the best chance of success. The workshop's research team was comprised of eight graduate students from Princeton University's Woodrow Wilson School of Public and International Affairs.

To provide a basis for this report, the team conducted interviews during the fall of 2011, both in the United States and overseas. Domestically, the team interviewed former government officials from Israel, the United Kingdom, and the United States, as well as the International Atomic Energy Agency (IAEA). They also engaged in a question-and-answer session with Iranian President Mahmoud Ahmadinejad during his visit to the United Nations. Internationally, one group of workshop members traveled to Vienna to meet with officials from the IAEA and several national missions to that organization. This group also traveled to Moscow to interview senior Russian government officials in the Ministry of Defense, the Ministry of Foreign Affairs, and Rosatom, in addition to experts at the U.S. embassy and various Russia-based institutes and non-governmental organizations. A second group traveled to Berlin to meet senior officials in the German Foreign Ministry and the Chancellor's Office, as well as foreign diplomats and non-governmental experts. They later traveled to Paris to interview government officials at France's Foreign Ministry, the President's Office, and the Senate, in addition to Paris-based diplomats and a non-governmental organization.

Many officials spoke with us openly on the condition that their comments remain off the record. Accordingly, we have restricted attribution of opinions and insights.

This report reflects the collective judgment of the members of the policy workshop. Nevertheless, not all statements and recommendations made herein necessarily reflect the views of each individual member.

Acknowledgements

The authors wish to thank those individuals who advised and otherwise helped to inform the efforts of the policy workshop. Their ideas helped shape the content of this final report. These scholars and policymakers from around the world gave briefings, hosted discussions, and often provided written feedback to the authors, all of which greatly improved the quality of this report. A list of interviewees is given in Annex II.

While many of these individuals have asked not to be quoted, the authors appreciate the contributions of current and former government officials of the United States, Germany, France, Israel, Iran, Russia, the United Kingdom, and Egypt, as well as the IAEA. We are grateful to Robert Einhorn of the U.S. Department of State and officials from the National Security Council for agreeing to receive this report.

Most importantly, the authors wish to express their deep gratitude for the contributions of their advisors Frank von Hippel, Hossein Mousavian, and R. Scott Kemp. Their insights and advice informed this report and their tireless efforts made possible not only the policy workshop but also field research in Germany, France, Austria, and Russia, meetings in Princeton and New York, and final briefings in Washington, D.C. For their patience and consistent guidance, the authors are very grateful. Of course, any errors or omissions contained within this report remain the responsibility of the authors alone.

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Overview

For over a decade, Iran and the international community have engaged in an increasingly risky game of chicken over Iran's nuclear program. The public revelation of the Natanz enrichment facility in 2002 set in motion an escalating confrontation over Iran's nuclear activities. Aside from a period of limited cooperation resulting from European and Iranian diplomatic efforts between 2003 and 2005, episodic attempts at negotiation since have failed to give hope for a peaceful resolution to the standoff. As political opposition to negotiation continues to constrain leaders in the United States and Iran, the Islamic Republic inches closer to a nuclear weapons breakout capability, even while America and its allies exert more pressure. Without a change in strategy, Iran is likely to obtain a nuclear weapons capability or face the prospect of military attack.

While the United States could default to a strategy of containing a nuclear-armed Iran, the potential consequences of doing so suggest a more ambitious approach is needed. A nuclear-armed Iran might motivate its neighbors to seek their own nuclear weapons, which could trigger a destabilizing regional arms race. Iran's possession of nuclear weapons might also increase the probability of the purposeful or inadvertent use of nuclear weapons or the loss, theft, or transfer of nuclear material or weapons to another state or sub-state organization. Finally, Iranian nuclear weapons would not only directly threaten the regional interests of the United States and its allies, but they might also embolden Iran to pursue its geopolitical agenda with greater aggression from behind a shield of nuclear deterrence. For these reasons, *the critical U.S. objective should be to prevent Iran from acquiring nuclear weapons by extending its breakout time in the short term and reducing Iran's motivations to obtain nuclear weapons in the long term.*

The central aim of this report is to address how this objective might be achieved. The first section focuses primarily on the goals and interests of the United States. The second section describes possible strategies and the likelihood of each to accomplish the proposed U.S. objective. We conclude that comprehensive bilateral negotiations are the most promising option for resolving the crisis, but that successful negotiations are unlikely without a new approach. The third section highlights the reasons for the failures of past negotiations, while the fourth section proposes a negotiating framework, which we call a Phased Grand Agenda, to help avoid repeating these pitfalls in future negotiations. The fifth section proposes a notional plan within this framework. The sixth section highlights critical challenges to this approach, including domestic political pressures, as well as timing and implementation hurdles. The final section concludes with specific recommendations for next steps.

Assumptions and Objectives

We believe that the acquisition of nuclear weapons by Iran would further undermine the nuclear non-proliferation regime, destabilize the Middle East, embolden Iranian leaders, and pose a direct threat to U.S. national security interests as well as those of its allies and partners. In the immediate future, therefore, the United States should seek to extend Iran's breakout timeline for producing nuclear weapons. In the long term, the principal objective of U.S. policy regarding Iran should be to reduce Iran's motivations to acquire a nuclear weapon. These objectives, which guide the analysis and recommendations laid out in this report, are based on the following premises:

- The goal of preventing the current—and any future—Iranian government from acquiring nuclear weapons is a higher priority than any U.S. desire to change the Islamic Republic's system of government. If the primary objective *were* regime change, no negotiated solution would be possible.
- Like any state with indigenous enrichment or reprocessing facilities, Iran has an inherent nuclear weapons breakout capability. The United States should therefore seek to maximize the transparency of Iran's program and increase the time required for Iran to break out, so as to make it more difficult for Iran to rapidly or secretly produce highly enriched uranium or plutonium for nuclear weapons.
- One of the primary motivations for the Iranian government's pursuit of a nuclear weapons option is its perception of an external threat. A critical component of this calculation is the belief that the United States, through its robust military presence and influence in the region, threatens the survival of Iran's system of government.
- As the United States considers its policies vis-à-vis Iran, it must also take into account its broader objectives in the region, including regional security, stability, economic prosperity, respect for human rights, and democratization. These objectives will at times conflict, requiring careful balancing of short-term risks, long-term interests, and broader regional goals.
- U.S. and Iranian interests partially overlap, which suggests that bilateral engagement could potentially accomplish U.S. objectives at a lower cost than other approaches.

Strategy Options

Various approaches have been proposed to address the nuclear crisis, including the current dual-track strategy adopted by the Obama Administration. Below, we offer our assessments of the likelihood of each to achieve the aforementioned objectives.

Current U.S. Strategy: If the United States continues its current approach, we assess that Iran's timeline for acquiring a nuclear weapon will grow unacceptably short. The Obama Administration's dual-track policy is designed to incentivize Iran to reach a peaceful agreement with the P5+1, while simultaneously delaying Iran's achievement of a robust breakout capability. This approach, however, is unlikely to persuade or compel Iran to comply, and its pressure track may only strengthen the country's more radical factions. Some Iranian leaders believe that capitulation to U.S. demands in the current international environment would be irresponsible because it would be seen, internally or externally, as a sign that the Iranian government is weak and therefore ripe for overthrow. Furthermore, Iran has demonstrated the ability and willingness to withstand significant external pressure. In fact, sanctions have enabled the government to deflect domestic criticism of its own economic mismanagement. Simultaneously, pressure could lead to unintended conflict, a danger highlighted by Iran's threat to close the Strait of Hormuz in reaction to the passage of the U.S. National Defense Authorization Act of 2012 that authorized the President to sanction Iran's central bank.

