

# Presidential Transition Event: Thinking About the Next Phase of Iran Nuclear Diplomacy

by [Dennis Ross \(/experts/dennis-ross\)](#), [Suzanne Maloney \(/experts/suzanne-maloney\)](#), [Meghan O'Sullivan \(/experts/meghan-osullivan\)](#)

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## ABOUT THE AUTHORS



### [Dennis Ross \(/experts/dennis-ross\)](#)

Dennis Ross, a former special assistant to President Barack Obama, is the counselor and William Davidson Distinguished Fellow at The Washington Institute.



### [Suzanne Maloney \(/experts/suzanne-maloney\)](#)

Suzanne Maloney is deputy director of the Foreign Policy Program at the Brookings Institution.



### [Meghan O'Sullivan \(/experts/meghan-osullivan\)](#)

Meghan O'Sullivan is the Jeane Kirkpatrick Professor of the Practice of International Affairs at Harvard University's Kennedy School.



Brief Analysis

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**Three veteran policy practitioners examine the challenges that the Biden administration will face**

## as it considers whether and how to reenter the Iran nuclear agreement.

On January 6, The Washington Institute held a virtual Policy Forum with Dennis Ross, Suzanne Maloney, and Meghan O'Sullivan. Ross is the Institute's William Davidson Distinguished Fellow and author of its just-published Transition 2021 memo '[The Coming Iran Nuclear Talks: Openings and Obstacles](https://www.washingtoninstitute.org/policy-analysis/coming-iran-nuclear-talks-openings-and-obstacles) (<https://www.washingtoninstitute.org/policy-analysis/coming-iran-nuclear-talks-openings-and-obstacles>)'." Maloney is vice president and director of the Foreign Policy Program at the Brookings Institution. O'Sullivan is the Jeane Kirkpatrick professor of international affairs and director of the Geopolitics of Energy Project at Harvard University's Kennedy School. The following is a rapporteur's summary of their remarks.

### Dennis Ross

During his campaign, President-elect Joe Biden laid out several prescriptions for how his administration would approach Iran policy. First, he stated his determination to prevent the regime from ever developing a nuclear weapon. Second, he underscored that he will establish a credible pathway for diplomacy and negotiations if Iran returns to compliance with the Joint Comprehensive Plan of Action (JCPOA), with the United States following suit. The agreement would then become a starting point for follow-on negotiations. Third, he spoke of preserving U.S. leverage to deal with other Iranian issues, including ballistic missile development, human rights abuses, and destabilizing regional activities.

A critical question lingers, however: what is the Biden administration's likelihood of achieving those goals? It is therefore important to look back on the lessons learned from the approaches taken by the Obama and Trump administrations, in an effort to reconcile conflicting pressures and aims.

A key assumption of the Obama administration was the urgency of the Iranian nuclear issue. Indeed, the administration felt that if it could not demonstrate to Israel that the United States would prevent Iran from obtaining a nuclear weapon, Israel would likely act militarily. Other issues—including the regime's ballistic missiles and regional activities—were simply less urgent. The administration also believed that Iran's behavior could be affected not just through economic pressure, but through a common international front to isolate the country.

As for sanctions, although the administration viewed them as effective, they were considered unsustainable because the international community's willingness for such measures was wearing thin. There was also the notion that Iranian leaders were looking for an excuse not to implement the JCPOA, and that if Washington pressured them too much on nonnuclear issues, they would walk away from the agreement.

Although the first two assumptions were correct, the latter two were not. Sanctions were sustainable, and Iran was not looking for an excuse to walk away, as evidenced by how long it stayed in the JCPOA even after President Trump pulled out in 2018.

Under the Trump administration, the basic assumption was that maximum economic pressure would cause the regime to either concede or collapse. The belief that the United States had to maintain a coalition and a broad political stance to diplomatically isolate Iran was not part of this approach. The maximum pressure campaign succeeded in imposing great economic costs on Iran, but it failed to anticipate the regime's options and counterpressures on the United States and its friends in the region.

