



# Iran: U.S. Concerns and Policy Responses

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## Summary

A priority of Obama Administration policy has been to reduce the perceived threat posed to a broad range of U.S. interests by Iran, in particular by Iran's advancing uranium enrichment program. Well before the Iran nuclear issue rose to the forefront of U.S. concerns in 2003, the United States had long seen Iran's support for militant groups in the Middle East, Iraq, and Afghanistan as efforts to undermine U.S. interests and allies. U.S. officials also accuse Iran of helping Syria's leadership try to defeat the armed rebellion there and of trying to block resolution of the unrest in Bahrain, a key U.S. ally in the Persian Gulf.

The Obama Administration has orchestrated broad international economic pressure on Iran to try to compel it to verifiably demonstrate to the international community that its nuclear program is peaceful. Three rounds of multilateral talks with Iran in 2012 yielded no breakthroughs but did explore a potential compromise under which Iran might cease enriching uranium to 20% purity (a level not technically far from weapons grade) in exchange for modest sanctions relief. Further discussions on that potential agreement took place on February 26-27, 2013, and March 18, 2013, with high level talks to re-convene on April 5-6. However, no breakthrough is expected in advance of Iran's June 2013 presidential elections. Iran's Supreme Leader has, to date, refused to engage in direct bilateral talks with the United States that many experts believe would be required to produce a breakthrough. And, there is an emerging consensus that international sanctions—although severely harming Iran's economy—have not pressured the regime to the point at which it is compelled to compromise.

The government of Israel has asserted that it might take unilateral military action against Iran's nuclear facilities if Iran's program advances to the point where Iran could produce a nuclear weapon relatively quickly. President Obama Administration asserts that there is still time—although increasingly limited—for diplomacy before U.S. military action is considered; he reiterated that stance during his March 2013 official visit to Israel.

Many experts assert that the popularity of Iran's regime is in decline, in part because of Iran's growing international isolation and in part because of its repression, although not to the point where the regime's grip on power is threatened. The domestic opposition remains relatively weak and outwardly inactive. The March 2, 2012, parliamentary elections increased the political dominance of Supreme Leader Ali Khamene'i, and it is likely that the favorite in the presidential election, to be held on June 14, 2013, will be a Khamene'i loyalist. Still, the regime is likely to allow some moderate reform-minded figures to run in order to try to avoid the mass public unrest that occurred in the aftermath of the presidential election in 2009.

The 112<sup>th</sup> Congress supported additional economic sanctions against Iran, most recently with enactment of the Iran Threat Reduction and Syria Human Rights Act of 2012 (H.R. 1905, P.L. 112-158), and a title of the FY2013 defense authorization bill (H.R. 4310, P.L. 112-239). These laws expand sanctions against companies that conduct energy, industrial, and financial and precious metals transactions with Iran. Additional bills have been introduced in the 113<sup>th</sup> Congress. For further information, see CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman; and CRS Report R40094, *Iran's Nuclear Program: Tehran's Compliance with International Obligations*, by Paul K. Kerr.

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## Political History

Iran is a country of about 75 million people, located in the heart of the Persian Gulf region. The United States was an ally of the late Shah of Iran, Mohammad Reza Pahlavi (“the Shah”), who ruled from 1941 until his ouster in February 1979. The Shah assumed the throne when Britain and Russia forced his father, Reza Shah Pahlavi (Reza Shah), from power because of his perceived alignment with Germany in World War II. Reza Shah had assumed power in 1921 when, as an officer in Iran’s only military force, the Cossack Brigade (reflecting Russian influence in Iran in the early 20<sup>th</sup> century), he launched a coup against the government of the Qajar Dynasty. Reza Shah was proclaimed Shah in 1925, founding the Pahlavi dynasty. The Qajars had been in decline for many years before Reza Shah’s takeover. That dynasty’s perceived manipulation by Britain and Russia had been one of the causes of the 1906 constitutionalist movement, which forced the Qajars to form Iran’s first Majles (parliament) in August 1906 and promulgate a constitution in December 1906. Prior to the Qajars, what is now Iran was the center of several Persian empires and dynasties whose reach shrunk steadily over time. Since the 16<sup>th</sup> century, Iranian empires lost control of Bahrain (1521), Baghdad (1638), the Caucasus (1828), western Afghanistan (1857), Baluchistan (1872), and what is now Turkmenistan (1894). Iran adopted Shiite Islam under the Safavid Dynasty (1500-1722), which ended a series of Turkic and Mongol conquests.

The Shah was anti-Communist, and the United States viewed his government as a bulwark against the expansion of Soviet influence in the Persian Gulf and a counterweight to pro-Soviet Arab regimes and movements. Israel maintained a representative office in Iran during the Shah’s time and the Shah supported a peaceful resolution of the Arab-Israeli dispute. In 1951, under pressure from nationalists in the Majles (parliament) who gained strength in the 1949 Majles elections, he appointed a popular nationalist parliamentarian, Dr. Mohammad Mossadeq, as prime minister. Mossadeq was widely considered left-leaning, and the United States was wary of his policies, which included his drive for nationalization of the oil industry, which had since 1913 been under the control of the Anglo-Persian Oil Company. Mossadeq’s followers began an uprising in early August 1953 when the Shah tried to dismiss Mossadeq, and the Shah fled. The Shah was restored in a CIA-supported uprising that toppled Mossadeq (“Operation Ajax”) on August 19, 1953.

The Shah tried to modernize Iran and orient it toward the West, but in so doing he alienated religious Iranians and the Shiite clergy and he allegedly tolerated severe repression and torture of dissidents by his SAVAK intelligence service. The Shah exiled Ayatollah Ruhollah Khomeini in 1964 because of Khomeini’s active opposition based on the Shah’s anti-clerical policies and what Khomeini alleged was the Shah’s forfeiture of Iran’s sovereignty to the United States. Khomeini fled to and taught in Najaf, Iraq, a major Shiite theological center that contains the Shrine of Imam Ali, Shiism’s foremost figure. There, he was a peer of senior Iraqi Shiite clerics and, with them, advocated direct clerical rule or *velayat-e-faqih* (rule by a supreme Islamic jurisprudent). In 1978, three years after the March 6, 1975, Algiers Accords between the Shah and Iraq’s Baathist leaders, which settled territorial disputes and required each party to stop assisting each other’s oppositionists, Iraq expelled Khomeini to France, from which he stoked the Islamic revolution. Mass demonstrations and guerrilla activity by pro-Khomeini forces, allied with a broad array of anti-Shah activists, caused the Shah’s government to collapse in February 1979. Khomeini returned from France on February 1, 1979 and, on February 11, 1979, he declared an Islamic Republic of Iran. His political system of *velayat-e-faqih* was enshrined in the constitution that was adopted in a public referendum in December 1979 (and amended in 1989); it provided for the post of Supreme Leader. The regime based itself on strong opposition to foreign, particularly

Western, influence, and relations between the United States and the Islamic Republic turned openly hostile after the November 4, 1979, seizure of the U.S. Embassy by pro-Khomeini radicals. Ayatollah Khomeini died on June 3, 1989, and was succeeded as Supreme Leader by Ayatollah Ali Khamene'i.

The regime faced serious unrest in its first few years, including a June 1981 bombing at the headquarters of the Islamic Republican Party (IRP) and the prime minister's office that killed several senior leaders, including Khomeini confidant Mohammad Hossein Beheshti. These events, along with the hostage crisis with the United States, provided cover for the regime to purge many of the secular, liberal, and left-wing personalities and parties in the anti-Shah coalition. Examples included the Tudeh Party (Communist), the People's Mojahedin Organization of Iran (PMOI, see below), the first elected President Abolhassan Bani Sadr, and the Iran Freedom Movement of the regime's first Prime Minister Mehdi Bazargan (a movement later led by Ibrahim Yazdi, who has been in and out of prison for two decades). The regime was under economic and military threat during the 1980-1988 Iran-Iraq War, which resulted at times in nearly halting Iran's oil exports.

Despite these struggles, during 1982 until 2009, there was diversity of opinion in ruling circles and the regime faced only episodic unrest from minorities, intellectuals, students, labor groups, and women. Since the June 2009 presidential election, the regime has struggled to contain popular dissatisfaction. In late 2009, several Iran experts believed this opposition movement—calling itself “The Green Path of Hope” or “Green Movement” (*Rah-e-Sabz*)—posed a serious challenge to the current regime. The regime subsequently pushed the Green Movement underground through imprisonment or house arrests of its leaders or main activists.

## Regime Structure, Stability, and Opposition

Iran's Islamic regime, established in a constitution adopted in a popular referendum, is widely considered authoritarian, although it provides for elected institutions and checks and balances. A Supreme Leader is not directly elected by the population, although he is appointed by an elected body. A president and a Majles (parliament) are directly elected. There are also elections for municipal councils, which select mayors. Even within the unelected institutions, factional disputes between those who insist on ideological purity and those considered more pragmatic have been frequent and highly consequential.