Consequently, if Iran continues to build up a stockpile of 20% enriched uranium and expand its enrichment capacity, it will reach the point where the residual time required to produce enough highly enriched uranium (HEU) for one or more nuclear weapons is so short that the risk of doing so could become acceptable to Iranian decision makers. The fact that North Korea, a much weaker state, weathered international sanctions, deterred military attack, avoided internal regime change, and ultimately acquired nuclear weapons is a worrisome precedent in this regard. While there are major differences between North Korea and Iran, a continuation of the current U.S. strategy appears more likely than not to result in Iran following a similar path towards a nuclear weapon.

Targeted Military Action: An alternative strategy to prevent Iran from acquiring nuclear weapons could be military action targeting Iran's nuclear infrastructure. Although military action by the United States or Israel might be able to destroy Iran's critical nuclear facilities and seriously delay its nuclear program, the hardened and distributed nature of Iran's nuclear infrastructure, in addition to the possible existence of facilities unknown to foreign intelligence agencies, would make this extremely difficult. The large strike package needed to destroy Iran's underground nuclear targets might be more than Israel can manage, and U.S. policymakers have been hesitant to commit to using force against Iran given the potential costs to U.S. regional interests, the vulnerability of U.S. forces in Afghanistan and the Persian Gulf, the possible impact on global oil prices, and the potential damage to the U.S. image abroad.¹

Even if military action did successfully destroy much of Iran's nuclear infrastructure, Iran would likely retain the ability to rebuild its nuclear program using its remaining scientists and their knowledge base. Only the elimination of numerous Iranian scientists would extinguish existing knowledge, but, given international norms and the risk of retaliation in kind, it is unlikely that the United States or Israel could undertake a sufficiently vast assassination campaign and retain their political standing in the world. Furthermore, the initial military strike could convince the Iranian government to rebuild and pursue a nuclear weapon as quickly as possible in order to deter further aggression. A strike could also strengthen the Iranian government by rallying nationalist sentiments and support for the nuclear program. Therefore, even an operationally successful military strike would have to be periodically repeated.

Regime Change: Another strategy to stop Iran from acquiring nuclear weapons could be to seek regime change. While Iran is experiencing an unprecedented power struggle on the periphery of the Supreme Leader's domain, there is no internal threat to his authority that is likely to be powerful enough to topple the political structure of the Islamic Republic before Iran acquires a rapid breakout capability. Moreover, even if the government were toppled internally, given that recent polling shows that a large majority of Iranians support indigenous development of the nuclear fuel cycle, including uranium enrichment, any successor government would be hard pressed to abandon the nuclear program. None of the politicians who could plausibly emerge from Iran's 2013 presidential elections have indicated that they would seek to end Iran's nuclear program. On the contrary, the leader of the Green Movement, Mir-Hossein Mousavi, was one of the founders of Iran's nuclear weapons program and has criticized Ahmadinejad for being too open to compromise with the P5+1.² Thus, regime change would probably have to be externally imposed through a military invasion and a costly, long-term occupation. Given the inherent difficulties and dangers associated with this approach, regime change is not a plausible strategy for fulfilling U.S. objectives.

Comprehensive Negotiations: The final option is to negotiate a comprehensive agreement with Iran. Since 2003, repeated attempts have been made to initiate negotiations, but none have succeeded. Today, Iran and the United States appear more wary of each other than at any time in the previous decade. Nevertheless, we assess that the opportunity for a negotiated agreement still exists.

For one, the development of Iran's nuclear program thus far does not suggest that Iran is on a crash course to nuclear weapons. Rather, the configuration of Iran's nuclear program demonstrates a desire for a robust enrichment capability as part of a breakout capability.³ Iran's reported activities related to nuclear weapon design also support this conclusion. The activities discussed in the November 2011 IAEA report do not appear related to a specific warhead design and are consistent with the U.S. Intelligence Community's 2007 conclusion that work directed towards the development of an actual nuclear weapon was halted in 2003.⁴ While the IAEA report indicates Iran's continued interest in maintaining a weapons-design capability, it does not provide compelling evidence of a comprehensive program focused on the near-term production of nuclear weapons.⁵ This technical evidence, as well as Supreme Leader Khamenei's 2005 fatwa banning the stockpiling, production, or use of nuclear weapons, suggests that Iran has not yet made a decision to actually produce weapons.⁶ Therefore, it is not too late for negotiations to stay this decision and stabilize Iran as a non-nuclear weapon state.

The United States and Iran could potentially settle the nuclear issue if they came to a carefully constructed agreement that dealt with their broader security concerns and ensured a restricted and transparent Iranian uranium enrichment program. This agreement would need to fulfill the United States' objectives of minimizing short-term risks and securing long-term interests in the region. At the same time, the agreement would need to convince the Iranian government that the Islamic Republic's future would be more secure without the possession of nuclear weapons.

Comprehensive negotiations would require a significant leap of faith by U.S. and Iranian policymakers. Transitioning to this strategy would be extremely difficult and leaders in both countries would face domestic political criticism. In order for comprehensive negotiations to succeed, therefore, the talks would have to follow a structured confidence-building framework that avoids the pitfalls of past negotiations.

Lessons from Past Negotiations

Members of the P5+1 and Iran have repeatedly attempted to negotiate a solution to the nuclear issue, but none of these efforts have succeeded. Four main factors contributed to these failures:

- **Lack of U.S. Endorsement:** Early negotiations did not elicit sufficient support from the United States. While the 2003–2005 EU-3-led negotiations with Iran made some progress, the absence of U.S. participation helped to prevent the conclusion of a sustainable agreement. Lack of U.S. support also resulted in the failure of the fuel swap brokered by Turkey and Brazil in 2010 as well as the ineffectiveness of the 2011 Russian step-by-step proposal. Given that Iran’s pursuit of a nuclear weapons option can, at least in part, be explained by Iran’s desire to secure a nuclear deterrent against aggression by the United States or its allies, it is clear that the United States must fully participate in and support negotiations if Iran is to agree to a negotiated solution. Other members of the P5+1 cannot replace the United States and its unique ability to change Iran’s strategic calculus.
- **Limited Scope:** Nuclear-only negotiations left critical issues unaddressed—namely, Iran’s security concerns. Tensions between Iran and the U.S. and its allies have provided the impetus for Iran’s interest in a nuclear weapons option.⁷ Unless the breadth of Iran’s security concerns are concurrently addressed in negotiations, it is unlikely that Iran could be persuaded to make concessions that are satisfactory to the United States.
- **Unrealistic Requirements:** Previous proposals have called on one or more of the parties to make unbalanced sacrifices at various stages of the negotiations. Iranian proposals, for instance, have demanded that the P5+1 remove sanctions as the first step in a deal. This is unlikely to happen given the difficulty of reestablishing sanctions once they have been removed. Similarly, the P5+1 have previously demanded that Iran suspend enrichment indefinitely as a pre-condition for negotiations. This tactic only prolonged the stalemate, since Iran proclaimed enrichment as a sovereign right that it would never surrender. A successful framework for negotiations must therefore equalize the level of compromise and reversibility required of both parties at each stage. For example, the P5+1 could endorse a UN Security Council resolution that would provisionally remove sanctions contingent upon continued cooperation from Iran. Similarly, Iran could accept limits on the scope of its nuclear program, in return for the P5+1’s recognition of its right to uranium enrichment. This would prevent previous “redlines” from further delaying comprehensive negotiations.
- **Poor Timing:** Negotiations have sometimes suffered from unpropitious timing. For instance, the Obama Administration actively reached out to the Iranian government in early 2009, only to see its opportunity for negotiations narrow in the aftermath of the disputed June 2009 elections. Similarly, upcoming elections in both the United States and Iran have the potential to block negotiations by incentivizing leaders to appeal to their domestic electorates, which often reward shows of nationalistic intransigence over compromise. Future negotiations must therefore be carefully timed to take advantage of windows of opportunity. This does not mean that progress cannot be made in the intervening periods; the two sides can set the stage for a more comprehensive agreement by defining their goals for negotiations, building coalitions in favor of negotiated solutions, and pursuing small but significant agreements that can decrease tensions and buy time for future negotiations.

