

# Undermining Joint Russian–Iranian Efforts to Threaten U.S. Interests

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## KEY TAKEAWAYS

Iran and Russia have steadily tightened ties in recent years, despite a long history of mutual suspicion fueled by multiple wars against one another in the past.

The alliance between Iran and Russia is deeply troubling and, if unchecked, will have wide-ranging negative repercussions for the United States and its allies.

The Biden Administration has been slow to grasp the significance of burgeoning Russo–Iranian ties, remaining intent on reviving the flawed 2015 Iran deal.

Iran and Russia have sought to offset their deepening international isolation by stepping up their bilateral cooperation on military, foreign policy, and economic fronts. The two states, led by anti-western authoritarian regimes, share a common adversary: the United States. Burgeoning Russo–Iranian ties are deeply troubling and, if unchecked, will have wide-ranging negative repercussions for the United States, its allies, and partners in Europe, Eurasia, and the Middle East, as well as on international stability and security more widely.

The Biden Administration has sought to reach another flawed nuclear deal with Iran and punish Russia for its war of aggression in Ukraine, but the growing alliance between the two states has made both goals more difficult to attain. Instead of devising discrete policies for each hostile regime, Washington

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should develop an overarching framework for undermining the power of both, penalizing dangerous cooperation between the two, and stressing their mutual ties.

Although the United States has important national interests at stake in Russia's war in Ukraine, Washington also has concerns with Moscow over its policies toward NATO and the Arctic; its possession and use of weapons of mass destruction (e.g., the use of chemical weapons against Russian dissidents); its repressive domestic politics and approach to human rights; its offensive cyber operations; its support of the regime in Syria; its energy policies; and its growing relationship with China.

The U.S. also has vital national interests that are threatened by Iran, which soon could emerge as a nuclear power. If the world's foremost state sponsor of terrorism acquires nuclear weapons, it could immediately destabilize the oil-rich Middle East, possibly disrupt the global economy, exacerbate regional threats to the United States and its allies, encourage further regional nuclear proliferation, and eventually threaten a nuclear strike on the U.S. homeland.

The United States must take immediate action to counter and roll back the intensifying Russian–Iranian alliance by ending efforts to revive the obsolete and risky 2015 Iran nuclear agreement; returning to a maximum pressure strategy against Iran; tightening economic sanctions on both countries; bolstering deterrence, especially missile and drone defenses against Iranian threats; and increasing U.S. energy exports to help reduce the oil and gas revenues that constitute the primary source of hard currency revenue for both regimes.

## Deepening Defense Cooperation

Iran and Russia have steadily tightened ties in recent years, despite a long history of mutual suspicion fueled by multiple wars against one another in the distant past.<sup>1</sup> Since Russia's February 2022 invasion of Ukraine, their bilateral relations have blossomed into a strategic partnership in which defense and military cooperation have expanded to alarming dimensions. For example, after Moscow's initial offensive into Ukraine was blunted by Kyiv due to a number of reasons, including shortages of Russian weapons, Moscow turned to Tehran to provide additional firepower in the form of armed combat drones, as well as artillery rockets and ammunition for small arms, artillery, and tanks.<sup>2</sup>

Russia has launched hundreds of Iranian armed drones since September 2022 to inflict damage on Ukrainian infrastructure, as well as military and civilian targets, in indiscriminate attacks that may amount to war crimes.

Iran also deployed Islamic Revolutionary Guard Corps military trainers to Russian-occupied Crimea to train and advise Russian military forces on the use of Iranian-built drones.<sup>3</sup> Since then, the scale of bilateral cooperation on drone warfare has steadily expanded. In early February 2023, it was reported that the two countries will build a factory in Russia that will be capable of manufacturing thousands of Iranian-designed drones.<sup>4</sup>

Beyond combat drones, there are also reports that Iran may provide short-range ballistic missiles to Russia for its use in Ukraine.<sup>5</sup> Iran has the largest missile arsenal in the Middle East and the transfer of Iranian cruise or ballistic missiles to Russia could have an outsized impact on the battlefield in Ukraine.

