

U.S. Leverage Over Iran Undermined at Vienna Talks

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KEY TAKEAWAYS

Any agreement that the Biden Administration makes with Iran must restrict Iran's nuclear program permanently and enhance the security of the U.S. and its allies.

The current Vienna talks are squandering U.S. leverage, paving the way for reviving a bad deal, and giving the Administration cover to make concessions to Iran.

Instead of reviving the defective JCPOA, the U.S. should maintain its sanctions pressure to reach a more restrictive new agreement.

The indirect talks with Iran that began in Vienna on April 6, 2021, on reviving the Joint Comprehensive Plan of Action (JCPOA) have undermined U.S. bargaining leverage and likely will leave the Biden Administration with little chance of repairing the dangerously flawed 2015 nuclear agreement, one of its avowed goals.¹ The talks, brokered by the European Union, involve all the parties to the 2015 nuclear agreement. The fourth round of talks, which began on May 7, are focused on lifting U.S. economic sanctions in return for Iran halting its ongoing violations of the JCPOA.

Rather than returning to a weak and dangerous agreement whose key nuclear restrictions progressively expire starting in 2024 and are completely gone by 2031, allowing Iran to move closer to its goal of becoming a nuclear weapons state and a regional

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superpower, Washington should insist on reaching an effective new deal that restricts Iran's nuclear program permanently. If Iran balks, the U.S. should maintain its sanctions pressure. Returning to a bad deal would be worse than no deal at all.

Iran's Nuclear Pressure Tactics

The Trump Administration withdrew from the JCPOA in May 2018 due to well-founded concerns about the agreement's shortcomings. The Trump Administration restored sanctions that had been lifted under the JCPOA, as part of a maximum pressure campaign to compel Tehran to address American concerns in new negotiations. As a result, the Iranian economy crumbled as oil exports plummeted, slashing the revenue Tehran depended on to finance a range of malign activities that ran counter to U.S. interests.

Unwilling to return to the negotiating table, Iran adopted a counter strategy of nuclear extortion based on willful violations of the JCPOA despite technically remaining a party to the nuclear deal with the other signatories. Since June 2019, Tehran has increased the size and enrichment level of its uranium stockpile far beyond JCPOA limits. In addition, since September 2019, Iran has violated JCPOA restrictions on advanced centrifuge research, development, and deployment, and has restored uranium enrichment operations at its underground Fordow fuel-enrichment facility.

After the election of President Joe Biden, Tehran escalated its nuclear brinkmanship to unprecedented levels. In January 2021, Iran began to enrich uranium up to 20 percent, shortening the time it would need to reach 90 percent highly enriched uranium, the percentage required for a nuclear weapon. In February, it produced JCPOA-prohibited uranium metal that could be used in a nuclear weapon; banned snap inspections at undeclared nuclear sites; and restricted the access of International Atomic Energy Agency (IAEA) inspectors to its declared nuclear sites. In April, it boosted uranium enrichment to 60 percent and began testing advanced IR-9 centrifuges—despite the fact that, under the agreement, only first-generation IR-9 centrifuges are allowed to operate until 2025.

Iran claims that all of its violations of the nuclear agreement could be easily and quickly reversed if the United States rescinds its economic sanctions. But this is not the case. Indeed, through its JCPOA violations, Iran has acquired new technical knowledge in building and operating advanced centrifuges that it will not forget, and produced uranium metal components that would be useful in producing a nuclear weapon.

The Structure of the Vienna Talks Favors Iran

Both the Biden Administration and the Iranian regime have declared their willingness to revive the nuclear agreement, although Biden officials have called for a follow-on agreement to “lengthen and strengthen” the deeply flawed JCPOA. Tehran insists that the U.S. must lift all sanctions before Iran ends its steadily escalating JCPOA violations. It already rejected three U.S. proposals for diplomatic talks before accepting a European Union proposal to host indirect talks with the U.S., which it knows will strengthen its position by including Russia, China, Britain, France, and Germany—all of which favor a quick return to the JCPOA in support of their own interests.

Iran seeks a return to the advantageous deal it had before the Trump Administration exited the agreement. The structure of the Vienna talks advance this goal by allowing Iran to participate in working groups with the other JCPOA parties that will formulate a road map for reviving the deal, while the U.S. delegation is isolated in a separate location, relying on shuttle diplomacy. That means that Iran, supported by the other JCPOA parties, will have much more input on setting the agenda of the talks than the United States.

Washington will also come under multilateral pressure to reward Tehran with early sanctions relief that will undermine its future bargaining leverage and make a follow-on agreement nearly impossible. The Vienna talks may also give political cover to the Biden Administration for compromising on its declared goals by cloaking its retreat as concessions to European allies, rather than to Iran.

Iran has demanded the lifting of all U.S. sanctions imposed since 2015, whether related to the JCPOA or not, including punitive sanctions tied to Iran’s ballistic missile program, support of terrorism, and human rights violations. The Biden Administration has said that it is ready to remove all sanctions that are inconsistent with the JCPOA, but it has not publicly specified which sanctions it deems to be inconsistent. There is a growing risk that sanctions on Iranian entities designated for sanctions relief under the JCPOA will be lifted, even if these entities have been sanctioned on other grounds since 2015.

Lifting sanctions related to non-nuclear issues would be caving in to Iran—and a grave mistake. The Biden Administration already has abandoned its rejection of sanctions relief before Iran returns to strict compliance with the JCPOA. The Administration is considering releasing \$1 billion in frozen Iranian assets and approving an International Monetary Fund loan to Tehran for \$5 billion, ostensibly for COVID-related aid.