### Unelected Governing Institutions: The Supreme Leader, His Powers, and Other Ruling Councils

At the apex of the Islamic Republic's power structure is a “Supreme Leader” who has vast formal powers and no term limits. He is chosen by an elected body—the Assembly of Experts—which also has the constitutional power to remove him. Upon Ayatollah Khomeini's death, the Assembly selected one of his disciples, Ayatollah Ali Khamene'i, as Supreme Leader.<sup>1</sup> Although he has never had Khomeini's undisputed political or religious authority, the powers of the office have enabled Khamene'i to ensure that he is Iran's paramount leader. Formally, the Supreme Leader is

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<sup>1</sup> At the time of his selection as Supreme Leader, Khamene'i was generally referred to at the rank of Hojjat ol-Islam, one rank below Ayatollah, suggesting his religious elevation was political rather than through traditional mechanisms.

commander-in-chief of the armed forces, giving him the power to appoint commanders and to be represented on the highest national security body, the *Supreme National Security Council*, composed of top military and civilian security officials. The Supreme Leader also has the power, under the constitution, to remove the elected president if either the judiciary or the elected *Majles* (parliament) decide that the president should be removed, with cause. According to Director of National Intelligence James Clapper in March 11, 2013, testimony: “Supreme Leader Khamene’i’s power and authority are now virtually unchecked, and security institutions, particularly the Islamic Revolutionary Guard Corps (IRGC), have greater influence at the expense of popularly elected and clerical institutions.”

**Table I. Supreme Leader: Grand Ayatollah Ali Khamene’i**

Born in July 1939 to an Azeri (Turkic) family from Mashhad. Was jailed by the Shah of Iran for supporting Ayatollah Khomeini’s revolution. After the regime took power in 1979, helped organize Revolutionary Guard and other security organs. Lost use of right arm in assassination attempt in June 1981. Was elected president during 1981-1989 and was selected Khomeini’s successor in June 1989 upon his death. Upon that selection, Khamene’i religious ranking was advanced in official organs to “Grand Ayatollah” from the lower ranking “Hojjat ol-Islam.” But, still lacks the undisputed authority to end factional disputes or the public adoration Khomeini had. Has taken more of a day-to-day role since 2009 uprising, including in the nuclear negotiations issue. Has sided decisively with hardline opponents of Ahmadinejad since mid-2011.

Has taken consistently hard-line stances on foreign policy and particularly toward Israel, often calling it a cancerous tumor that needs to be excised from the region. Reputedly issued religious proclamation (2003) against Iran acquiring a nuclear weapon, and has publicly (2012) called doing so a “sin,” but has consistently opposed bowing to any U.S. pressure on the nuclear issue. Yet, he is widely believed to fear direct military confrontation with United States on Iranian soil. Generally does not meet with Western officials and is suspicious of relations with the West as opening Iran to undue Western cultural influence, spying, and possible regime destabilization efforts. Opposes opening comprehensive direct talks with the United States, most recently in February 2013. On economic issues, he has tended to support the business community (bazaaris), and opposed state control of the economy, but believes Iran’s economy is self-sufficient enough to withstand the effects of international sanctions.

His office is run by Mohammad Mohammadi Golpayegani, with significant input from Khamene’i’s second son, Mojtaba, who is said to be acquiring increasing influence. Also advised by *Keyhan* editor Hossein Shariatmadari and former Foreign Minister Ali Akbar Velayati.

Potential successors include Ayatollah Ali Akbar Hashemi-Rafsanjani, Ayatollah Mohammad Taqi Mesbah Yazdi, Council of Guardians head Ayatollah Ahmad Jannati, and Judiciary head Ayatollah Sadeq Larijani. None is considered a clear consensus candidate should Khamene’i leave the scene unexpectedly.

**Source:** CRS.

## Council of Guardians and Expediency Council

The Supreme Leader appoints half of the 12-member *Council of Guardians*;<sup>2</sup> and the head of Iran’s judiciary (currently Ayatollah Sadeq Larijani). Headed by Ayatollah Ahmad Jannati, the conservative-controlled Council of Guardians reviews legislation to ensure it conforms to Islamic law, and it screens election candidates and certifies election results. The Supreme Leader appoints members of the 42-member “Expediency Council,” set up in 1988 to resolve legislative disagreements between the *Majles* and the Council of Guardians. The Expediency Council’s powers were expanded in 2006 to include oversight of the executive branch (cabinet) performance. Its members serve five-year terms; its chairman, Ali Akbar Hashemi-Rafsanjani, was re-appointed in February 2007 and again in March 2012. The March 2012 reappointment was

<sup>2</sup> The Council of Guardians consists of six Islamic jurists and six secular lawyers. The six Islamic jurists are appointed by the Supreme Leader. The six lawyers on the Council are selected by the judiciary but confirmed by the *Majles*.



widely interpreted as a Khamene'i effort to keep Rafsanjani from supporting reformist leaders. Earlier, Rafsanjani was removed in March 2011 as head of the Assembly of Experts (see below). The Expediency Council's executive officer is former Revolutionary Guard commander-in-chief Mohsen Reza'i.

**Table 2. Major Factions, Personalities, and Interest Groups**

<b>Conservatives</b>	
Supreme Leader Ali Khamene'i	See box above.
Expediency Council Chair Ayatollah Ali Akbar Hashemi-Rafsanjani	<p>Over 75 years old, a longtime key regime strategist, Khomeini disciple, and advocate of "grand bargain" to resolve all outstanding issues with United States. Was Majles speaker during 1981-1989 and president 1989-1997. One of Iran's richest men, family owns large share of Iran's total pistachio production. Ouster as Assembly of Experts chairman in 2011 was attributed to his tacit support of Green challenge to Ahmadinejad 2009 reelection. Rafsanjani funded much of Musavi's election campaign and criticized crackdown on Green protests. But, Khamene'i has rehabilitated him by reappointing him Expediency Council chair in March 2012. And, Rafsanjani appeared next to Khamene'i during September 2012 Non-Aligned Movement summit in Tehran.</p> <p>Political activities of his children remain a liability for Rafsanjani in regime circles. Daughter Faizah participated in several 2009 protests, was detained briefly in February 2011 for protesting, and was jailed in September 2012 for opposition activities. She was moved to solitary confinement as of early 2013. Five Rafsanjani family members arrested in June 2009 (and another briefly detained in March 2010), and his son, Mehdi, was released on bail in December 2012.</p>
President Mahmoud Ahmadinejad	See box below.
Majles Speaker: Ali Larijani and Predecessor, Gholam Ali Haddad Adel	<p>Majles Speaker since 2008 and might run again for president in the 2013 election after losing in 2005. Was state broadcasting head (1994-2004), minister of culture and Islamic guidance (1993), and head of Supreme National Security Council and chief nuclear negotiator (2005—2007). Considered amenable to a nuclear deal with the international community. Is politically close to Khamene'i, and a leading antagonist of Ahmadinejad. One brother (Sadeq) is judiciary head; another (Mohammad Javad), was deputy foreign minister (1980s) and now heads a government human rights body. Predecessor as Majles Speaker was Gholam Ali Haddad Adel, whose daughter is married to Khamene'i's son. Haddad Adel lost bid to regain Majles speakership in 2012, but is expected to run for president in June 2013 election.</p>
Tehran Mayor Mohammad Baqer Qalibaf	<p>Current mayor of Tehran and likely second-time candidate for president in June 2013. Former Revolutionary Guard Air Force commander and police chief, and critic of Ahmadinejad. Encourages comparisons of himself to Reza Shah, invoking an era of stability and strong leadership. Lost in 2005 presidential elections, but supporters won 9 out of 15 seats on Tehran city council in December 2006 elections, propelling him to become mayor of Tehran. Has won support for Tehran's cleanliness, infrastructure repairs, and relative order.</p>
Senior Shiite Clerics	<p>The most senior clerics, most of whom are in Qom, including several Grand Ayatollahs, are generally "quietist"—they believe that the senior clergy should refrain from direct involvement in politics. These include Grand Ayatollah Nasser Makarem Shirazi, Grand Ayatollah (former judiciary chief) Abdol Karim Musavi-Ardabili, and Grand Ayatollah Yusuf Sanei, all of whom have criticized the regime's crackdown against oppositionists. Others believe in political involvement, including Ayatollah Mohammad Taqi Mesbah Yazdi. He is founder of the hardline Haqqani school, and was considered spiritual mentor to Ahmadinejad until breaking with him in advance of the March 2, 2012, <i>Majles</i> elections. Yazdi, an assertive defender of the powers of the Supreme Leader and a proponent of an "Islamic state" rather than the current "Islamic</p>

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	<p>republic,” fared poorly in December 2006 elections for Assembly of Experts. Other hardline clerics include Ayatollah Kazem Haeri, mentor of Iraqi cleric and faction leader Moqtada Al Sadr; and Ahmad Khatemi, frequently Friday prayer leader at Tehran University and a senior Assembly of Experts member.</p>
Judiciary Chief/Ayatollah Sadeq Larijani	<p>Judiciary head since August 2009. Like brother, Ali Larijani, is close to the Supreme Leader and an opponents of Ahmadinejad. Takes hard line against dissidents.</p>
Militant Clergy Association	<p>Longtime organization of hardline clerics headed by Ayatollah Mohammad Mahdavi-Kani, who became chair of the Assembly of Experts on March 9, 2011. Did not back Ahmadinejad for reelection in 2009 vote and led a bloc opposing Ahmadinejad in the March 2, 2012, <i>Majles</i> elections.</p>
Bazaar Merchants (“Bazaaris”)	<p>The urban bazaar merchants fear jeopardizing the economy by participating in political opposition activity; have conducted only a few strikes or other organized action since the 1979 revolution. The bazaaris are not a monolithic group; each city’s bazaars are organized by industry (e.g., carpets, gold, jewelry, clothing) and bazaar positions tend to be reached by consensus among elders representing each industry represented at the bazaar.</p>

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**Opposition/“Green Movement” (Rah-e-Sabz)**

All of the blocs and personalities below can be considered, to varying degrees, as part of the Green Movement. However, overall leadership of the movement and decision-making on protest activities is unclear, with several components competing for preeminence. Some Green supporters have left for Europe, Asia, or the United States.