The Phased Grand Agenda Proposal

Based on the above lessons from past negotiations, we propose a negotiating framework that we describe as a Phased Grand Agenda (PGA). The key tenets of this approach are:

- *Negotiations should address the smallest set of non-nuclear issues upon which peaceful resolution of the confrontation over Iran's nuclear program is dependent.* Negotiations should deal only with those non-nuclear issues identified as having reasonable potential to undermine progress on the nuclear issue. No additional items should be included so as to minimize the potential of inessential items derailing the talks.
- *Negotiations should be phased*, with each stage of negotiations building confidence to permit deeper cooperation in the next stage. The most urgent actions, such as freezing Iran's 20% enrichment program, should be taken first to buy more time for later negotiations. The most difficult steps should come last. Committing beforehand to address these elements in later phases would signal that the parties are serious about establishing the basis for a new relationship.
- *Reversibility must be matched* in each phase so that each party retains equal leverage. This will help to minimize the temptation for one side to truncate implementation of an agreement before completion.
- *Negotiations should require roughly equal sacrifices by, and provide roughly equal benefits to, the United States (and the rest of the P5+1) and Iran at each phase.*

The PGA allows the parties at the outset to state their objectives and agree to a desired end-state (presumably a stable relationship approaching the normalization of bilateral relations), and then formulate mutually acceptable measures to resolve the critical nuclear and non-nuclear issues impeding reaching this end-state. To be successful, the PGA must be designed so that initial confidence-building phases lay the groundwork for subsequent implementation of more extensive measures. Each phase of the agenda should be carefully crafted to capitalize on earlier cooperation by gradually increasing the potential payoff for each party, while simultaneously raising the costs and difficulty of withdrawing from the process. If the PGA is properly designed, and if both parties believe in the benefit of the agreed-upon end-state, then the escalating sequence of confidence-building measures should help maximize the chance of success.

It is unlikely that the United States and Iran, which have barely communicated with one another in three decades, could successfully initiate discussions on a PGA in public. Past experience, including U.S. negotiations with Libya over its WMD programs, suggest that the PGA could more feasibly begin in a secret backchannel. With full deniability, President Obama, in the year before an election, could engage a government that many in the United States condemn as fanatical and determined to destroy Israel. Khamenei, in turn, could talk with the “Great Satan” without pressure from elements opposed to negotiations. Most talks on the particulars of the agenda would come later and proceed in public, but secrecy in the initial stages would help ensure that the parties can agree on the objectives of the PGA process.⁸

The United States and Iran ultimately will need to find common ground on two “baskets” of issues to overcome the current standoff: nuclear and non-nuclear.

Nuclear Basket: In our judgment, Iran's willingness to seriously discuss the long-term future of its nuclear program will hinge on whether it is allowed to preserve its enrichment capability—and the nuclear weapons hedge it offers. While allowing Iran to maintain a latent nuclear weapons capability may run counter to U.S. desires, a hedge frozen at current levels, and eventually walked backed, is better than an active program moving forward.

In past discussions Iran has expressed general willingness to accept constraints on its nuclear program provided it is permitted to keep some of its enrichment capability. One notable instance occurred during Iran's negotiations with the EU-3 in March 2005, when Iran offered to commit to an open fuel cycle (i.e., forego reprocessing), cap uranium enrichment at 20%, place a ceiling on the number of deployed centrifuges, and immediately manufacture its enriched uranium into fuel.⁹

Similar or more extensive physical constraints, in addition to an array of transparency measures, would likely be necessary for the United States to accept any future potential package.¹⁰ For a period of at least several years, Iran could extend its timeline to breakout by agreeing to:

- Limit enrichment to 5%;
- Export stocks of low enriched uranium (LEU) hexafluoride beyond a minimum agreed level to a third country;
- Limit the number of centrifuges installed; and
- Not reprocess spent fuel.

The minimum acceptable level of Iranian transparency would likely include:

- Implementation of the IAEA's revised Code 3.1;
- Ratification of the Additional Protocol; and
- A pledge to adopt any new safeguards standards developed in the future, even if those standards are voluntary for other states.¹¹

In addition, Iran would probably have to resolve any outstanding questions about the possible military dimensions of its nuclear program before its file was considered fully normalized by the IAEA.

Non-Nuclear Basket: Only if the parties address both sides' core security concerns is it conceivable that Iran would voluntarily constrain its ability to develop nuclear weapons and that the United States would live with an implicit Iranian breakout capability. For the past thirty years, Iranian leaders have feared that the United States poses an existential threat to *Hefze Nezam* (preservation of the Islamic Republic's system of government). The United States, on the other hand, sees itself confronting an authoritarian state that supports armed proxy groups against U.S. forces and allies in the region. Therefore, the parties will need to address these divisive non-nuclear issues if the PGA is to be successful.

De-escalating Regional Tensions: Iran accuses the United States of attempting to foster a "velvet revolution" in the Islamic Republic through its unilateral sanctions, its support for Iranian pro-democracy groups, and its public criticisms of Iran's human rights record. To reduce its fears of U.S.-sponsored regime change, Iran may demand that the United States repeal unilateral sanctions, in addition to curbing financial support for civil society groups in Iran and limiting public criticisms on human rights. As the parties make progress on the nuclear and non-nuclear items in the PGA, the United States could consider lifting, or at least modifying, unilateral sanctions related to terrorism and human rights violations, especially so as to facilitate humanitarian support, mutually beneficial civilian commerce, and people-to-people (e.g., scientific) exchanges.¹² While the reduction of financial support for democratization in Iran would evoke opposition in the United States, a number of prominent Iranian human rights activists have already urged the United States to end its controversial "Iran Democracy Program" because they believe it to be counterproductive.¹³ To the extent that developments in Iran warrant it, the United States also could take steps to bring its public criticisms of Iran's human rights violations more in line with how it criticizes Saudi Arabia and China without abandoning Iranian reformers and activists. For instance, the United States could promise to raise issues related to democratic reform and human rights directly with the Iranian government rather than condemning Iran in public more forcefully than it does with other states having equally dismal human rights records.

Just as the United States would have to accept a government that it finds distasteful as the legitimate representative of the Iranian people, Iran would have to take steps to limit its own inflammatory rhetoric in the region, especially regarding the Middle East Peace Process and stability in the Persian Gulf. For instance, the United States may request Iran to tacitly accept Israel's right to exist in a posture similar to that adopted by many U.S.-allied Arab states, which maintain stable, albeit unacknowledged, relationships with Israel. The United States may also require that Iran cease its public threats to restrict navigation through the Strait of Hormuz.

