



## PERSPECTIVES

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# The Tension Between the US and Iran

by Lt. Col. (res.) Dr. Raphael Ofek

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**EXECUTIVE SUMMARY:** In the Persian Gulf, tensions are rising over the sanctions recently imposed by the US on Iran in the wake of its refusal to comply with Washington's demand that the nuclear agreement signed by Barack Obama be reopened. Tehran does not wish to submit to this demand, as it would suggest weakness on the part of the regime and would inhibit Iran's nuclear ambitions. But its refusal could lead to the collapse of the Iranian economy, war, and possibly the overthrow of the regime.

The current crisis between the US and Iran is the most severe since the Iranian 1979 revolution and the attendant establishment of the Islamic Republic. The revolution ended the close relations that had existed between the two countries up to that point. The regime of the ayatollahs remains in place, and the relationship between the countries has never recovered.

It should be noted that even the Shah had a desire to turn Iran into a nuclear power. He had a grandiose plan in mind that involved both power reactors and a nuclear weapons development effort. The military aspect of the nuclear program was thwarted by the US. Moreover, when the ayatollahs came to power, the nuclear program was cut off entirely, because Ayatollah Khomeini considered nuclear technology to be "devilish."

But during the 1980-88 war with Iraq, when it became clear that Saddam Hussein was developing nuclear weapons, the regime changed its mind, concluding that nuclear weapons development was an unavoidable necessity. Within a few years, by which point the regime had reaffirmed its determination to turn Iran into a regional superpower and to export the Islamic revolution throughout the world, the effort to develop nuclear weapons had been fully legitimized by the ayatollahs and become Tehran's flagship project.

A significant shift in US policy toward Iran took place during the Barack Obama presidency, which, like Jimmy Carter's, had a utopian perception of the Middle East. According to his senior adviser, Ben Rhodes, Obama was already aspiring to improve relations with Iran at the start of his first presidency in 2009, but did not take practical steps toward that end until his second term. John Kerry, who was a senator at the time, was sent to Oman to meet with Iranian representatives. He carried a letter in which Obama promised that he was ready to recognize Iran's uranium enrichment project as legitimate. This contradicts Obama's later claim that his willingness to improve relations with Tehran began after Hassan Rouhani, who was considered relatively moderate, was elected president of Iran.

The July 2015 nuclear agreement appears to have been rigged from the start. According to media reports, during talks in Geneva in November 2013 that paved the road to the nuclear agreement, Secretary of State Kerry and Iranian FM Muhammad Javad Zarif rode bicycles side by side in the streets of the city. In addition, the parties' representatives at the Lausanne talks in March 2015 – Ali Akbar Salehi, the president of the Iranian Atomic Energy Organization, and Ernest Muniz, the US Energy Secretary – appear to have known each other in the distant past. Salehi received his PhD in nuclear engineering from MIT in 1977, where he had been sent along with other Iranian students during the time of the Shah. Muniz spent over 20 years lecturing in the Department of Nuclear Engineering at MIT. According to press reports from Vienna on the eve of the signing of the nuclear agreement, the US delegation was perceived not as a party to the discussions but as an attorney for the Iranian delegation.

President Trump promised in his election campaign to “rip up” the agreement with Iran. Sure enough, on May 8, 2018, he announced the withdrawal of the US from the agreement with these words: “Today, we have definitive proof that this Iranian promise was a lie.” This was a reference to the exposure days earlier by Israeli PM Benjamin Netanyahu of an Iranian nuclear archive. The US move was also prompted by Iran's continued development of ballistic missiles and subversive activities in the Middle East.

In the wake of his decision, Trump announced the renewal of some US sanctions against Iran. Some came into force on August 5, 2018, while others, including sanctions on oil trading, went into effect in November. Trump has since decided to impose sanctions on all Iranian oil imports, which will deprive the ayatollahs' regime of its main source of income. Those sanctions came into force on May 1.

To these were recently added new sanctions on other Iranian industries. The new order covers Iran's iron, steel, aluminum, and copper sectors – the largest source of revenue for the Iranian government after the oil sector. In addition, the US administration imposed sanctions that prohibit Tehran from exporting

heavy water and enriching uranium. This was in response to Iran's announcement days before of "the cessation of the implementation of some of its obligations in the nuclear agreement."