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<p>Titular Green Movement Leaders: Mir Hossein Musavi/          Mohammad Khatemi/Mehdi Karrubi          and Other Reformists</p>	<p>Mohammad Khatemi, reformist president during 1997-2005, declined to run again for president in 2009 elections and endorsed fellow reformist Mir Hossein Musavi. Now titular leader of the Green movement, Musavi, a non-cleric, is about 70. An architect by training, and a disciple of Ayatollah Khomeini, he served as foreign minister (1980), then prime minister (1981-1989), at which time he successfully managed the state rationing program during the privations of the Iran-Iraq War but often feuded with Khamene’i, who was then president. At that time, he was an advocate of state control of the economy. His post was abolished in the 1989 revision of the constitution.</p> <p>Musavi supports political and social freedoms and reducing Iran’s international isolation, but supports strong state intervention in the economy to benefit workers, lower classes. Appeared at some 2009 protests, sometimes intercepted or constrained by regime security agents. However, not necessarily respected by harder line opposition leaders who criticize his statements indicating reconciliation with the regime is possible. He and wife (prominent activist Zahra Rahnevard) repeatedly harassed by regime during 2009 protests and they, along with fellow Green Movement leader Mehdi Karrubi, have been under house arrest since mid-2011.</p> <p>Karrubi, a founder of the leftwing Association of Combatant Clerics (different organization but with similar name from that above), was Speaker of the <i>Majles</i> during, 1989-1992 and 2000-2004. Formed a separate pro-reform “National Trust” faction after losing 2005 election. Ran again in 2009, but received few votes and subsequently emerged, along with Musavi, as a leader of the Green Movement.</p> <p>Musavi and Karrubi, supported reformist boycott of March 2, 2012, <i>Majles</i> elections. Both highly unlikely to be allowed to run in 2013 presidential elections. However, at least one prominent reformist might run in the June 2013 presidential election: former chief nuclear negotiator (2002-2003) Hasan Rouhani.</p> <p>Khatemi, still a leading reformist, was elected president in May 1997, with 69% of the vote; reelected June 2001 with 77%. Rode wave of sentiment for easing social and political restrictions, but these groups became disillusioned with Khatemi’s failure to stand up to hardliners on reform issues. Has hewed to staunch anti-Israel line of most Iranian officials, but perceived as open to accepting a Palestinian-Israeli compromise. Perceived as open to a political compromise that stops short of replacement of the regime, and voted in March 2, 2012, election, ignoring reformist boycott. Now heads International Center for Dialogue Among Civilizations. Visited United States in September 2006 to speak on “dialogue of civilizations.”</p>
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Student Groups	Groups composed of well-educated, Westernized urban youth are the backbone of the Green Movement. They have attempted, with mixed success, to gain support of older generation, labor, clerics, village-dwellers, and other segments. The Office of Consolidation of Unity is the student group that led the 1999 riots but which later became controlled by regime loyalists and disbanded. An offshoot, the Confederation of Iranian Students (CIS), believes in regime replacement and consists of strongly pro-U.S., pro-free market activists. CIS founder, Amir Abbas Fakhrafar, is based in Washington, D.C. Co-founder, Arzhang Davoodi, remains in prison in Iran serving a lifetime prison sentence.
Islamic Iran Participation Front (IIPF)	The most prominent and best organized pro-reform grouping, but has lost political ground to Green Movement groups advocating outright overthrow of the regime. Its leaders include Khatemi's brother, Mohammad Reza Khatemi (a deputy speaker in the 2000-2004 Majles) and Mohsen Mirdamadi. Backed Musavi in June 2009 election; several IIPF leaders detained and prosecuted in postelection dispute. The party was outlawed by the regime in September 2010.
Mojahedin of the Islamic Revolution Organization (MIR)	Composed mainly of left-leaning Iranian figures who support state control of the economy, but want greater political pluralism and relaxation of rules on social behavior. A major constituency of the reformist camp. Its leader is former Heavy Industries Minister Behzad Nabavi, who supported Musavi in 2009 election and has been incarcerated for most of the time since June 2009. The organization was outlawed by the regime simultaneously with the outlawing of the IIPF, above.
Combatant Clerics Association	Very similar name to organization above, but politically very different. Formed in 1988, it is run by reformist, not hardline, clerics and officials. Leading figures include Mohammad Khatemi, former Interior Minister Ali Akbar Mohtashemi-Pur, and former Prosecutor General Ali Asgar Musavi-Koiniha.
Labor Unions	Organized labor has suffered from official repression for many years. Organized labor is not a core constituency of the Green Movement, but laborers viewed as increasingly sympathetic to political change. Some labor protests took place in Tehran on "May Day" 2010, and selected small strikes (truckers, some factories) during 2010 led some experts to believe that labor might be gravitating toward Green Movement. However, younger Green Movement activists are suspicious of labor as a leftwing bastion. Others say union members fear income disruption if they openly defy the regime. A bus drivers' union leader, Mansur Osanloo, has been in jail since July 2007.
Other Prominent Dissidents	<p>Other leading dissidents, some in Iran, others in exile (including in the United States), have been challenging the regime since well before the Green Movement formed and are now significant opposition figures. Journalist Akbar Ganji conducted hunger strikes to protest regime oppression; he was released on schedule on March 18, 2006, after sentencing in 2001 to six years in prison for alleging high-level involvement in 1999 murders of Iranian dissident intellectuals. Abdol Karim Soroush, now exiled, has challenged the doctrine of clerical rule. Former Revolutionary Guard organizer Mohsen Sazegara is based in the United States, but his role in the IRGC likely discredits him in the eyes of dissidents who want regime replacement. Other significant dissidents include former Culture Minister Ataollah Mohajerani, Mohsen Kadivar, and Fatemah Haghighatgoo. Some well known dissidents who have been incarcerated since 2010 include filmmaker Jafar Panahi; journalist Abdolreza Tajik; famed blogger Hossein Derakshan (serving a 20-year prison sentence); and human rights lawyer Nasrin Sotoudeh (serving an 11 year sentence). She conducted a hunger strike in late 2012 that successfully eased regime restrictions on her family's freedom of movement. 80-year-old Iran Freedom Movement leader Ibrahim Yazdi was released from prison in April 2011 after resigning as the Freedom Movement's leader.</p> <p>One major dissident figure is Nobel Peace Prize laureate (2003) and Iran human rights activist lawyer Shirin Abadi. She has often represented clients persecuted or prosecuted by the regime but she left Iran for Europe, fearing arrest. In December 2009, the regime confiscated her Nobel Prize.</p>

## **Elected Institutions: The Presidency, the Majles (Parliament), the Assembly of Experts, and Recent Elections**

There are several major institutions in Iran that are directly elected by the full population. Women can vote and run for all offices except President. However, elections in Iran have always lacked some credibility because hardliners are able to use their control over key bodies such as the Interior Ministry and the Council of Guardians to limit the number and ideological diversity of candidates. The Council of Guardians has the power to approve or deny candidates based on its application of constitutional requirements about a candidate's knowledge of Islam and loyalty to the Islamic system of government. In January 2013 the Majles enacted an election law, subsequently approved by the Council of Guardians, that sets up a 11-member independent election body and thereby reduces the role of the Interior Ministry, part of the executive branch, in running elections.

Another criticism of the political process in Iran is the relative absence of political parties; establishing a party requires the permission of the Interior Ministry under Article 10 of Iran's constitution. The standards to obtain approval are high: to date, numerous parties have filed for permission since the regime was founded, but only those considered loyal to the regime have been granted (or allowed to retain) license to operate. Some of those authorized include the "Alliance of Builders of Islamic Iran" party and the "Executives of Construction" party associated with Rafsanjani. Some have been licensed and then banned, such as the two reformist parties Islamic Iran Participation Front and Organization of Mojahedin of the Islamic Revolution, which were formally outlawed in September 2010.