Reducing Military Tensions: While this muting of rhetoric on politically sensitive issues by both sides will help reduce some tension between the United States and Iran, it would need to be accompanied by a tangible reduction of military actions that appear aggressive to the other side. As initial steps, the parties could build confidence by:

- Establishing a bilateral dialogue on mutual interests for stability in Iraq and Afghanistan;
- Implementing a direct communications link between U.S. and Iranian leaders to defuse potential crises in the Persian Gulf; and
- Cooperating against mutually recognized terrorist organizations, such as al-Qaeda, Mujahedin-e Khalq, Jundallah, and the Party of Free Life of Kurdistan.¹⁴

Nonetheless, the U.S. and Iran have conflicting interests in other areas. The aim of negotiations on these topics would be to arrange mutually acceptable compromises and trade-offs. For example, the United States may request that Iran:

- Reduce its lethal support to Hezbollah, Hamas, and other armed groups in the region that target U.S. allies and interests; and
- Limit its military activities, by not deploying missiles with ranges over 1,000 miles¹⁵, not conducting military exercises in the Strait of Hormuz, and not harassing U.S. vessels in the strait.

In return, the United States could:

- Pledge that the United States will neither attack Iran nor support an attack against Iran by its allies as long as it abides by the final status of the PGA agreement; and
- Constrain its military activities in the Persian Gulf by limiting sales of military equipment to Gulf Cooperation Council (GCC) member states to levels required for reasonable self-defense and not conducting military exercises in the Strait of Hormuz.

These non-nuclear actions could help resolve some of the critical security concerns at the root of the nuclear crisis and advance the parties towards a stable, albeit cool, relationship in which Iran feels secure enough to constrain its ability to develop nuclear weapons and the United States no longer considers Iran's implicit breakout capability a significant threat.

Toward a Phased Grand Agenda: A Notional Approach

While only the negotiating parties can decide the specifics of a Phased Grand Agenda, Table 1 below suggests one possible implementation. It is comprised of seven phases, leading from the current situation of confrontation to the full normalization of Iran's nuclear file. In addition, at two points we advocate the implementation of bilateral confidence-building measures between the United States and Iran so that the two countries can begin to address their broader security concerns and interests. The plan outlined in Table 1 adheres to the principles of equal sacrifices and diminishing reversibility at each step. The timing required for implementation of some of the steps may overlap subsequent phases, and others will be contingent upon completion of measures specified in previous phases.

A Notional Phased Grand Agenda

Phase	Iran	P5+1
0 Agenda Setting	<i>The U.S. and Iran agree on an end-state objective and a sequence of steps.</i>	
1 Confidence Building	Agree to Tehran Research Reactor (TRR) fuel swap proposal, trading LEU for fuel plates, and freeze uranium enrichment beyond 5%.	Agree to TRR fuel swap proposal, trading LEU for fuel plates, and begin to manufacture fuel.
2 Freeze for Freeze	Agree not to build new enrichment sites or install new centrifuges.	Agree not to pursue additional unilateral or UN Security Council sanctions or designations.
3 Limit LEU Stockpile	Export LEU stockpile in excess of 1000 kg (to include all 20% enriched uranium, with the remainder comprised of LEU enriched to less than 5%) to a third-party nation every six months.	Support a UN Security Council resolution that sets new conditions for repeal of sanctions and grants Iran amnesty for revelations of past military dimensions. Deliver TRR fuel plates once ready.
	<i>The U.S. and Iran begin parallel bilateral discussions on Iraq, Afghanistan, the Persian Gulf, and terrorism.</i>	
4 Transparency Measures	Accept revised Code 3.1, provisionally implement the Additional Protocol, and begin full cooperation with the IAEA on all other matters.	Publicly support Iran's right to enrichment under the NPT and state that nuclear program-related sanctions on Iran will be suspended within six months time, and will not be re-imposed, contingent on the previous commitments remaining in place.
5 Longer Term Confidence Building	Freeze construction of Arak reactor and suspend heavy water production during the negotiation of an agreement. Subsequently convert Arak to a light water reactor, or dismantle it, and export heavy water stocks.	Commit to provide Iran with a new research reactor and agree to allow uninhibited international cooperation with safeguarded nuclear activities in Iran.
6 Certification of Peaceful Nature	IAEA certifies that all outstanding issues with Iran including the past military dimensions of its nuclear program have been resolved.	Support the permanent removal of all national nuclear-only sanctions and endorse the de-designation of some Iranian banks by the U.S. in order to facilitate trade between Iran and third-party states.
	<i>The U.S. and Iran reach a modus vivendi on Middle East peace and stability, terrorism, and human rights.</i>	
7 Final Status	Ratify Additional Protocol and commit to forgo reprocessing for a period of at least ten years after sanctions are removed.	Permanently lift all UN Security Council sanctions on Iran. Subsequently, remove Iran's file from the IAEA Board of Governors.

Phase 0: The United States and Iran would *agree to the agenda*. As discussed above, the most feasible way to initiate the PGA process would be out of public view and with deniability through a secret backchannel. The United States and Iran would then agree on their objectives, desired end-state, and a mutually acceptable phased framework to resolve the key nuclear and non-nuclear issues impeding this end-state.

Phase 1: The P5+1 and Iran would take *initial confidence-building measures* to alleviate tensions. Because both countries have agreed to the principle behind the provision of fuel for the 2009 Tehran Research Reactor proposal, the fuel swap could be agreed to immediately and made public. Iran would freeze uranium enrichment beyond 5% and the P5+1 would order the manufacture of fuel for the TRR.¹⁶ This early agreement would, at least temporarily, assuage U.S. concerns over Iran's shortening breakout timeline, while demonstrating Tehran's willingness to resolve peacefully the current impasse. Furthermore, these initial steps could help improve the U.S. political climate in a manner that might make further negotiations easier.

Phase 2: Upon completion of the TRR agreement, the next phase of the agenda would embody principles similar to that of the 2008 P5+1 "*freeze for freeze*" proposal by erecting barriers to actions that have historically escalated the confrontation: namely, expansion of Iranian enrichment and additional rounds of sanctions.¹⁷ In this phase, Iran would agree not to build new enrichment sites or install any new centrifuges anywhere and, in exchange, the P5+1 would agree not to pursue additional unilateral or UN Security Council sanctions or designations.

Phase 3: The next phase would solidify progress by *extending barriers to breakout and setting new conditions for the repeal of sanctions*. Similar to the fuel swap deal proposed in 2009, in this step Iran would retain no more than 1000 kg of its LEU stockpile¹⁸ and agrees to export any excess LEU every six months (to include all 20% enriched uranium), for which Iran would be compensated at market value. In exchange, the P5+1 would support a UN Security Council resolution setting new conditions for the repeal of sanctions and granting Iran amnesty for revelations of past military dimensions to its nuclear program if such activities are found to have been discontinued.¹⁹ Fuel plates for the TRR would also be delivered at this point.

Initial Parallel U.S.-Iran Discussions: Following Phase 3, the United States and Iran would begin parallel discussions on the core non-nuclear security issues that, if left unaddressed, would prevent the parties from reaching their mutually agreed-upon end-goal. Initial discussions should focus on those areas where agreement is likely to come more easily, such as mutual interests in Iraq, Afghanistan, and the Persian Gulf as well as in cooperation against mutually recognized terrorist organizations.

