

Khobar Towers and U.S.-Iranian Relations:

American Options and Interests

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Brief Analysis

Although it did not receive much press coverage in the United States, State Department spokesman James P. Rubin's statement last week that military retaliation had not been excluded as a possible response to the Khobar Towers bombing made headlines in Tehran. Rubin's boilerplate response to a reporter's question--"when we judge that our best interest requires a military action we have not hesitated to use force"--was widely construed in Tehran as a threat. Thus, the headlines of the reformist Khordad declared "U.S. Threatens Iran with Military Attack," while the conservative Resalat warned "U.S.: We May Attack Iran." A commentary in the Tehran Times, which is considered close to the relatively moderate Foreign Ministry, responded with what could be construed as a threat of its own: "No American will be safe in the region if Washington commits the blunder of attacking Iran."

As this recent episode shows, the Khobar Towers bombing is likely to further complicate efforts to establish more normal relations between the United States and Iran. If Saudi suspects in the bombing are in Iran--regardless of whether Iranian officials assisted the bombers or merely provided safe-haven--both principle and politics make it impossible for U.S. policymakers to shunt aside Khobar Towers as an inconvenience.

Policy Ends. . . In responding to the Khobar Towers bombing, Washington should act in a way that advances as many of its core interests vis-à-vis Tehran as possible. These include the following:

Justice and Deterrence: The United States cannot compromise on the issue of bringing the bombers to justice. For both domestic and foreign policy reasons, the United States cannot allow the killers of Americans--particularly servicemen who have been sent to the Persian Gulf to keep the peace--to go unpunished. This is crucial from the viewpoint of deterrence: Failing to go after the perpetrators of such an act will only invite further acts of anti-American terror. This should be the fundamental point of departure for any policy approach on this issue.

Talking with the Regime: The United States has repeatedly made known its willingness to meet with representatives of the Islamic Republic without any preconditions. Accordingly, the U.S. demand for justice with regard to Khobar Towers should not be an obstacle to face-to-face meetings. The best proof of this is the fact that last week--as Rubin hinted at the possibility of military retaliation for the Khobar bombing--Washington also directed a friendly gesture at Tehran. Assistant Secretary of State for Near Eastern Affairs Martin Indyk, in a speech to the Asia Society,

complimented the Iranian people for their "proud and glorious history of tolerance and justice," adding that "it is time for the United States of America and the Islamic Republic of Iran to engage each other as two great nations: face-to-face, and on the basis of equality and mutual respect." The main obstacle right now to a U.S.-Iranian dialogue is politics in Tehran. Many influential clerics in Tehran do not want a dialogue with the United States for reasons unrelated to Khobar Towers; the fact that a long-standing U.S. offer to talk has gone unanswered is the best evidence of this. Were the mullahs in Tehran to change their minds about the desirability of meeting with U.S. representatives, Khobar Towers would not preclude Washington from talking to Tehran, though it would likely be a subject raised by the United States during these talks.

Supporting the Iranian People's Struggle for Political Freedom: The Iranian people are the main engine for political change in Iran. Supporting them in their political struggles and preserving the reservoir of pro-American sentiment among the Iranian people are therefore key U.S. interests that must not be harmed. This is why military retaliation--which could undermine popular goodwill for the United States--is so problematic for Washington. The United States can, however, use Khobar Towers as an opportunity to make common cause with the Iranian people on the issue of Tehran's terrorism. It could stress that both Americans and Iranians have been the victims of terrorism perpetrated by allies of Tehran or the regime itself: Americans were killed in Lebanon in the 1980s and at Khobar Towers in 1996; Iranians were murdered in massive purges in the 1980s and in attacks on reformist dissidents and intellectuals in late 1998. Washington could also point out that both peoples have encountered obstruction by the Islamic Republic in their efforts to seek justice. For Americans, that obstruction was Iran's refusal this year to cooperate with efforts to bring to justice the perpetrators of the Khobar Towers bombing. For Iranians, it was the Said Emami affair, in which a senior intelligence official arrested for the murder of dissidents was probably killed (he allegedly committed suicide) so that he would not implicate senior clerics in the murders. In this way, Khobar Towers may be a way to more tightly bind the interests of the American and Iranian peoples, while bringing additional pressure to bear on the regime in Tehran.

... And Policy Means Should Washington decide to pressure Tehran on the subject of Khobar Towers, it is likely to focus on unilateral measures rather than multilateral steps involving its allies. Neither Washington's European allies nor its Gulf Arab allies would likely heed an American call to break diplomatic relations or impose economic sanctions on Iran in response to Tehran's refusal to hand over Saudi suspects or Iranian officials, were the latter to be implicated. Even after the Mykonos verdict--based on an act of terrorism in the heart of Europe--the European Union eschewed economic sanctions, contenting itself with the recall of its ambassadors (all of whom returned within about seven months). The Gulf Arabs have likewise suffered Iranian terrorism on their own soil, and while they are under no illusions about the nature of the regime in Tehran, most prefer not to antagonize their large neighbor to the north. As for military retaliation, even in the face of strong pressure to act, U.S. policymakers would probably be loath to take steps that could harm the Khatami government, spur Tehran to retaliate using means that could result in heavy losses to American civilians, and diminish the goodwill Iranians generally have for Americans (though this might depend on the targets hit). Nonetheless, the United States should keep the threat of retaliation on the table, if only to deter future acts of anti-American terror. Other levers the United States possesses are reviving the threat of sanctioning investors in Iran's oil sector under the Iran-Libya Sanctions Act (though this entails the risk of renewed tensions with Europe) or, conversely, offering to ease or lift sanctions in response to a change in policy by Tehran.

Potential for a Breakthrough? Were Iran to hand over to the United States the Saudi suspects, Washington might be tempted to find a face-saving formula that finessed the issue of who ordered the Khobar operation. As Indyk said in his Asia Society speech, "Cooperation by Iran in this investigation would be an important signal that it is changing its policy of threatening our interests and those of our friends and allies in the Middle East." Such a move might produce an arrangement similar to that concerning the Pan Am 103 affair with Libya and could provide the basis for a

breakthrough in relations between the United States and Iran. As it is, Tehran has refused to jump through this "escape hatch" that Washington appears to be holding open for it. The Islamic Republic might someday regret not taking up this offer.

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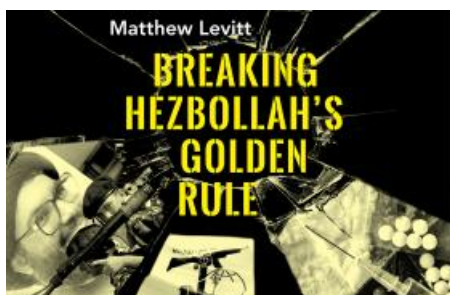
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