### **The Presidency**

The main directly elected institution is the presidency, which is clearly subordinate to the Supreme Leader. Virtually all presidents during the Islamic republic have been unsuccessful in expanding their authority relative to the Supreme Leader—still, the presidency is a coveted position which provides vast opportunities for the holder of the post to empower his political base and to affect day-to-day policy, particularly on economic issues. The president appoints and supervises the work of the cabinet, but the Supreme Leader is believed to have significant input into security-related cabinet appointments, including ministers of defense, interior, and intelligence (Ministry of Information and Security, MOIS). Prior to 1989, Iran had both an elected president as well as a prime minister selected by the elected Majles (parliament). However, the officials who held these posts during 1981-1989 (Ali Khamene'i, who is now Supreme Leader, and Mir Hossein Musavi, who is now the main opposition leader, respectively) were in constant institutional conflict and the constitution was revised in 1989 to eliminate the prime ministership.

As the top governing official, the presidency develops the budgets of cabinet departments and imposes and collects taxes on corporations and other bodies. The presidency also runs oversight bodies such as the Anticorruption Headquarters and the General Inspection Organization. However, implementation of all these functions is said to be uneven, and presidential authority is often undermined by key clerics and allies of the Islamic Revolutionary Guard Corps (IRGC) and other powerful institutions. All government officials are required to submit annual financial statements to state auditors, but there is no confirmation that such procedures are followed. Religious foundations, called "bonyads," for example, are loosely regulated. Through profits earned from its affiliate companies, the IRGC is widely known to spend funds additional unbudgeted funds on arms, technology, support to pro-Iranian movements, and other functions.

In a speech on October 16, 2011, Supreme Leader Khamene'i raised the possibility of eliminating the post of president and restoring the post of prime minister. The comments were viewed in the context of a rift between him and President Ahmadinejad, discussed below. In late July 2012, a parliamentary committee was established to assess this possibility, although it will not be implemented in time for the 2013 presidential election, if at all.

## The Majles

Iran's Majles, or parliament, consists of 290 seats, all elected. However, there are reserved seats (one each) for members of Iran's religious minorities, including Jews and Christians. There is no "quota" for the number of women to be elected, but women regularly run and win election, although their seats won have always been very small in comparison to the female proportion of the population. Majles elections occur one year prior to the presidential elections; the elections for the ninth Majles were held on March 2, 2012, and the dynamics and outcome of the upcoming contest are discussed below.

Cabinet appointments are subject to confirmation by the Majles (parliament), which also drafts and acts on legislation. The unicameral Majles in Iran is highly factionalized but, as an institution, it is far from the "rubber stamp" that characterizes many elected national assemblies in the region. Still, it generally loses institutional disputes to the president. Among its main duties is to consider and enact a proposed national budget; that review typically takes place each February and March in advance of the Persian New Year (Nowruz) each March 21.

## The Assembly of Experts

A major although little publicized elected institution is the *Assembly of Experts*. Akin to an electoral college, it is empowered to choose a new Supreme Leader upon the death of the incumbent, and it oversees the work of the Supreme Leader. The Assembly can replace him if necessary, although invoking that impeachment power would, in most circumstances, be highly controversial. It is also the body empowered to amend the constitution. The Assembly has 86 seats, elected to an eight-year term, with elections conducted on a provincial basis. It generally meets two times a year, for a few days each. The fourth election for the Assembly was held on December 15, 2006; after that election, Rafsanjani, still a major figure having served two terms as president (1989-1997), was named deputy leader of the Assembly. After the death of the leader of the Assembly (Ayatollah Meshkini), Rafsanjani was selected its head in September 2007. However, as part of the broader power struggles within the regime that have raged since the post-2009 election uprising, Rafsanjani was not reelected as Assembly of Experts chair in March 2011. He was replaced by aging and infirm compromise candidate Ayatollah Mohammad Reza Mahdavi-Kani. See **Figure 1** for a chart of the Iranian regime.

## Recent Elections: Ahmadinejad Rides Conservative Tide in 2005

After suffering several presidential election defeats at the hands of President Mohammad Khatemi and the reformists in the 1997 and 2001 presidential elections, hardliners successfully moved to regain the sway they held when Khomeini was alive. Conservatives won a majority (155 out of the 290 Majles seats) in the February 20, 2004, Majles elections (which are always held one year prior to each presidential election), in large part because 3,600 reformist candidates were not permitted to run.

The Council of Guardians similarly narrowed the candidate field for the June 2005 presidential elections to 8 out of the 1,014 persons who filed. Rafsanjani<sup>3</sup> was considered the favorite against several more hardline opponents: Ali Larijani; Mohammad Baqer Qalibaf; and Tehran mayor Mahmoud Ahmadinejad. With 21% and 19.5%, respectively, Rafsanjani and Ahmadinejad, who did unexpectedly well because of tacit backing from Khamene'i, moved to a runoff. Reformist candidates (Mehdi Karrubi and Mostafa Moin) fared worse than expected. Ahmadinejad won in the June 24 runoff, receiving 61.8% to Rafsanjani's 35.7%. He took office on August 6, 2005.

### **Ahmadinejad Reelection in 2009: Protests and Subsequent Schisms**

During his first term, splits widened between Ahmadinejad and other conservatives ("Principalists"). That rift was evident in the March 2008 Majles elections in which some conservatives ran as an anti-Ahmadinejad bloc. With that split, prospects for reformists to unseat Ahmadinejad seemed to brighten. Ex-President Khatemi initially indicated a willingness to run again (which is allowed since a third term would be non-consecutive) but he yielded to fellow reformist, Mir Hossein Musavi, who was prime minister during the 1980-1988 Iran-Iraq War.

Out of 500 candidates that applied to run for the June 12, 2009, presidential elections, the Council of Guardians allowed only four to run: Ahmadinejad, Musavi, Mehdi Karrubi, and former Commander-in-Chief of the Revolutionary Guard Mohsen Reza'i. The Interior Ministry, which runs the election, also instituted an unprecedented series of one-on-one debates, which including Ahmadinejad's acrimonious accusations of corruption against Rafsanjani and against Musavi's wife. If no candidate received more than 50% of the vote on June 12, there would have been a runoff one week later.

The challengers were: Mir Hosein Musavi (see **Table 2**); Mehdi Karrubi (see **Table 2**); and Mohsen Reza'i. Commander in Chief of the Revolutionary Guard through the Iran-Iraq war. Reza'i was a candidate but dropped out just prior to the 2005 presidential election. He alleged fraud in the 2009 election but later dropped his challenge. The outcome of the election was always difficult to foresee; polling was inconsistent. Musavi supporters using social media such as Facebook and Twitter organized large rallies in Tehran, but pro-Ahmadinejad rallies were large as well. Turnout was high at about 85%; 39.1 million valid (and invalid) votes were cast. The Interior Ministry announced two hours after the polls closed that Ahmadinejad had won, although in the past results have been announced the day after. The totals were announced on Saturday, June 13, 2009, as follows.

- Ahmadinejad: 24.5 million votes—62.6%
- Musavi: 13.2 million votes—33.75%
- Reza'i: 678,000 votes—1.73%
- Invalid: 409,000 votes—1%
- Karrubi: 333,600 votes—0.85%

After results of the election were announced on June 13, 2009, Musavi supporters began protesting the results, citing: the infeasibility of counting 40 million votes so quickly and the

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<sup>3</sup> Rafsanjani was constitutionally permitted to run because a third term would not have been consecutive with his previous two terms. In the 2001 presidential election, the Council permitted 10 out of the 814 registered candidates.

barring of candidate observers at many polling stations. Khamene'i declared the results a "divine assessment," appearing to certify the results even though formal procedures require a three-day complaint period. Some outside analysts said the results tracked pre-election polls, which showed strong support for Ahmadinejad in rural areas and among the urban poor.<sup>4</sup>

Continuing to use Facebook and Twitter, and fueled by outrage over regime use of force, the demonstrations built throughout June 13-19, 2009, largely in Tehran but also in other cities. Security forces used varying amounts of force to control them, causing 27 protester deaths (official tally) during that period, with opposition groups reporting over 100 killed, including a 19 year-old woman Neda Soltani, who subsequently became an emblem of the opposition movement. The protesters' hopes of having Khamene'i annul the election were dashed in his Friday prayer sermon on June 19, 2009, in which he refuted allegations of vast fraud and threatened a crackdown on further protests. Protests continued despite Khamene'i's warning. On June 29, 2009, the Council of Guardians tried to address the complaints by performing a televised recount of 10% of the votes of Tehran's districts and some provincial ballots and, finding no irregularities, certified the results. As 2009 progressed, the opposition congealed into the "Green Movement of Hope and Change," which later moved beyond the election issue into a challenge to the regime, as discussed below.