Phase 4: This phase would legitimize a *transparent and constrained Iranian civilian enrichment program*. Iran would agree to permanently accept the revised Code 3.1 in its safeguard agreement with the IAEA and to comply provisionally with the Additional Protocol, strengthening the IAEA's capacity to detect any clandestine enrichment activities. Furthermore, Iran would begin to cooperate with the IAEA on all other matters, especially regarding questions related to the possible military dimensions of its nuclear program. In exchange, the P5+1 would recognize that Iran is entitled to an enrichment program and pass a resolution stating that nuclear program-related *multilateral* sanctions on Iran will be *suspended* within six months and remain suspended provided Iran's previous commitments remain in place.

Phase 5: This phase would be comprised of additional *confidence-building measures* relating to Iran's interest in peaceful nuclear activities and the international community's acceptance of that interest. Iran would pledge to freeze construction of the Arak heavy water reactor and the production of heavy water during the negotiation of an agreement. In exchange, it would receive commitments from the P5+1 for nuclear assistance from other states to convert the Arak reactor into a light water reactor, or dismantle it, and provide a new research reactor.²⁰ Once the Arak facility was converted or dismantled and Iran's heavy water stockpile exported, the new research reactor would be commissioned.

Phase 6: After these foundational phases, it is anticipated that, assuming Iran fully cooperates with the IAEA in accordance with Phase 4, the IAEA would certify that all outstanding issues with Iran, including questions about its weaponization activities, have been resolved. Following the IAEA's endorsement of the non-military nature of Iran's current nuclear program, the P5+1 would support the removal of all *national* nuclear-only sanctions and endorse the de-designation of some Iranian banks by the United States in order to facilitate trade between Iran and third-party states.

Advancing Parallel U.S.-Iran Discussions: Following Phase 6, the United States and Iran would reach a mutually agreeable *modus vivendi* on core non-nuclear security issues, including Middle East peace and stability, terrorism, and human rights. This phase would propel the parties towards a stable, if cool, relationship of strategic confidence, in which Iran feels secure enough to voluntarily constrain its ability to develop nuclear weapons and the U.S. feels reassured enough to live comfortably with Iran's inherent but weakened breakout capability. The United States and Iran would agree to maintain a regular dialogue on these issues through the gradual reestablishment of routine bilateral contacts, including the lifting of the U.S. "no contact" policy with Iranian officials and the return of U.S. and Iranian diplomats to the interest sections in their respective capitals.

Phase 7: In the final phase, we envision a number of measures that would set the stage for the *full normalization of Iran's nuclear file* with the IAEA. Iran would begin by ratifying the Additional Protocol. The P5+1 would then adopt a resolution permanently lifting all UN Security Council sanctions against Iran. Contingent upon the above, Iran would commit to forgo reprocessing for a period of at least ten years after sanctions are removed. Following this pledge, the IAEA would remove Iran's file from the regular agenda of the Board of Governors.

While this is just one approach to the PGA, it maintains the primary focus on Iran's timeline to breakout, balances reciprocity and reversibility, and encompasses many of the measures that each party would likely request.

Politics of Implementation

Implementation of the Phased Grand Agenda would require domestic political support in both Iran and the United States. Therefore, careful consideration of each country's domestic political constraints and issues of ordering and timing are necessary. This section suggests how the United States might approach these challenges.

Domestic Constraints in the United States: Negotiations have several domestic hurdles to clear if they are to succeed in the near term. Political opponents anxious to find opportunities to criticize President Obama prior to the 2012 election are likely to characterize a diplomatic approach to Iran as a sign of the President's weakness and naïveté. Indeed, during a recent Republican Presidential Candidacy debate, President Obama's Iran policy was criticized as "his greatest failing," and it was asserted that Iran would acquire a nuclear weapon if President Obama were reelected.²¹ Furthermore, as the recent unanimous Senate vote to sanction Iran's central bank suggests, even the President's Democratic allies have taken a hardline on Iran. Because the debate over Iran policy is so politicized in the United States, the Obama Administration may decide to wait until after the 2012 elections to begin public negotiations with Iran on major issues. This also would allow time for tensions to cool after the October 2011 exposing of an alleged Iranian plot to assassinate the Saudi Ambassador to the United States, the November 2011 IAEA report on the possible military dimensions of Iran's nuclear program, and the subsequent looting of the British Embassy in Tehran. Nonetheless, an apparently isolated but public agreement in which Iran stops its most sensitive activity (the production of 20% LEU) in exchange for reactor fuel could be seen as a political win for the President before the elections.

Domestic Constraints in Iran: Domestic politics in Iran are already contentious in the run-up to the March 2012 Majlis elections, as factions associated with Ahmadinejad and Khamenei compete for control. This election, in addition to the June 2013 presidential elections, could make negotiations more difficult, but the ultimate decision maker will remain the Supreme Leader. If Khamenei could be convinced of the merits of a Phased Grand Agenda, it is unlikely that any faction would or could openly oppose an agreement he had blessed—especially if initial negotiations are secret and supported by the Leader personally. In this sense, the timing of Iran's elections in Iran does not pose as great an obstacle to negotiations as do U.S. elections.

Preparing for Negotiations: Despite the difficulty of achieving an agreement in the near term, there are steps that leaders in the United States could take today to prepare their publics, legislators, and relevant interest groups for future negotiations. In their contacts with the media and Congress, Administration officials could emphasize long-term objectives such as stability, security, and prosperity in the Middle East and highlight the benefits to cooperation, as well as the potential risks. For example, the Administration and others supporting negotiations might explain that a transparent Iranian program is preferable to the current situation in which the IAEA is unable to check suspicions of undeclared activities. Furthermore, early phases of the PGA, most critically steps one (TRR fuel swap) and two (freeze for freeze), could still be pursued before the elections if the Administration negotiates with Iran through a secret backchannel. The fuel swap could be publicly announced before the elections as a product of the long-standing P5+1 process. Only following the elections could additional talks become public in order for both parties to make their commitments more credible.²²

Public Education Campaign: After the elections, U.S. policymakers would need to explain clearly the specific costs and benefits of an agreement with Iran through a comprehensive public education campaign. The primary advantages of an agreement could best be explained by contrasting this policy with the available alternatives: allowing Iran to obtain a nuclear weapon, targeting Iran's nuclear infrastructure in an endless series of military strikes, or invading and occupying Iran. Given the high costs (or low chance of success) associated with each of these alternatives, the PGA approach should be acceptable even to hardliners.

Conclusions

Few realistic options exist for the resolution of the crisis over Iran's nuclear program. If the United States continues to follow its current strategy, Iran will most likely continue to stockpile 20% enriched uranium and expand its enrichment capacity to the point where the residual time needed to produce enough weapon-grade uranium for one or more nuclear weapons makes the risk of doing so acceptable.

The United States' current dual-track approach, even with intensified international pressure on Iran's economy, is unlikely to precipitate a change in Iran's nuclear program because it does not address Iran's fundamental motivations, and it may even strengthen hardline factions in Tehran. A second option, targeted military action against Iran's nuclear infrastructure, would be difficult given the hardened and distributed nature of Iran's nuclear facilities and the reality that, even if military strikes were successful, Iran would likely retain the ability to rebuild its nuclear program using its existing knowledge base, perhaps even covertly. Military attack is also likely to increase Iran's long-term motivation to acquire nuclear weapons and could bolster public support for a nuclear weapons program. A third alternative, regime change, is unlikely to result in an abandonment of Iran's nuclear program due to its level of popular support, unless it were also paired with an invasion and prolonged occupation—a costly and problematic endeavor.