CIA Director William Burns warned about growing Russo–Iranian defense and military ties: “It’s moving at a pretty fast clip in a very dangerous direction right now.”<sup>6</sup> To this point, Iran has announced that it will receive Russian Su-35 fourth-generation fighter jets from Moscow this year. Tehran is also reportedly interested in warships and other defense technology for the Iranian defense industry.<sup>7</sup>

Already in possession of the Russian S-300 surface-to-air missile (SAM) system, Iran reportedly is also seeking to acquire the S-400, a more capable air-defense system from Russia.<sup>8</sup> Israeli officials believe that these SAM systems could hinder Israel’s ability to launch air strikes on Iran’s nuclear facilities, if necessary to prevent an Iranian nuclear breakout. The S-400s, which could be operational in less than two years, could accelerate a decision on a possible Israeli preventive attack.<sup>9</sup>

Along these same lines, Moscow could potentially aid Iran’s nuclear weapon and ballistic missile programs, especially in the development of a nuclear warhead for ballistic missiles and the development of intercontinental-range delivery vehicles that could threaten the U.S. homeland. Russia also has agreed to help Iran boost its cyberwarfare capabilities by helping Iran gain advanced digital-surveillance tools.<sup>10</sup> Such capabilities could be used to spy on domestic dissidents and foreign embassies in Iran. Russo–Iranian cyber cooperation also could enhance Iran’s capability to attack commercial and critical infrastructure and gather intelligence on adversaries.

**Energy Collaboration.** The economies of both Russia and Iran depend heavily on energy exports. Moscow and Tehran have cooperated closely on oil and nuclear issues. Both countries have sought to extract high prices for their oil exports to increase revenues by coordinating their positions within the OPEC Plus group. Russia also built Iran’s sole nuclear power plant at Bushehr, and with Russian help, Iran plans to build at least two more for roughly \$10 billion.<sup>11</sup>

The Biden Administration, foolishly hoping to renew the flawed and risky 2015 nuclear deal, has waived U.S. sanctions to permit this civilian nuclear cooperation and facilitate Russian assistance for another nuclear deal. Such waivers aid and abet closer Russian–Iranian nuclear cooperation—rewarding both rogue regimes rather than penalizing Russia for its war on Ukraine and Iran for its mounting nuclear challenge.

**Sanctions Busting.** One of the fastest growing fields for Russian–Iranian cooperation has focused on evading Western economic sanctions. Iran, which has been denied access to Western banking systems by U.S. sanctions that banned its participation in the Belgium-based SWIFT financial messaging service, has gained access to Russia’s banking system. In January 2023, Iran and Russia connected their interbank communication and transfer systems to help boost trade and financial transactions—and circumvent banking restrictions.<sup>12</sup>

Iran also has conspired with Russia to undermine punitive sanctions on their energy economies, an area in which Tehran has acquired extensive expertise due to years of international sanctions. Indeed, many of the oil tankers in Iran’s “ghost fleet” that had previously been used to evade U.S. sanctions are now being used by Russia, which has adopted sanctions-skirting techniques pioneered by its strategic partner Iran.<sup>13</sup>

## Time to Counter the Russia–Iran Axis

The Biden Administration has been slow to grasp the significance of the blossoming alliance between Iran and Russia. Intent on reviving the flawed 2015 nuclear deal with Iran, the White House ended the “maximum pressure” strategy adopted by the Trump Administration and offered sanctions relief, while allowing sanctions to atrophy.

Besides a misunderstanding of Russia’s strategic intentions early in its term and the initial handling of Russia’s war on Ukraine (including the slow ramp-up in shipment of weapons to Kyiv to blunt the Russian offensive), the Biden Administration has failed to define “victory” in Ukraine and obtain more equitable defense burden-sharing from NATO partners on supporting Ukraine. The Kremlin has also suspended participation in the New START agreement and grown its strategic partnership with China.

Additionally, the Biden Administration has failed to adequately deter Iranian aggression. Despite roughly 80 attacks on U.S. forces in Iraq and Syria launched by Iranian proxy groups since January 2021, Washington has responded with only *four* military strikes. These reprisals, generally pinprick operations against symbolic targets, often have been accompanied by public U.S. statements reassuring Tehran that it does not seek a wider conflict.

The feeble U.S. response to Iran’s proxy warfare strategy not only has allowed Tehran to orchestrate attacks with impunity, but it has weakened deterrence of an Iranian nuclear breakout. Without the leverage afforded by a credible military threat to prevent Iran from attaining nuclear weapons, diplomacy backed only by economic sanctions is doomed to fail.

## Recommendations

Consequently, to protect and advance U.S. interests, Washington should: **Declare that the 2015 Iran Nuclear Agreement Is Dead and Apply Maximum Pressure Against Iran.** The Biden Administration should finally admit that its efforts to revive the flawed nuclear deal have failed, work with allies to snap back U.N. sanctions, clamp down on Iran’s oil exports, and rescind waivers that have undermined sanctions against Iran’s nuclear program.