### *Ahmadinejad's Second Term: Divisions Within the Regime Increase*

As Green Movement unrest faded in 2010, Ahmadinejad sought to promote the interests of his loyalists – particularly chief-of-staff, Esfandiar Rahim Mashai, to whom he is related through their children's marriage - and promote what his critics say is a nationalist version of Islam that limits the authority of Iran's clerics. Anti-Ahmadinejad hardliners rallied around the Supreme Leader Khamene'i—who himself is believed suspicious of Ahmadinejad's allies' ambitions and ideology.

The infighting evolved into a rift between Ahmadinejad and Khamene'i, breaking out into the open in April 2011 when Ahmadinejad dismissed the intelligence minister Heydar Moslehi and attempted to replace him with a Mashai loyalist. The Supreme Leader reinstated Moslehi, and Ahmadinejad protested by refusing to attend cabinet meetings from April 24 to May 4, 2011. Later in 2011, 25 Mashai loyalists were charged with witchcraft or sorcery. In September 2011, the split continued with allegations that a \$2.6 billion embezzlement scheme involving fraudulent letters of credit were facilitated by Mashai—an implied link of the scam to Ahmadinejad himself. (On July 30, 2012, four people were sentenced to death in the alleged embezzlement scheme, the first sentences of a total of 39 persons convicted in the case.)

On February 7, 2012, the rifts escalated when the Majles, which generally expresses loyalty to the Supreme Leader, voted to summon Ahmadinejad for formal questioning—the first time this has happened since the Islamic revolution. He made the appearance on March 14, 2012, after the March 2 Majles elections, but the session reportedly was not contentious.

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<sup>4</sup> A paper published by Chatham House and the University of St. Andrews strongly questions how Ahmadinejad's vote could have been as large as reported by official results, in light of past voting patterns throughout Iran. "Preliminary Analysis of the Voting Figures in Iran's 2009 Presidential Election." <http://www.chathamhouse.org.uk>.

### ***March 2, 2012, Majles Elections Further Marginalize Ahmadinejad***

The 2012 Majles elections were held amid the widening rifts. Reflecting reduced faith in the fairness of the elections, 5,400 Iranians filed candidacies—33% fewer than four years ago. Only 10% were women. Reformists boycotted the elections, perceiving that the Council of Guardians was likely to limit voter choice to only hardline candidates. Perhaps justifying those fears, the Interior Ministry, the first body to screen candidates, disqualified 17% of the candidates. The Council of Guardians, the ultimate arbiter, reinstated some of them and issued the final candidate list of 3,400 (for the 290 seats) on February 21, 2012.

After the final candidate list was established, the regime used exhortations of nationalist obligations to try to encourage a large turnout. The reformist boycott left hardline factions to compete against each other. Ahmadinejad and his allies reportedly concentrated their efforts on rural areas where Ahmadinejad is relatively popular. The two blocs close to the Supreme Leader—one centered around Ayatollah Mesbah-Yazdi (the Front of Stability of the Islamic Revolution) and another centered around Assembly of Experts chair Mahdavi-Kani (United Front of Conservatives) concentrated their efforts mainly in urban and suburban areas. The pro-Khamene'i blocs won a clear majority, winning about 75% of the seats in the ninth *Majles*, leading experts to conclude that the Supreme Leader had consolidated his authority. The regime announced a turnout of about 65%, which it asserted was a retort to international pressure. Gholam Haddad Adel unsuccessfully challenged Larijani for Majles speakership; his prominence is in part because of his relationship to Khamene'i (his daughter is married to Khamene'i's son, Mojtaba).

On October 23, 2012, the Majles voted to summon Ahmadinejad again about the alleged mismanagement of the economy. On November 21, 2012, the Supreme Leader—in an effort to restore unity—ordered the Majles not to move forward with the summons and the Majles complied. On September 27, 2012, Ahmadinejad's press adviser, Ali Akbar Javanfekr, was sentenced to six months in jail for publishing materials critical of the Supreme Leader. That sentencing provoked another row in late October 2012 when Judiciary chief Sadeq Larijani (brother and ally of the Majles Speaker Ali Larijani) blocked Ahmadinejad from visiting the aide in prison, and Ahmadinejad asserted he did not need judiciary permission to do so. This dispute had led the Supreme Leader to threaten, on October 31, 2012, that public disputes among high officials could be treated as treason. In line with the Supreme Leader's intent to defuse these disputes, on November 19, 2012, the judiciary dropped the charges against Javanfekr.

Ahmadinejad has resisted efforts by his opponents to render him irrelevant. On February 3, 2013, Ahmadinejad appeared in the Majles to oppose, unsuccessfully, the impeachment of the Labor Minister. During his appearance, he played a video of Speaker Larijani's younger brother reportedly attempting to use his family influence to buy a state-owned enterprise on favorable terms. Larijani and his allies promptly ended the session and expelled Ahmadinejad from the Majles building. On February 4, 2013, the judiciary, run by Larijani's brother, arrested an Ahmadinejad ally, Saeed Mortzavi, although he was released after one day. Probably as retaliation for the humiliations of Ahmadinejad, on February 12, 2013, a pro-Ahmadinejad crowd in Qom, the home city of Larijani, pelted Larijani with shoes during a speech at a major Shiite shrine there, forcing Larijani to end the address early.



## **June 2013 Presidential Election: Likely Candidates and Schisms Playing Out**

The date for the next presidential election has been set for June 14, 2013 and the winner will take office in August 2013. Candidate registration is to take place during May 7-11, 2013, and the Council of Guardians will finalize the candidate field on or about May 20. The probable candidates include several that are close to the Supreme Leader, including Majles Speaker Larijani; Tehran mayor Qalibaf, former Majles Speaker Haddad Adel, and former foreign ministers Ali Akbar Velayati (Khamene'i's top foreign policy advisor). There is a possibility that the Supreme Leader will select one among them as his favored candidate and the others will not run – in order to maximize the likelihood of defeating any candidate outside Khamene'i's inner circle. Some candidates mentioned who are not especially close to Khamene'i but who might run include current Ali Akbar Salehi, former foreign minister Manuchehr Mottaki, and former Revolutionary Guard Commander-in-Chief, Mohsen Reza'i. Any of these candidates would, if elected, remain highly loyal to the Supreme Leader's policies, although virtually all of them are believed amenable to a nuclear deal with the international community.

Khamene'i and his aides are reportedly intent on defeating any candidate backed by Ahmadinejad, particularly his close ally, Mashai. Ahmadinejad's calls in early 2013 for a free and open election field are believed to represent efforts to warn the political establishment that Ahmadinejad and his supporters might cause substantial unrest if Mashai is barred from running. To bolster Mashai's chances, in October 2012 Ahmadinejad appointed him head of the Non-Aligned Movement secretariat, which is based in Iran during 2012-2013. Some experts interpret Ahmadinejad's strong support for Mashai's candidacy as an attempt to shield Ahmadinejad and other top aides from prosecutions or other retribution after Ahmadinejad leaves office.

A question under debate is whether any reformist figure might run. To date, the only significant reformist that is considered likely to run is former nuclear negotiator and Rafsanjani loyalist Hassan Rouhani, a cleric. Some believe the regime will allow him and other reformists to run in order to give the election additional legitimacy. However, a reformist is unlikely to win the election because many reformists are certain to boycott the vote. A presumed reformist, Rutgers professor Hooshang Amirahmadi, a dual national, has announced his candidacy. However, he lives in and is campaigning mostly in the United States and is considered to have almost no chance of winning, if he is allowed to run at all.

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### **Mahmoud Ahmadinejad**

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First non-cleric to be president of the Islamic republic since the assassination of then-president Mohammad Ali Rajai in August 1981. About 58, he asserts he is a “man of the people,” the son of a blacksmith who lives in modest circumstances, who would promote the interests of the poor and return government to the original principles of the Islamic revolution. Has burnished that image as president through regular visits to poor areas and through subsidies directed at the lower classes. His official biography says he served with the “special forces” of the Revolutionary Guard, and he served subsequently (late 1980s) as a deputy provincial governor. Although he is a member of the Builders of Islamic Iran party, he more closely identifies with a “Principalist” faction composed of former Guard and Basij (volunteer popular forces) leaders and other hardliners. U.S. intelligence reportedly determined he was not one of the holders of the 52 American hostages during November 1979-January 1981. Other accounts say Ahmadinejad believes his mission is to prepare for the return of the 12<sup>th</sup> Imam—Imam Mahdi—whose return from occultation would, according to Twelver Shiite doctrine, be accompanied by the establishment of Islam as the global religion. Earned clerical criticism in May 2008 for again invoking intervention by Imam Mahdi in present day state affairs.