The Administration also has retreated from its position that the U.S. would return to the JCPOA only after Iran returns to compliance. Now it says that Washington needs only to be sure that Iran *intends* to return to compliance. Tehran will recognize these moves as the signs of weakness that they are.

U.S. Policy Recommendations

The JCPOA was a Faustian bargain that rewarded Iran with long-term sanctions relief in return for short-term restrictions on its nuclear program. Key aspects of the agreement have already started to expire. The United Nations lifted its arms embargo last October despite Iran's repeated violations of its import restrictions and export prohibitions.

A series of sunset clauses begin lifting constraints on Iran's ballistic missile program in 2023, and on its advanced centrifuge program in 2024. In 2025, the U.N. Security Council will end its focus on the Iran nuclear issue and international monitors will stop regulating Iran's imports of nuclear-related equipment. By 2031, key restrictions on uranium enrichment and plutonium production will lapse, allowing Iran to ramp up its nuclear program to an industrial scale that would make a sprint to a nuclear breakout much easier.

The Vienna talks are likely to undermine the Biden Administration's declared goals of strengthening the weak restrictions built into the JCPOA and reaching a follow-on agreement that will extend key nuclear restrictions scheduled to fade away by 2031. If it lifts sanctions to resurrect the JCPOA, it will squander the unprecedented diplomatic and economic leverage amassed by the Trump Administration, throw away any chance of reaching a more effective and comprehensive nuclear agreement, as well as release pressure on Tehran over ending its malign actions abroad and human rights abuses at home.

Iran is trying to stampede President Biden into the old deal by threatening to end cooperation with international inspectors by May 21, 2021. This is an artificial deadline that Washington should ignore. Washington must let the old deal lapse in order to attain the necessary leverage for a tougher new deal.

Recommendations for the U.S.

In order to protect U.S. national security interests, Washington should: **Seek a New Agreement Rather than Return to the JCPOA.** It makes little sense to resurrect a defective agreement whose most important

restrictions soon expire. Rather than settle for a diplomatic speedbump that delays, but does not halt, Iran's progress toward a nuclear weapon, the Biden Administration should hold out for a more effective agreement with permanent restrictions on Tehran's nuclear program and a much stronger verification regime.

Ballistic missiles, an integral part of a nuclear weapons program, should be restricted as part of the new deal as well. One of the key shortfalls of the JCPOA is that it does not address the growing threat of Iran's missile programs, which now include cruise missiles and, arguably, armed drones. Iran is estimated to have the largest missile arsenal in the Middle East and has made significant improvements in its ballistic missile force in recent years. These missile programs are an increasing threat to America's national interests, U.S. forces, allies, and partners in the Middle East. The JCPOA will make the situation worse by removing weak U.N. restrictions on Iran's missile program in 2023. There should be no lifting of U.S. missile sanctions without Iranian concessions on its accelerating missile programs.

Maintain Sanctions Pressure Until Tehran Has Agreed to Fix Shortcomings in the JCPOA. U.S. sanctions forced the regime to pay a high price for its malign policies. Washington cannot afford to surrender this leverage on a range of issues, including terrorism, missile development, and human rights, in exchange for a flawed nuclear agreement. At a minimum, there should be no sanctions relief until Iran has stopped its proxy attacks against Americans in Iraq and elsewhere, de-escalated its nuclear extortion campaign, and released American hostages.

Seek Direct Talks with Tehran. The Biden Administration made a huge mistake in agreeing to proximity talks in which Russia, China, and the European parties essentially act as Iran's lawyers to push for a quick return to the JCPOA. If it is to succeed, the Biden Administration must avoid being tied down in a multilateral straitjacket by other parties who seek an unconditional return to the flawed deal. As the diplomatic saying goes: If you are not at the table, you are on the menu.

Insist that Iran Come Clean About Past Nuclear Activities. Israel's 2018 revelation of documents stolen from Iran's nuclear archive confirmed that Tehran has falsely denied the weapons-related nuclear work it undertook before 2003. In recent years, international inspectors have discovered traces of enriched uranium at several sites that Iran never declared as nuclear facilities, questioning Tehran's commitment to transparency. If Tehran refuses to reveal the entirety of its past nuclear activities, especially the possible military dimensions of past programs, IAEA inspectors cannot do their work. Moreover, as a result there is little reason to trust Iran's

ongoing activities at inaccessible military bases as well as any promises about future nuclear restrictions.

The Bottom Line

The JCPOA in effect legitimized Iran as a threshold nuclear power, by dismantling sanctions on Iran but without dismantling Tehran's nuclear infrastructure. A return to the JCPOA would severely reduce the chances of reaching the longer and stronger agreement that the Biden Administration says it wants. Returning to the JCPOA would make it easier for Iran to cash in on sanctions relief and run out the clock on nuclear restrictions without making concessions necessary for a follow-up agreement that would permanently and verifiably dismantle Iran's nuclear weapons program.

The Biden Administration should take advantage of the strong bargaining position it inherited from the Trump Administration to secure a more restrictive new agreement with Iran that will enhance the security of the United States, its allies, and its partners. Bowing to Tehran's nuclear extortion and reviving the defective JCPOA will only squander U.S. leverage, enrich and embolden a predatory regime, subsidize Tehran's hostile and anti-American policies, and allow Iran to set the stage for a nuclear breakout that will destabilize the entire Middle East—and likely beyond.

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Endnote

1. Steven Erlanger, "Iran and U.S. Agree on Path Back to Nuclear Deal," *The New York Times*, April 6, 2021, <https://www.nytimes.com/2021/04/06/world/europe/iran-nuclear-deal.html> (accessed May 12, 2021).