Congress should prohibit nuclear-related waivers for sanctions against Iran if the Administration refuses to do so. For example, Senator Ted Cruz (R-TX) introduced a bill that would revoke existing waivers of U.S. sanctions on Iran’s nuclear program and prohibit future waivers.<sup>14</sup> By escalating sanctions against Iran and ending civilian nuclear waivers that substantially benefit Moscow, the U.S. can curtail their bilateral nuclear cooperation and reduce the financial resources available to Tehran and Moscow for developing their strategic axis.

**Expose and Counter Russian–Iranian Collaboration Against Punitive Sanctions.** Washington should crack down not only on the Russian and Iranian entities that evade sanctions, but also on third-party entities that facilitate sanctions evasion. For example, the U.S. and its allies should pressure countries to stop providing flags of convenience to “ghost ships” involved in transporting illicit Iranian or Russian oil exports, ban those ships from their registries, and revoke their insurance coverage.

**Take Actions to Undermine Iran’s Drone Production and Transfers.** Iran reportedly has shipped weapons to Russia across the Caspian Sea, which offers few opportunities for intercepting these transfers. But Washington and its allies can penalize Tehran and Moscow for these arms exports through economic sanctions, enhanced export controls, and counterproliferation efforts on Western-made components used in the drones, particularly microchips. Washington should press allies to join in enforcing targeted sanctions on Iran’s drone program, as well as sanctions against third-country companies that supply Iran’s drone program. Stronger international cooperation is needed to shut down shell companies that undermine sanctions and disrupt the supply lines that enable Iran to manufacture drones.<sup>15</sup>

**Support Israeli Efforts to Disrupt Iranian Drone Production.**

Israeli drones reportedly attacked an Iranian military factory in Isfahan on January 28, 2023, that produces advanced missile-armed drones with air-to-ground strike capabilities, which are coveted by the Russian military for use in Ukraine.<sup>16</sup> Washington should provide intelligence and diplomatic support for Israel's efforts to disrupt Iran's drone production by vetoing any negative actions by the U.N. Security Council. Fewer Iranian drones produced means fewer drones for Russia, too.

**Strengthen Regional Defenses Against Iranian Drone and Missile Threats.**

The Pentagon should ensure that U.S. air defense capabilities are deployed based on continuously updated risk assessments. Increasing the strength and mobility of missile and drone defenses would introduce doubt into the risk-benefit calculations of Tehran, thereby enhancing deterrence.<sup>17</sup> The United States also should help upgrade the air and drone defenses of regional allies and partners, particularly Israel, Saudi Arabia, and the United Arab Emirates, through appropriate cooperation and arms sales. Washington should encourage these countries to build an integrated air defense system that could boost their collective security against Iran as well as the security of U.S. forces in the region.

**Responsibly Support Ukraine's War Against Russian Aggression.**

It is in the U.S. interests, in concert with NATO countries and other like-minded partners, to support the self-defense of Ukraine. Doing so will not only weaken the Kremlin's foreign policy, generally, but it will also constrain the resources Moscow has to buttress its ties with Tehran, including the availability of Russian conventional weapons to transfer to Iran. U.S. support should be fiscally responsible, fully accountable, focused on military aid, and tied to a responsible long-term plan to safeguard U.S. interests.

**Increase U.S. Oil and Gas Exports to Reduce Demand for Iranian and Russian Energy Exports.**

The Biden Administration should reverse course and encourage—rather than discourage—increased U.S. energy production to apply downward pressure on domestic and global oil prices and reduce the demand for energy exports from Iran and Russia, their largest source of export revenues.

In addition, Washington should encourage its allies, particularly in Europe, to raise energy production and build infrastructure such as pipelines and liquified natural gas facilities that would enable American energy exports and other alternatives to replace Russian and Iranian energy supplies. Such a policy not only would reduce the resources available for nefarious military and para-military purposes, but also would reduce their ability to gain leverage over oil-importing countries.

## Conclusion

Considering their regional and global geopolitical ambitions, the deepening strategic partnership between Iran and Russia poses a rising threat to the U.S., its allies, and partners in Europe, Eurasia, and the Middle East. Failing to quickly address these troubling ties—and the multiple threats that arise from them—will only lead to more international instability, including in the war in Ukraine. Washington and like-minded countries urgently need to take steps now to undermine and counter the anti-American Russo–Iranian axis before additional damage is done.

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