Following limited recount, declared winner of June 12, 2009, election. Well earlier, had been a controversial figure for inflammatory statements. He attracted significant world criticism for an October 26, 2005, Tehran conference entitled “A World Without Zionism” by stating that “Israel should be wiped off the map.” In an October 2006 address, Ahmadinejad said, “I have a connection with God.” He insisted on holding a December 2006 conference in Tehran questioning the Holocaust, a theme he has returned to several times since, including at a September 2007 speech at Columbia University. A U.N. Security Council statement and Senate and House resolutions (H.Res. 523 and S.Res. 292), passed by their respective chambers, condemned the statement. On June 21, 2007, the House passed H.Con.Res. 21, calling on the U.N. Security Council to charge Ahmadinejad with violating the 1948 Convention on the Prevention and Punishment of the Crime of Genocide; the Convention includes “direct and public incitement” of genocide as a punishable offense. On March 6, 2010, Ahmadinejad called the September 11, 2001, attacks on the United States a “big lie” used to justify intervention in Afghanistan. During his September 24, 2012, speech to the U.N. General Assembly in New York, he repeated past assertions that Israel must be eliminated. In interviews connected to that visit, he continued to criticize homosexuality and those who oppose any further research on or questioning of the Holocaust. Was apparent target of an unsuccessful grenade attack on his motorcade in the city of Hamedan on August 4, 2010. As noted, has steadily lost influence as a result of a power struggle with the Khamene’i.

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## **The Opposition**

The popular uprising of 2009 constituted the most significant unrest faced by the regime since its inception in 1979. Many experts on Iran believe that the still seething opposition remains a key concern of the regime, particularly in the context of successful uprisings in the Arab world in 2011-2012 and Iran’s increasingly severe economic difficulties. The regime is said to be bracing for possible unrest in June 2013 presidential election period. Still, the regime’s willingness to use force against unrest clouds opposition prospects to mount a sustained return to the streets. Not all the opposition operates under the Green Movement banner; some opposition groups in exile or in Iran operate separately, and others act to further ethnic or other interests.

## **The Green Movement and Its Uprising**

The Green Movement, the genesis of which was the post-presidential election protests as discussed above, is centered around educated, urban youth, intellectuals, and former regime officials. Perhaps accounting for its failure to challenge the regime over the past two years, it has been unable to incorporate many traditionally conservative groups such as older Iranians and Iranians who live in rural areas. It remains divided between those who believe the regime can be reformed and moderated, and those who believe it must be replaced outright by a more secular system of government.

The year 2009 was “the high water mark” of the Green Movement to date. After the initial post-election daily protests, Green Movement members organized protests around major holidays and called openly for the downfall of the regime, rather than its reform. Some of the protests in late 2009 nearly overwhelmed regime security forces. Large protests were held on the July 9 tenth anniversary of the suppression of the 1999 student riots; the August 5, 2009, inauguration of Ahmadinejad; September 18, 2009 (“Jerusalem Day”); November 4, 2009, (30<sup>th</sup> anniversary of the takeover of the U.S. embassy in Tehran); and the Ashura holy day (December 27, 2009). The latter protest was marked by the seizure and burning of some police vehicles, and the refusal by some police to beat protesters; it spread to smaller cities and some clerics participated.

The movement’s outward activity declined after its demonstration planned for the February 11, 2010, anniversary of the founding of the Islamic Republic (in 1979) was suppressed. With weeks to prepare, the regime limited opposition communication, made several hundred preemptive arrests, and executed some oppositionists in January 2010. Minor protests were held on March 16, 2010, a Zoroastrian holiday (Fire Festival), and there were scattered protests in major cities on May 1, 2010 (May Day). Musavi and Karrubi called for a huge demonstration on the June 12, 2010, anniversary of the election, but, sensing regime preparations for repression, the two publicly called off the protest in order to avoid harm to protesters.

A major question was whether the opposition uprisings in Tunisia and Egypt, which toppled leaders there in January and February 2011, would reinvigorate the Green Movement, which has used similar social media techniques and has similar grievances. The regime, seeking to parry such parallels, praised the Tunisian and Egyptian events as inspired by Iran’s 1979 revolution, while Green Movement leaders compared those uprisings to their protests in 2009. Musavi and Karrubi called for protests on February 14, 2011, prompting numerous clashes with tear-gas-wielding riot police in Tehran and other cities but, in advance of that demonstration, Karrubi and Musavi were placed under house arrest. Some protests, including a few that drew significant numbers of protesters, were held from February 20, 2011 until Nowruz (March 21, 2011). But, no major demonstrations materialized at the 2011 second anniversary of the disputed election.

Despite these setbacks, observers in Iran say the Green Movement remains active underground. It conducted significant protests on the February 14, 2012, anniversary of the February 14, 2011, protests. No additional protests erupted in the context of the March 2, 2012, Majles elections, in part because the Green Movement leaders boycotted the vote and their supporters did not have candidates to champion. The collapse of the rial in early October 2012 sparked major street demonstrations on October 3, 2012, although the protests were linked to economic and not political issues. The regime is reportedly taking substantial steps to prevent any protests that might occur around the June 2013 presidential election, although some predict that demonstrations might erupt if the regime limits the candidate field to only close loyalists of Khamene’i.

### **Exiled Opposition Groups: Supporters of the Son of the Late Shah of Iran**

Some Iranian outside Iran, including in the United States, want to replace the regime with a constitutional monarchy led by Reza Pahlavi, the U.S.-based son of the late former Shah and a U.S.-trained combat pilot. The Shah’s son, who is about 57 years old, has delivered statements condemning the regime for the post-2009 election crackdown and he has called for international governments to withdraw their representation from Tehran. He appears periodically in broadcasts

into Iran by Iranian exile-run stations in California,<sup>5</sup> as well as in other Iran-oriented media. A younger brother, Ali Reza Pahlavi, committed suicide in January 2011.

Pahlavi has always had some support particularly in the older generation in Iran, but he reportedly is trying to broaden his following by advocating democracy and asserting that he does not seek to re-establish a monarchy in Iran. Since March 2011, he has been increasingly cooperating with—and possibly attempting to co-opt—younger student leaders (see box above). Since early 2013, he has been assembling a “National Iranian Council” modeled on similar bodies representing revolutions in Libya and Syria. The Council has drafted a set of principles for a post-Islamic republic Iran which generally advocates democracy and the protection of human rights.

### **Exiled Opposition Groups: People’s Mojahedin**

Some groups have been committed to the replacement of the regime virtually since its inception, and have used violence to achieve their objectives. Their current linkages to the Green Movement are tenuous, if existing at all, and some indications suggest these movements want to dominate any coalition that might topple the regime. The best-known of these groups is the People’s Mojahedin Organization of Iran (PMOI).<sup>6</sup> Secular and left-leaning, it was formed in the 1960s to try to overthrow the Shah of Iran and has been characterized by U.S. reports as attempting to blend several ideologies, including Marxism, feminism, and Islamism, although the organization denies that it ever advocated Marxism. It allied with pro-Khomeini forces during the Islamic revolution and, according to State Department reports, supported the November 1979 takeover of the U.S. Embassy in Tehran. The group was driven into exile after it unsuccessfully rose up against the Khomeini regime in September 1981. It is led by spouses Maryam and Masud Rajavi; Maryam, based in France, is the “President-elect” of the PMOI-led opposition. Masud is the longtime Secretary-General of the PMOI; his whereabouts are unknown.

Even though it is an opponent of Tehran, since the late 1980s the State Department has refused contact with the PMOI and its umbrella organization, the National Council of Resistance of Iran (NCRI). The State Department designated the PMOI as a foreign terrorist organization (FTO) in October 1997,<sup>7</sup> and the NCR was named as an alias of the PMOI in the October 1999 re-designation. In August 14, 2003, the State Department designated the NCR offices in the United States an alias of the PMOI, and NCR and the Justice Department closed down those offices.

### ***“De-Listing” the PMOI***

The PMOI’s FTO designation was widely debated for many years. The State Department’s annual reports on international terrorism asserted that the organization—and not just a radical element of the organization as the group asserts—was responsible for the alleged killing of seven American military personnel and contract advisers to the former Shah during 1973-1976—including the deputy chief of the U.S. Military Mission in Tehran. The reports repeated allegations that the group was responsible for bombings at U.S. government facilities in Tehran in 1972 as a protest

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<sup>5</sup> Kampeas, Ron. “Iran’s Crown Prince Plots Nonviolent Insurrection from Suburban Washington.” Associated Press, August 26, 2002.

<sup>6</sup> Other names by which this group is known is the Mojahedin-e-Khalq Organization (MEK or MKO) and the National Council of Resistance (NCR).

<sup>7</sup> The designation was made under the authority of the Anti-Terrorism and Effective Death Penalty Act of 1996 (P.L. 104-132).

of the visit to Iran of then-President Richard Nixon, and bombings of U.S. corporate offices in Iran to protest the visit of Secretary of State Kissinger. The reports listed as terrorist acts numerous attacks by the group against regime targets, including major 1981 bombings that killed high ranking officials, and attacks on government facilities in Iran and abroad, and attacks on security officials in Iran. However, the State Department reports did not assert that any of these attacks purposely targeted civilians—a key distinction that led several experts to argue that the group should not be considered “terrorist.” The group’s alliance with Saddam Hussein’s regime in the 1980s and 1990s contributed to the justification of the designation.