Given these lessons, Biden's team should take into account the value of multiple policy instruments that can preserve the pressure but also provide Iran with a way out. The administration will surely face a number of conflicting issues in this regard. First, it must deal with all the challenges that Iran poses, but also try not to hold the nuclear issue hostage to these other concerns. Second, Europeans and other actors outside the Middle East favor a quick return to the JCPOA, but Republicans remain almost uniformly opposed to it, and a sustainable policy will require bipartisan support. Third, while there is value in reassuring Israel, Saudi Arabia, and the United Arab Emirates, those countries are also suspicious that returning to the JCPOA will diminish U.S. leverage over Iran, giving the regime little reason to negotiate any substantive follow-on agreements or deal with regional issues. Indeed, the United States wants to preserve its leverage—and show Iran the consequences of not changing its behavior—even as it incentivizes the regime to accept going beyond the JCPOA (e.g., by extending the agreement's term and addressing ballistic missiles).

To reconcile these conflicting pressures, the administration would need to engage in serious consultations with key Republican and congressional leaders, European governments, and U.S. partners in the Middle East. Moreover, rejoining the JCPOA would not be easy even from a purely practical perspective—Iran would need several months to get back into compliance and would insist on sanctions relief even while it [continues to violate JCPOA limits](https://www.washingtoninstitute.org/policy-analysis/latest-iran-nuclear-inspection-report-reveals-multiple-concerns) (<https://www.washingtoninstitute.org/policy-analysis/latest-iran-nuclear-inspection-report-reveals-multiple-concerns>).

Accordingly, an alternative “less for less” approach might make more sense, and could be easier to negotiate. Such an approach could also buy time for follow-on negotiations aimed at extending sunset provisions, dealing with ballistic missiles, and addressing Iran's actions in the region. This would not mean a return to full compliance with the JCPOA, but it could extend Iran's breakout time to nuclear weapons capability. In particular, it could reduce the nuclear threat by forcing Iran to:

- Scale back its stockpile of low-enriched uranium from 2,600 kilograms (nearly twelve times what is permitted by the JCPOA) to 1,000
- Stop enriching uranium to 20 percent
- Dismantle two cascades of advanced centrifuges (for more on these technical issues, see The Washington Institute's [Iran Nuclear Glossary](#))

(<https://www.washingtoninstitute.org/policy-analysis/view/nuclear-iran-a-glossary-of-terms>).

In return, the United States could allow Iran to access some of its frozen overseas accounts, which would provide relief without lifting the U.S. sanctions regime.

As it goes down the path of negotiations, the Biden administration should continue to compete with the Iranian regime via the following actions:

- Pressing Tehran **on human rights** (<https://www.washingtoninstitute.org/policy-analysis/irans-2021-presidential-vote-and-tightening-regime-control>)
- Supporting Iraq's prime minister and military by **expanding the political space in which they can operate** (<https://www.washingtoninstitute.org/policy-analysis/leveraging-us-sanctions-faleh-al-fayyad>)
- Supporting regional partners with **enhanced, integrated defenses** (<https://www.washingtoninstitute.org/policy-analysis/missile-defense-manchattan-project-middle-east>) against ballistic missiles, cruise missiles, and drones
- Promoting **Arab-Israel normalization** (<https://www.washingtoninstitute.org/policy-analysis/israels-political-churn-continues-implications-netanyahu-and-us-policy>)

By competing in this emphatic manner, the administration can signal its ability to raise the price on Iran's malign activity.

## Suzanne Maloney

In formulating its Iran policy, the Biden team will face a reality much different from that which greeted the Obama administration. Interrogating the Trump and Obama approaches will be critical as policymakers think through the lessons from both. Every American president since Jimmy Carter has had to struggle with the challenge of devising a strategy that produces meaningful change in how Iran relates to its neighbors, its own population, and the world.

On the utility of economic pressure, Washington has seen the limitations of this approach, but U.S. financial measures also have a greater lifespan than previously thought, even where there is diplomatic opposition to implementing them. However, pressure is not the only factor at work here. The past four years showed that hitting Iran harder and harder did not moderate its troublesome policies or meet the goals of those in the Trump administration who favored regime change. Today, the United States is in a more dangerous situation with respect to Iran's nuclear program and regional activities than it was before the Trump administration took office.