Consequently, the most promising means of preventing Iran from acquiring nuclear weapons is through a carefully constructed agreement that results in a constrained and transparent nuclear program in Iran, and that takes into account the broader security concerns of both the United States and Iran. A comprehensive negotiated agreement could allow the United States to minimize short-term risks and secure its long-term interests in the region, and to bring about conditions in which the Iranian government feels that the Islamic Republic's future would be more secure without the possession of nuclear weapons.

The Phased Grand Agenda (PGA) framework would avoid the pitfalls of past negotiations by addressing the primary security issues that have motivated Iran's nuclear program. PGA negotiations would contend with the smallest set of non-nuclear issues upon which peaceful resolution of Iran's nuclear ambitions depends. Negotiations would proceed in a set of phases, with each stage building confidence to permit deeper cooperation in the next stage. The most urgent actions, such as freezing Iran's enrichment of uranium to levels below 5%, would be taken first, while the most difficult steps would come later. The Phased Grand Agenda would require roughly equal sacrifices by and provide roughly equal benefits to both the United States and Iran at each phase so that both parties are equally incentivized to continue negotiations. Reversibility would also be matched in each phase to minimize the temptation for either side to end implementation before completing the entire PGA.

Although negotiations must clear domestic hurdles to succeed in the near term, there are a few steps U.S. policymakers can take to address these challenges. Prior to the U.S. elections in 2012, leaders in both countries could pursue early phases of the PGA in secret. Additionally, a public agreement in which Iran stops its most weapon-sensitive activity (the production of 20% LEU) in exchange for fuel for the Teheran Research Reactor could be struck, and may be viewed as an important foreign policy success for the Obama Administration in advance of U.S. elections. U.S. policymakers could also use the pre-election period to prepare Congress and the American public for PGA negotiations by emphasizing why talks are the most promising means of achieving U.S. objectives in the Middle East. Thus, even during the run-up to elections, U.S. policymakers can make progress towards a comprehensive agreement with Iran.

Annex I-A: Reversibility of Sanctions

Below is the list of U.S. sanctions in *ascending order of difficulty* of reversibility. The level of difficulty is primarily based on whether, and to what extent, Congressional consent is required.²³

1. Sanctions based exclusively on executive orders (most of the executive order sanctions) can be amended (de-designating sanctioned entities, exempting certain transactions, etc.) through a new executive order or by the department implementing the sanctions and terminated by issuing a new executive order certifying an end to the state of emergency with Iran, which has been the basis of sanctions.
2. Sanctions based on the Export Administration Act (state sponsor of terrorism designation-related sanctions) can be removed by the President submitting a report to Congress certifying that Iran is not supporting terrorism and that it has provided assurances that it will not do so in the future.
3. Sanctions based on executive orders but tied to legislation (e.g. some of the financial sanctions in relation to the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA)) can only be terminated if the clauses regarding those sanctions in the legislation are amended or terminated.
4. Sanctions based on legislation that includes stipulations of certain conditions for termination (Iran Sanctions Act (ISA)/CISADA: if Iran ceases its effort to acquire WMD, is removed from the list of state sponsors of terrorism, and no longer poses a significant threat to the U.S. and its allies) can be terminated if those conditions are met.
5. Sanctions based on legislation that does not include stipulation of conditions for termination (Iran-Iraq Arms Nonproliferation Act, Iran Nonproliferation Act) can only be repealed by Congress.

Annex I-B: Conditions Required for the Termination of Sanctions on Iran

Sanctions		Content	Conditions for Termination
<p style="text-align: center;"><u>U.S. Sanctions</u></p> <p>Executive Orders and Other Federal Regulations</p>	<p>Executive Orders (including sanctions on nuclear and non-nuclear related activities)</p>	<ul style="list-style-type: none"> - Ban on virtually all trade and investment as well as certain other transactions - EO12957 (1995), 12959 (1995), 13059 (1997) - Asset freeze and ban on transactions with entities supporting terrorism - EO13224 (2001) - Blocking of Iranian assets of proliferators of WMD - EO13382 (2005) - Penalties against Iranians responsible for human rights abuses - EO13553 (2010) 	<ul style="list-style-type: none"> - No specific conditions for termination stipulated. Targeted activities vary (nuclear, terrorism, WMD, human rights) but most authorized by EO declaration of a national emergency arising from “an unusual and extraordinary threat to the national security, foreign policy, and economy of the U.S.” by Iran - Notification to Congress required at least 15 days in advance of termination of U.S. sanctions on Iran pursuant to EO12957, 12959, and 13059 (codified in Iran Freedom Support Act) - Similar sanctions repealed through issuing an EO terminating the state of national emergency (e.g. EO13357 regarding sanctions on Libya in 2004)
	<p>Administered by the Treasury Department (Iranian Transactions Regulations, Iranian Assets Control Regulations, etc.)</p>	<ul style="list-style-type: none"> - Restriction of U-turn transactions to all Iranian banks (imposed on transactions with Bank Saderat in 2006, extended to all Iranian Banks in 2008) - Ban on importing gifts valued over \$100 - Penalties on firms conducting financial transactions with certain Iranian entities 	<ul style="list-style-type: none"> - Sanctions authorized under Presidential national emergency powers and by specific legislation (e.g. ISA, CISADA) - Requirement for termination dependent on the legal basis of sanctions (EO or law) - Amendments can be made to add or remove exemptions of sanctions (often conducted by the Department of the Treasury)

Sanctions		Content	Conditions for Termination
<p style="text-align: center;"><u>U.S.</u> Sanctions</p> <p style="text-align: center;">Laws</p>	Iran Sanctions Act (ISA) (1996)	- Penalties against foreign firms that invest more than \$20 million in Iran's energy sector	- Sanctions may be waived if certified as necessary to U.S. national interests - Sanctions terminated if Iran ceases its effort to acquire WMD, is removed from the list of state sponsors of terrorism, and no longer poses a significant threat to the U.S. and its allies
	Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) (2010)	- Penalties against foreign firms selling gasoline to Iran - Ban on foreign banks conducting illicit transactions with Iran from operating in the U.S.	
	Export Administration Act (State Sponsor of Terrorism Designation-Related Sanctions) (Designated in 1984)	- Ban on U.S. foreign aid and international loans and restrictions on exports of dual use items	- Removal from the list of state sponsors of terrorism requires the President to submit a report to Congress certifying that Iran is not supporting terrorism and that it has provided assurances that it will not do so in the future (consent of Congress not required)
	Iran-Iraq Arms Nonproliferation Act (1992)	- Penalties on foreign entities that supply Iran with WMD technology or destabilizing numbers of conventional weapons	- Sanctions may be waived 15 days after the President reports to Congress that it is essential to U.S. national interests - No specific conditions for termination stipulated
	Iran Nonproliferation Act (2000)	- Penalties on foreign persons that assist Iran's WMD programs	- No specific conditions for termination stipulated
	National Defense Authorization Act (Section 1045) (2012)	- Penalties on foreign entities that engage in transactions with Iran's central bank	- Penalties may be waived if the entities are unable to significantly reduce their purchases of oil due to supply or cost, or if U.S. national security is threatened by the implementation of the sanctions