In challenging its FTO decision, the PMOI also asserted that, by retaining the group on the FTO list, the United States was unfairly preventing the PMOI from participating in opposition activities. The regime accuses the group of involvement in the post-June 2009 presidential election violence, and some of those tried for *mohareb* since February 2010 are members of the organization, according to statements by human rights groups. On January 27, 2009, the European Union (EU) removed the group from its terrorist group list; the group had been so designated by the EU in 2002. In May 2008, a British appeals court determined that the group should no longer be considered a terrorist organization. In June 2003, France briefly arrested about 170 PMOI activists, including Maryam Rajavi. On May 12, 2011, France dropped charges against Mrs. Rajavi and 23 other PMOI activists, saying that PMOI activities constitute resistance, not terrorism. She remains based in France, and regularly meets with European politicians and organizes protests there against the Iranian regime.

In July 2008, the PMOI petitioned to the State Department that its designation be revoked on the grounds that it renounced any use of terrorism in 2001. The Department reaffirmed the listing in January 2009 and after a January 2010 review. On July 16, 2010, the Court of Appeals required the State Department to review the listing, ruling that the group had not been given proper opportunity to rebut allegations against it. On February 29, 2012, then Secretary Clinton, at a House Foreign Affairs Committee hearing, stated that a “key factor” in the de-listing decision will be the group’s compliance with an agreement that its members leave Camp Ashraf, discussed below. In early June 2012, the Appeals Court gave the State Department until October 1, 2012, to decide on the FTO designation, although without prescribing how the Department should decide. H.Res. 60, introduced January 26, 2011, “urged” the Secretary of State to remove the PMOI from the FTO list. It attracted nearly 100 co-sponsors.

On September 28, 2012, maintaining there had not been confirmed acts of PMOI terrorism for more than a decade and that it had cooperated with the Ashraf move, the Secretary of State removed the group from the FTO list as well as from the designation as a terrorism supporter under Executive Order 13224. However, State Department officials, in a background briefing that day, said “We do not see the [PMOI] as a viable or democratic opposition movement.... They are not part of our picture in terms of the future of Iran.” That countered those who advocate that the United States should ally with the group. On December 20, 2012, Canada removed the group from its list of terrorist organizations. In early 2013, PMOI leader Masud Rajavi called on the group’s supporters and other regime opponents to begin preparing “resistance cells” to oppose the regime.

### ***Camp Ashraf Issue***

The de-listing of the group has not resolved the situation of PMOI members in Iraq. U.S. forces attacked PMOI military installations in Iraq during Operation Iraqi Freedom (March 2003) and negotiated a ceasefire with PMOI military elements in Iraq, requiring the approximately 3,400

PMOI fighters to remain confined to their Ashraf camp near the border with Iran. Its weaponry was placed in storage, guarded first by U.S. and now by Iraqi personnel. Another 200 Ashraf residents took advantage of an arrangement between Iran and the ICRC for them to return to Iran if they disavow further PMOI activities; none is known to have been persecuted since.

In July 2004, the United States granted the Ashraf detainees “protected persons” status under the 4<sup>th</sup> Geneva Convention. However, that designation ended in June 2004 when Iraq formally reassumed full sovereignty from a U.S.-led occupation authority. The U.S.-led, U.N. supported security mandate in Iraq was replaced on January 1, 2009, by a bilateral U.S.-Iraq agreement that limits U.S. flexibility in Iraq. The group long feared that Iraqi control of the camp would lead to the expulsion of the group to Iran. The Iraqi government tried to calm those fears in January 2009 by saying that it would adhere to all international obligations not to do so, but that trust was reduced on July 28, 2009, when Iraq used force to overcome resident resistance to setting up a police post in the camp. Eleven residents of the camp were killed.

The PMOI’s fears for Ashraf residents heightened on July 1, 2010, when the Iraqi Security Forces assumed full physical control over Ashraf and the U.S. military post near the camp closed, although U.S. forces in Iraq continued to periodically visit the camp to monitor conditions. On April 2, 2011, with a U.S. military unit overseeing the rotation, the Iraqi government changed the Iraq Security Forces (ISF) brigade that guards Ashraf, triggering PMOI warnings. The U.S. unit departed on April 7, 2011, and clashes between the Iraqi force and camp residents took place on April 8; U.N. High Commissioner for Human Rights Navanethem Pillay largely confirmed PMOI claims that 35 Ashraf residents were killed and that Iraqi forces were at fault. The State Department issued a statement attributing the deaths to the actions of Iraq and its military.<sup>8</sup>

After the clash, Iraqi officials reiterated their commitment to close Ashraf at the end of 2011 (following a full U.S. withdrawal from Iraq), but said such closing would be done in co-operation with the United Nations and other international organizations. The U.N. High Commission for Refugees (UNHCR) declared the residents “asylum seekers” and offered to assess each resident in an effort to resettle them elsewhere. The top U.N. envoy in Iraq, Martin Kobler, offered to mediate between the Ashraf residents and the Iraqi government and called on the Iraqi government to postpone its end of 2011 deadline to close the camp. Ambassador Daniel Fried was appointed in November 2011 as the Obama Administration’s coordinator on the Ashraf issue.

In late December 2011, the Iraqi government and the United Nations announced agreement to relocate the residents to former U.S. military base Camp Liberty, near Baghdad’s main airport. The PMOI, which had demanded safeguards for their transfer, subsequently announced acceptance of the deal and the move to Camp Liberty (renamed Camp Hurriya). About 2,000 Ashraf residents had relocated as of mid-May 2012, but the PMOI stopped further relocations claiming that conditions at Camp Liberty can’t accommodate more residents. In mid-August 2012, the PMOI resumed the relocation process and largely completed it by September 17, 2012, leaving only a residual group of about 280 PMOI persons at Ashraf to dispose of its property. Still, the group alleges that conditions at Liberty are poor. On February 9, 2013, the camp was attacked by rockets or mortars fired by unknown assailants—but presumed to be loyal to Iran or to the Shiite leadership in Iraq—killing six PMOI residents of the camp.

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<sup>8</sup> <http://www.state.gov/r/pa/prs/ps/2011/04/160404.htm>.

The U.N. High Commission on Refugees (UNHCR) is conducting refugee status determinations for all the residents after they relocate. To date, five Camp Liberty residents have been resettled through the UNHCR process and, since late 2011, more than 40 others have left Iraq as dual nationals of various countries.

### **Ethnic or Religiously Based Armed Groups**

Some armed groups are operating in Iran's border areas, and are generally composed of ethnic or religious minorities. These groups are not known to be cooperating with the mostly Persian members of the Green Movement.

#### ***Jundullah***

One such group is *Jundullah*, composed of Sunni Muslims primarily from the Baluchistan region bordering Pakistan. The region is inhabited by members of the Baluch minority and is far less developed than other parts of Iran. On the grounds that *Jundullah* has attacked civilians in the course of violent attacks in Iran, the State Department formally named it an FTO on November 4, 2010. Some saw the designation as an overture toward the Iranian government, while others saw it as a sign that the United States supports only groups that are committed to peaceful protest.

As noted in the State Department terrorism reports for 2010 and 2011, *Jundullah* has conducted several successful attacks on Iranian security and civilian officials. One of its most widely noted terrorist attacks was a May 2009 bombing of a mosque in Zahedan, which it claimed constituted revenge for the poor treatment of Sunnis in Iran. On October 18, 2009, it claimed responsibility for killing five Revolutionary Guard commanders during a meeting they were holding with local groups in Sistan va Baluchistan Province. The regime claimed a major victory against the group in late February 2010 by announcing the capture of *Jundullah*'s top leader, Abdolmalek Rigi. The regime executed him in June 2010, and the group retaliated in July 2010 with another major bombing in Zahedan, which killed 28 persons, including some Revolutionary Guards. Secretary of State Clinton publicly condemned this bombing. The group is believed responsible for a December 15, 2010, bombing at a mosque in Chahbahar, also in the Baluchistan region, that killed 38 persons.

#### ***PJAK***

An armed Kurdish group operating out of Iraq is the Free Life Party, known by its acronym PJAK. Its leader is believed to be Abdul Rahman Hajji Ahmadi, born in 1941, who is a citizen of Germany and lives in that country. Many PJAK members are said to be women, who support the organization's dedication to women's rights. PJAK was designated by the Treasury Department in early February 2009 as a terrorism supporting entity under Executive Order 13224, although the designation statement indicated the decision was based mainly on PJAK's association with the Turkish Kurdish opposition group Kongra Gel, also known as the PKK. The five Kurds executed by Iran's regime in May 2010 were alleged members of PJAK.

In June 2010, Iran conducted some shelling of reputed PJAK bases inside Iraq, reportedly killing some Kurdish civilians. It repeated that activity in July 2011. On September 26, 2011, Turkey's Prime Minister Erdogan said that Iran and Turkey are planning joint operations against the Iraq-based hideouts of these Kurdish opposition groups. Some reports in March 2012 said that PJAK may have reached a ceasefire agreement with the Iranian regime.

Another militant group, the *Ahwazi Arabs*, operates in the largely Arab-inhabited areas of southwest Iran, bordering Iraq. It has been relatively inactive over the past few years.