An important lesson to learn from the Obama administration is that goodwill does not necessarily generate goodwill. This view of engagement often falls short with the Iranian regime, which is predicated on espousing anti-Americanism and opposing rapprochement. If Washington wants to devise an approach that can succeed beyond the nuclear issue, it will need to embrace policies similar to those that enabled past nuclear diplomacy—particularly multilateralism. Moreover, although real divisions exist within Iran's power structure, the Supreme Leader ultimately makes all the important decisions. The JCPOA proceeded only after Ayatollah Ali Khamenei gave his assent, and any further U.S. diplomacy will move forward on his terms. The United States and its European allies must understand this.

Finally, the Biden administration should not feel beholden to a particular timeline on these issues. Iran's presidential election this June is not a serious constraint or reason for urgency. Tehran is trying to impose some urgency by provoking crises, but Biden should resist getting drawn into crisis diplomacy, instead developing a normalized diplomatic approach to Tehran. Space and time need to be maximized, with the main goals of (1) extending Iran's short nuclear breakout time, and (2) allowing for the emergence of negotiations that can produce a longer, stronger deal.

## Meghan O'Sullivan

Reaching an interim agreement with Iran could be an effective way to manage an immediate problem, especially in the small window between Biden's January 20 inauguration and Iran's June presidential election. Underscoring Washington's credibility as a negotiating partner is important, so the new administration could rejoin the JCPOA as a platform for negotiating eventual follow-on agreements.

An interim arrangement is preferable because it would help U.S. officials avoid giving up all of their leverage before embarking on the more difficult challenge of addressing Iran's ballistic missile arsenal and destabilizing regional activities. Washington also needs to have serious consultations with partners and allies because today's regional dynamic is different from that of 2015. The Gulf states and other actors will view the Biden administration's handling of the JCPOA as a proxy for how it will handle relationships with them as a whole.

To be sure, an interim agreement would not answer some of the big questions. First, what incentives does Iran have to go beyond the JCPOA as it currently stands? The United States now has less leverage over Tehran than it did in 2015, while China has become closer to the regime and has thrown it a lifeline on a couple occasions.

Second, the Abraham Accords, for all their value, may wind up diminishing the credibility of at least one substantial deterrent against Iran's nuclear program: namely, the prospect of Israel resorting to the use of force. Many of the Arab states that signed onto the recent normalization accords have much in common with Israel in how they would like to approach certain Iranian issues, but they also feel strongly about avoiding war with Iran.

Third, how would new nuclear talks fit into the overall U.S. strategy on Iran? There were two different narratives on this question during the Obama administration: (1) that the JCPOA would help Iran better integrate into the global community and eventually moderate its behavior

abroad; and (2) that the JCPOA would put Iran’s nuclear program in a box, allowing the United States to be more aggressive toward the regime’s other malign activities. Neither of these narratives proved to be true, however. The United States also learned how difficult it was to deliver many of the economic benefits Iran expected from the JCPOA. Although it was legal for the private sector and banks to do business with Iran, many institutions proved unwilling to take on the perceived risk.

Another approach that the Biden administration could consider is doing nothing on Iran in the immediate term, instead prioritizing those issues it promised to focus on during the campaign—namely, COVID-19, economic recovery, and China. This would mean downscaling its ambitions on Iran policy (e.g., limiting itself to consultations and confidence-building measures with partners on issues such as humanitarian assistance), while also downplaying the perception that it is overly eager for an immediate deal. For its part, Tehran might consider becoming more flexible if faced with the prospect of more time under sanctions. Yet Washington would need to consider the potential risks and downsides of this limited approach as well.

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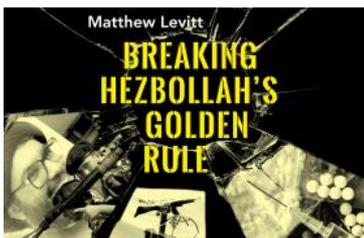
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