Tehran responded by threatening to ignore the restrictions on uranium enrichment and enrich uranium to 20%. In addition, it announced the upgrading of the Arak nuclear reactor, which was part of the ayatollahs' military program and designed to produce plutonium. The reactor's activities are limited according to the terms of the nuclear agreement, with Iran pledging to cease development.

In defiance of Trump, Behrouz Kamalvandi, spokesman of the Iranian Atomic Energy Organization, said on May 21 that enrichment capacity at the Natanz enrichment plant had increased fourfold. The nuclear agreement limits the amount of uranium Iran may possess to 300 kg UF<sub>6</sub> (uranium hexafluoride compound), which has a uranium content of 202.8 kg. By quadrupling its uranium enrichment capacity, Iran may soon exceed this limitation.

As all this is taking place, ordinary Iranians are growing increasingly restive. The Iranian workers' organizations continue to protest the difficult economic situation and the regime's disregard for their daily hardships. On May 1, a large demonstration was held in front of the Majlis building in Tehran in response to a tripling of bread prices. The rise in bread prices reflects other price rises over the past year in Iran and the continued devaluation of the local currency against foreign currencies. In early May, the rial fell to a low of 90,000 to the dollar versus 42,890 rials to the dollar at the end of last year.

France, along with its EU partners, is determined to continue implementing the nuclear agreement with Iran, which was unanimously approved by the UN Security Council. It nevertheless opposes Tehran's intention to stop implementing some of its obligations under the agreement. Despite the EU's opposition to the US withdrawal from the agreement and re-imposition of sanctions, it seems that for business reasons and in view of their ties to the US, many European companies will join the boycott of Iran.

Trump's pressure on Iran is increasing and includes preparations for a military confrontation: a dispatch to the Gulf of a warship group that includes the Abraham Lincoln aircraft carrier, four destroyers equipped with guided missiles, and the placement of B-52 bombers at the at al-Obeid US Air Force base in Qatar. According to *The New York Times*, Patrick Shanahan, the acting secretary of defense, presented a plan to send 120,000 troops to the Middle East at the meeting of the heads of the American defense establishment, on the instruction of John Bolton, the national security adviser.

The US seems to be showing its determination to militarily defend its allies in the Middle East and to keep the Hormuz Strait open for oil exports from Saudi Arabia and other Gulf countries (about 20% of the world's oil production). It also appears to be demonstrating to Russia and China that despite its withdrawal from Syria, it continues to maintain positions in the region.

Both Trump and US Secretary of State Mike Pompeo have made clear that the US is not seeking escalation or military conflict with Iran, and Trump has even called the report of sending 120,000 troops to the region “fake news.” Pompeo and Bolton are considered more hawkish than Trump, including on the Iranian issue.

Though it is in a difficult position, the Iranian regime is flexing its muscles. Senior Revolutionary Guards officials threatened that if the US forbade Iran from exporting oil, Tehran would close off the Persian Gulf to international shipping.

On May 12, the Revolutionary Guards demonstrated that they are indeed willing and able to disrupt oil exports from the Gulf. According to the UAE, four merchant ships were attacked in front of its port of Fujairah, which is of great importance to the global oil market. Two of them were apparently Saudi oil tankers. Iran refrained from taking responsibility, but its media reported: “Seven oil tankers were attacked and completely burned.”

Shortly after that attack, the pro-Iranian Houthi rebels’ television station in Yemen reported that its forces had attacked oil installations in Saudi Arabia near Riyadh, probably using an explosive drone.

Another provocative incident took place on May 19: a Katyusha rocket was fired at the American Embassy in Baghdad, without casualties. The rocket was apparently launched from east Baghdad, where members of Shiite militias who support Iran reside.

Supreme Leader Ayatollah Khamenei declared on May 14 that “there will be no war with the United States,” but at the same time rejected the reopening of the nuclear agreement. Tehran does not want to succumb to the US demand for two reasons: first, because opening the agreement would indicate the regime’s weakness, which could hasten its collapse; and second, its opening may put an end to Iran’s nuclear ambitions and prevent its establishment as a nuclear power in the Middle East.

It is a difficult quandary. Iran’s rejection of the American demand could lead to war. Even if that does not occur, it could trigger the collapse of the Iranian economy and the overthrow of the regime.

*Lt. Col. (res.) Dr. Raphael Ofek, a BESA Center Research Associate, is an expert in the field of nuclear physics and technology who served as a senior analyst in the Israeli intelligence community.*