Sanctions	Content	Conditions for Termination
<p data-bbox="209 501 375 531"><u>UN Sanctions</u></p> <p data-bbox="126 600 456 709">UNSCRs 1737 (2006), 1747 (2008), 1803 (2008), and 1929 (2010)</p>	<ul style="list-style-type: none"> <li data-bbox="482 264 787 359">- Ban on Iran’s import and export of nuclear related material and arms <li data-bbox="482 396 787 457">- Ban on export of certain heavy weapons to Iran <li data-bbox="482 495 787 590">- Asset freeze linked to nuclear and missile programs <li data-bbox="482 627 787 722">- Restrictions on travel of individuals involved in the nuclear program <li data-bbox="482 760 787 854">- Mandated inspections of cargo entering or leaving Iran <li data-bbox="482 892 787 1008">- Ban on providing financial services contributing to Iran’s proliferation 	<ul style="list-style-type: none"> <li data-bbox="800 264 1414 325">- Sanctions suspended if Iran suspends all enrichment-related and reprocessing activities <li data-bbox="800 363 1414 913">- Sanctions terminated if Iran: <ul style="list-style-type: none"> <li data-bbox="816 411 1398 506">• reestablishes full and sustained suspension of all enrichment-related and reprocessing activities and heavy-water-related projects <li data-bbox="816 531 1382 592">• cooperates with the IAEA under the Additional Protocol <li data-bbox="816 617 1398 678">• cooperates with the IAEA in connection with the remaining issues of concern <li data-bbox="816 703 1414 913">• meets the requirements of the IAEA Board of Governors (ratify promptly and implement the Additional Protocol, implement Safeguards Agreement, implement transparency measures beyond the formal requirements of the Safeguards Agreement and Additional Protocol to resolve outstanding issues)

Appendix II: Interviews and Presentations

Below is the list of interviews conducted with subject matter experts in Princeton, New Jersey; New York City, New York, and during field research trips to Moscow, Russian Federation; Vienna, Austria; Paris, France; and Berlin, Germany in the autumn of 2011.

Princeton, New Jersey and New York, New York, USA

- Ahmadinejad, Mahmoud (Sixth and current President of the Islamic Republic of Iran), 20 Sept. 2011.
- Dalton, Richard (Former UK Ambassador to Iran), 12 Oct. 2011.
- Friedberg, Aaron (Professor of Politics and International Affairs at the Woodrow Wilson School of Public and International Affairs at Princeton University), 17 Oct. 2011.
- Heinonen, Olli (Senior Fellow, Belfer Center for Science and International Affairs, Harvard University), 10 Oct. 2011.
- Jenkins, Peter (Associate Fellow and former UK Ambassador and Permanent Representative to the IAEA), 3 Oct. 2011.
- Kofman, Shlomi (Deputy Consul General of Israel in New York), 9 Dec. 2011.
- Levite, Ariel (Nonresident senior associate in the Nuclear Policy Program, Carnegie Endowment), 10 Oct. 2011.
- Pickering, Thomas R. (Former U.S. Ambassador to the United Nations), 3 Oct. 2011.

Moscow, Russian Federation

- Antonov, Anatoly (Deputy Minister of Defense of the Russian Federation), 31 Oct. 2011.
- Carlon, Amy and Klecheski, Michael (Foreign Service Officers, U.S. Embassy Moscow), 1 Nov. 2011.
- Khlopkov, Anton (Director, Center for Energy and Security Studies), 2 Nov. 2011.
- Reshetnikov, Leonid and colleagues (Russian Institute of Strategic Studies), 31 Oct. 2011.
- Ryabkov, Sergey (Deputy Foreign Minister of the Russian Federation), 1 Nov. 2011.
- Sazhin, Vladimir and colleagues (Institute for Oriental Studies), 31 Oct. 2011.
- Spasskii, Nikolay (Deputy Director of Rosatom), 1 Nov. 2011.

Vienna, Austria

- Adelfang, Pablo (Cross-Cutting Coordinator for Research Reactor Activities and Head of the Research Reactor Unit in the Department of Nuclear Energy, IAEA), 3 Nov. 2011
- Kessler, Kurt (Deputy Counselor to the IAEA, U.S. Mission to the International Organizations in Vienna), 3 Nov. 2011.
- Luedeking, Ruediger (Ambassador to the IAEA, German Mission to the International Organizations in Vienna), 4 Nov. 2011.
- Nackaerts, Herman (Deputy Director General, Department of Safeguards, IAEA), 3 Nov. 2011.
- Rauf, Tariq (Coordinator, IAEA Nuclear Fuel Bank), 3 Nov. 2011.
- Shamaa, Khaled (Ambassador to the IAEA, Egyptian Mission the International Organizations in Vienna), 3 Nov. 2011.
- Soltanieh, Ali Asghar (Ambassador to the IAEA, Iranian Mission the International Organizations in Vienna), 4 Nov. 2011.

Berlin, Germany

- Guldiman, Tim (Ambassador to Germany, Embassy of Switzerland), 1 Nov. 2011.
- Heusgen, Christoph (Advisor on Foreign and Security Policy to the Federal Chancellor, the Office of Germany's Chancellor), 1 Nov. 2011.
- Lucas, Hans-Dieter (Director of Political Section, German Federal Foreign Office), 31 Oct. 2011.
- Müller, Nora (Körber Foundation), 31 Oct. 2011.
- Paulsen, Thomas (Körber Foundation), 31 Oct. 2011.
- Potzel, Markus (Director of Middle East Section, German Federal Foreign Office), 31 Oct. 2011.
- Sheikhattar, Alireza (Ambassador to Germany, Embassy of Iran), 30 Oct. 2011.

Paris, France

- Audibert, Jacques (General Director for Security and Political Affairs, French Foreign Ministry), 3 Nov. 2011.
- Bertoux, Philippe (Deputy Director for Disarmament and Non-Proliferation Unit, French Foreign Ministry), 3 Nov. 2011.
- Grand, Camille (Director, Foundation for Strategic Research), 4 Nov. 2011.
- Montesquiou, Aymeri de (Senator, the French Senate), 3 Nov. 2011.
- Morel, Alexis (Counsellor for Military and Political Affairs to the President of the French Republic, the Office of France's President), 3 Nov. 2011.
- Nicoullaud, François (Former French Ambassador to Iran), 4 Nov. 2011.
- Tertrais, Bruno (Senior Research Fellow, Foundation for Strategic Research), 4 Nov. 2011.

Notes

- ¹ Leon Panetta, “Remarks by Secretary of Defense Leon E. Panetta at the Saban Center,” Department of Defense, December 2, 2011, <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=4937>.
- ² “Iran’s Mousavi criticizes nuclear fuel plan,” *Reuters*, October 29, 2009, <http://www.reuters.com/article/2009/10/29/us-iran-nuclear-opposition-idUSTRE59S0ZB20091029>.
- ³ One indicator of the near-term purpose of Iran’s enrichment program is its focus on developing the supercritical IR-2M and IR-4 centrifuges, which would enable Iran to grow its enrichment program in a more cost-efficient manner, instead of increasing the number of inefficient first-generation (IR-1) machines or rapidly building other subcritical centrifuges that would cost more but minimize the time required to obtain nuclear weapons in the near-term. Indeed, thousands of IR-1 machines (constituting about 30% of Iran’s capacity) sit idle while Iran devotes its resources to research and development activities.
- ⁴ Greg Thielmann and Benjamin Loehrke, “Chain reaction: How the media has misread the IAEA’s report on Iran,” *Bulletin of Atomic Scientists*, November 23, 2011; Peter Crail, Daryl G. Kimball, Greg Thielmann, “The IAEA’s Report: Assessment and Implications,” *Arms Control Association*, Issue Brief, November 8, 2011.
- ⁵ Thielmann and Loehrke, “Chain reaction.”
- ⁶ Khamenei’s repeated public denials of Iran’s nuclear weapon ambitions are important because the Supreme Leader makes the final determination on the future of Iran’s nuclear and defense programs. While U.S. policymakers may be skeptical of any religious edict issued by Khamenei, a flagrant violation of this fatwa would severely challenge the credibility of the Supreme Leader, as both a religious and political leader, and undermine Vilayat-e Faqih (the Shia-Islamic principle that gives the Supreme Leader the right and mandate to act as custodian of the people), which provides the very foundation of the Islamic Republic’s political system. Although Khamenei could overturn the fatwa if, in his view, the threats confronting Iran had changed and now warranted the development of a nuclear weapon, it is worth noting that, even after Saddam Hussein’s forces attacked Iranian troops with chemical weapons in the Iran-Iraq War, Iranian forces did not retaliate in kind because Supreme Leader Khomeini forbade it on religious grounds. This suggests that fatwas issued by the Supreme Leader wield serious influence in the Islamic Republic, even when they pertain to Iran’s national security. Although the fatwa forbids the stockpiling, production, and use of nuclear weapons, it does not prohibit Iran from seeking a nuclear weapons option.
- ⁷ The Libyan case has not escaped the attention of Iranian decision makers, especially Supreme Leader Khamenei. Despite Qaddafi’s decision in December 2003 to dismantle his country’s weapons of mass destruction programs, the U.S. and a multinational coalition later actively supported Libyan insurgents in overthrowing his regime. Iranian officials have likely considered whether Libya’s possession of WMD would have reduced the likelihood of Western intervention. See Ayatollah Khamenei, “Supreme Leader’s Public Address in Mashhad” (Speech, Imam Ridha’s Shrine, Mashhad, March 21, 2011), http://english.khamenei.ir//index.php?option=com_content&task=view&id=1434&Itemid.
- ⁸ From a conversation with an expert on Iran on 1 November 2011 in Berlin, Germany.
- ⁹ Islamic Republic of Iran, “Elements of Objective Guarantees” (presented at the Meeting of the Steering Committee, Paris, France, March 23, 2005); Peter Crail, “History of Official Proposals on the Iranian Nuclear Issue,” *Arms Control Association*, n.d., http://www.armscontrol.org/factsheets/Iran_Nuclear_Proposals.
- ¹⁰ This would maximize the time available to the U.S. for diplomatic or military action in case of an Iranian dash for a nuclear weapon.
- ¹¹ Iran could agree on a time-limited basis to accept the most extensive safeguards as long as they are also accepted by at least one other country. Countries that have breached their safeguards agreements in the past, such as Taiwan, South Africa, and South Korea, have consented to “anytime, anywhere inspections,” in which the IAEA is authorized to conduct an unfettered number of inspections.

- ¹² See Annex I-A for the reversibility of sanctions and Annex I-B for conditions required for termination of sanctions on Iran.
- ¹³ Background, “An Exercise in Futility: State Department ‘Democracy Promotion’ Funding for Iran,” *Center for Arms Control and Non-Proliferation*, April 22, 2008, http://armscontrolcenter.org/policy/iran/articles/democracy_promotion_funding_iraq/.
- ¹⁴ Cooperation against a particular group is contingent upon both parties recognizing that group as a terrorist organization. In this regard, the case of the Mujahedin-e Khalq (MEK) is particularly complex, given the number of prominent former U.S. officials and current Congressman who have called on the State Department, which is currently undertaking a review of the group’s status, to de-list the MEK as a terrorist organization. The State Department maintains that its review will be based on legal, not political, grounds, although the Obama Administration has sought to intervene in the current standoff between the Government of Iraq and the MEK over its base at Camp Ashraf. For an overview of this issue, see: Anna Fitfield, “Iranian exiles pay U.S. figures as advocates,” *The Financial Times*, July 29, 2011. Accessed online: <http://www.ft.com/cms/s/0/cc6d5774-b23d-11e0-9d80-00144feabdc0.html> For an indication of the Iranian government’s views on this issue, see “MEK offers bribes to get off terror list,” *Press TV*, Oct. 18, 2011, <http://www.presstv.ir/detail/205246.html>, and “Neo-cons call for de-listing of MEK terrorist group,” *Press TV*, Dec. 18, 2010, <http://www.presstv.ir/usdetail/156046.html>.
- ¹⁵ A 1000-mile limit (including disbandment of Shahab-3 (13000 km range) associated with the nuclear-warhead design) would include all of Israel and Turkey within range but keep Europe, except for a fringe, out of range.
- ¹⁶ As of 13 Sept. 2011, Iran had produced 73.7 kg of 20% UF6 (50 kg of U). Between 14 Sept. and 28 Oct., Iran produced an additional 6 kg (4 kg), which means that Iran is producing approximately 33 kg LEU/yr. If Iran triples that rate, it will be 100 kg/yr. At the point where the total reaches about 150 kg, (i.e. about a year from now) Iran would have about enough 20% LEU, if enriched further to 90%, for a bomb. A TRR core contains about 38 kg of 20% LEU. The fuel would spend an average of at least two years in the reactor. Tehran has therefore already produced enough 20% enriched uranium to fabricate about one and a half cores, and could halt 20% enrichment and wait and see whether the TRR fuel is delivered.
- ¹⁷ Peter Crail, “History of Official Proposals on the Iranian Nuclear Issue.”
- ¹⁸ Between 18 Oct 2010 and 1 Nov 2011, Iran produced 1787 kg of UF6 or 1200 kg of LEU.
- ¹⁹ Currently, suspension and termination of the sanctions adopted by the UN Security Council require that Iran suspend its enrichment- and reprocessing-related activities and implement a number of transparency measures requested by the IAEA. In this phase, we envisage the UN Security Council passing a resolution that modifies these conditions, similar to the manner in which the Council amended the Libya sanctions regime initiated by Resolution 748 and the Bosnian Serbs sanctions regime initiated by Resolution 820. For a detailed discussion of these modifications, see Jeremy Matam Farrall, *United Nations Sanctions and the Rule of Law*, (Cambridge: Cambridge University Press, 2007), pp. 297-304 and pp. 320-325.
- ²⁰ Thomas Mo Willig, “Feasibility and benefits of converting the Iranian heavy water reactor IR-40 to a more proliferation-resistant reactor,” Masters Thesis, Norwegian University of Life Science, December 14, 2011.
- ²¹ Indira A.R. Lakshmanan and John Walcott, “Republican Answers on Iran Nukes Face Same Reality as Obama’s,” *Bloomberg Businessweek*, November 17, 2011, <http://www.businessweek.com/news/2011-11-17/republican-answers-on-iran-nukes-face-same-reality-as-obama-s.html>.
- ²² This argument, of course, presumes that, if President Obama is not reelected, the next Republican administration will also view the PGA as the most promising strategy for preventing Iran from acquiring a nuclear weapons capability and will, therefore, continue the PGA process begun by the Obama Administration.
- ²³ The list includes only legal requirements and does not take account of political factors. For example, technically speaking, all sanctions based on executive orders can be terminated whether the sanctions target nuclear activities, proliferation of WMD, support of terrorism, or human rights abuses, but removing sanctions without addressing the targeted activities may be politically difficult.