## **Iranian-American Interest Groups**

Of the more than 1 million Iranian Americans of differing ideologies, a vast majority want to see a change of regime in Tehran. By all accounts, a large number support the Green Movement, although many Iranian Americans are not politically active and focus on their businesses and personal issues. As many as half of all Iranian Americans are based in the Los Angeles area, and they run at least two dozen small-scale radio or television stations that broadcast into Iran. Many of them protest Ahmadinejad's visits to the United Nations General Assembly every September, and many others sport green bracelets showing support for the Green Movement.

### *National Iranian-American Council (NIAC), Public Affairs Alliance of Iranian Americans (PAAIA) and Others*

Some U.S.-based organizations, such as The National Iranian-American Council (NIAC) and the Public Affairs Alliance of Iranian Americans (PAAIA), are not necessarily seeking change within Iran. The stated mission of NIAC, composed largely of Iranian Americans, is to promote discussion of U.S. policy. The group advocates engagement with Iran, supports easing some U.S. sanctions against Iran, opposed removing the People's Mojahedin (see below) from the U.S. list of terrorist organizations, and has warned that the Administration is planning to take military action against Iran. These positions have led some experts and commentators to allege, although without providing evidence, that it is a front for the Iranian regime. On the other hand, NIAC has criticized the regime's human rights abuses.

PAAIA's mission is to discuss issues affecting Iranian Americans, such as discrimination caused by public perceptions of association with terrorism or radical Islam. Some observers believe it was less active in 2011-2012 than it was in the two previous years, perhaps because of desertions by some who wanted PAAIA to take a stronger stand against the regime in Tehran.

Another U.S.-based group, the International Campaign for Human Rights in Iran, appears supportive of the Green Movement. Believed close to Karrubi and Musavi, it is headed by Hadi Ghaemi. Former CNN anchor Rudi Bahktiar, a relative of the Shah's last prime minister, Shahpour Bahktiar, has been part of the group.

## **Other Human Rights Practices**

International criticism of Iran's human rights practices predates and transcends the crackdown against the Green Movement. **Table 3**, which discusses the regime's record on a number of human rights issues, is based partly on the latest State Department human rights report (for 2011: May 24, 2012)<sup>9</sup> and on reports from the U.N. Special Rapporteur for human rights in Iran—the latest report of which was issued on February 28, 2013. The reports cite Iran for a wide range of serious abuses—aside from its suppression of political opponents—including unjust executions, politically motivated abductions by security forces, torture, arbitrary arrest and detention, and

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<sup>9</sup> Text is at [http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?dynamic\\_load\\_id=186425#wrapper](http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?dynamic_load_id=186425#wrapper).



arrests of women's rights activists. Some human rights groups, including Human Rights Watch, believe that a revised Iranian penal code under consideration in Iran's governing bodies leaves in place much of the legal framework that the regime uses to prosecute dissidents, although the draft revisions might limit child executions.<sup>10</sup>

Many different Iranian institutions play a role in repressing opposition. The most prominent include the Ministry of Intelligence and Security (MOIS), the IRGC, the Basij organization of the IRGC, and the Law Enforcement Forces (riot police, regular police, and gendarmerie). The Ministry of Islamic Guidance monitors journalists reporting from Iran as well as media and communications organizations.

## **Criticism of Iran's Record in U.N. Bodies**

The post-election crackdown on the Green Movement was a focus of the U.N. four-year review of Iran's human rights record that took place in mid-February 2010 in Geneva. On March 24, 2011, the U.N. Human Rights Council voted, 22 to 7, to reestablish the post of "Special Rapporteur" on Iranian human rights abuses that existed during from 1988-2002. On June 17, 2011, former Maldives Foreign Minister Ahmad Shaheed was appointed to this role. The Rapporteur issued his first report on September 23, 2011 (U.N. Document Number A/66/374: "The Situation of Human Rights in the Islamic Republic of Iran"), and subsequent reports on March 6, 2012 (A/HRC/19/66); September 13, 2012 (A/67/369); and February 28, 2013 (A/HRC/22/56). The reports cite many of the same abuses as do the State Department reports mentioned above. The latter report also accused Iran of detaining Iranians who provided information to the Special Rapporteur.

The Special Rapporteur asserts that Iran has not, to date, permitted him to conduct fact-finding visits to Iran. On November 21, 2011, the U.N. General Assembly's Third Committee, by a vote of 86-32, with 59 abstentions, approved a resolution asserting that Iran must cooperate with the efforts of the Special Rapporteur to assess the human rights situation in Iran. The full Assembly approved the resolution on December 19, 2011, by a vote of 89-30 with 64 abstentions. On March 22, 2013, the U.N. Human Rights Council voted 26 to 2 (17 abstentions) to renew the mandate of the Special Rapporteur for another year.

Iran has an official body, the High Council for Human Rights, headed by former Foreign Minister Mohammad Javad Larijani (brother of the Majles speaker and the judiciary head). However, the Council largely acts to defend the government's actions to outside bodies. Despite the criticism, on April 29, 2010, Iran acceded to the U.N. Commission on the Status of Women, after earlier dropping its attempt to win a seat on the higher-profile U.N. General Assembly Human Rights Council. It also has a seat on the boards of the U.N. Development Program (UNDP) and UNICEF. Iran's U.N. dues are about \$9 million per year.

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<sup>10</sup> Human Rights Watch. "Codifying Repression." August 29, 2012.

**Table 3. Human Rights Practices: General Categories**

Group/Issue	Regime Practice/Recent Developments
Ethnic and Religious Breakdown	Persians are about 51% of the population, and Azeris (a Turkic people) are about 24%. Kurds are about 7%-15% of the population, and about 3% are Arab. Shiite Muslims are about 90% of the Muslim population and Sunnis are about 10%. About 2% of the population is non-Muslim, including Christians, Zoroastrians (an ancient religion in what is now Iran), Jewish, and Baha'i.
Media Freedoms	Even before the 2009 unrest, Iran's Ministry of Culture and Islamic Guidance had an active program of blocking pro-reform websites and blogs, and had closed hundreds of reformist newspapers, although many have tended to reopen under new names. Numerous journalists, bloggers, and editors have been arrested. The Majles investigated the November 2012 death in custody of blogger, Sattar Beheshti. Iran is setting up a national network that would have a virtual monopoly on Internet service for Iranians.
Labor Restrictions	Independent unions are legal but not allowed in practice. The sole authorized national labor organization is a state-controlled "Workers' House" umbrella.
Women	Women can vote and run in parliamentary and municipal elections, drive, and work outside the home, including owning their own businesses. Nine women are in the Majles. There was one woman in the cabinet (Minister of Health) but she was fired in December 2012 for criticizing lack of funding for medicines. Women are required to be covered in public, generally with a garment called a <i>chador</i> , but enforcement varies. Women do not have inheritance or divorce rights equal to that of men, and their court testimony carries half the weight of a male's.
Religious Freedom Overview	Each year since 1999, the State Department religious freedom report has named Iran as a "Country of Particular Concern" under the International Religious Freedom Act (IRFA). No sanctions have been added under IRFA, on the grounds that Iran is already subject to extensive U.S. sanctions. Continued deterioration in religious freedom have been noted in the past few International Religious Freedom reports. They state that government rhetoric and actions creates a threatening atmosphere for nearly all non-Shia religious groups.
Christians	In September 2011, a Protestant pastor who was born a Muslim, Youcef Nadarkhani, was sentenced to death for refusing to recant his Christian faith. White House, State Department, and many human rights groups called for an overturning of the sentence, which was reaffirmed in late February 2012. He was released on September 8, 2012 but was re-arrested on Christmas Day 2012. On February 29, 2012, the House debated but postponed action on H.Res. 556 demanding he be released. On December 20, 2012, a U.S. Christian convert of Iranian origin, Rev. Saeed Abedini, was imprisoned for allegedly promoting Christianity in Iran. He asserted he was assisting orphans and not proselytizing. His two day closed trial began on January 22, 2013 and he was convicted and sentenced to eight years in prison.
Baha'is	Iran is repeatedly cited for virtually unrelenting repression of the Baha'i community, which Iran's Shiite Muslim clergy views as a heretical sect, which numbers about 300,000-350,000. At least 30 Baha'is remain imprisoned. Several were sentenced to death in February 2010. Seven Baha'i leaders were sentenced to 20 years in August 2010; their sentences were reduced in September 2010 to 10 years but the full sentence was restored on appeal. U.N. Rapporteur said in February 2013 that 110 Baha'is are in jail, with 133 more to start serving jail time. In the 1990s, several Baha'is were executed for apostasy (Bahman Samandari in 1992; Musa Talibi in 1996; and Ruhollah Ruhani in 1998). Another, Dhabihullah Mahrami, was in custody since 1995 and died of unknown causes in prison in December 2005. Virtually every year, congressional resolutions have condemned Iran's treatment of the Baha'is.
Jews	Along with Christians, a "recognized minority," with one seat in the Majles, the 30,000-member Jewish community (the largest in the Middle East aside from Israel) enjoys somewhat more freedoms than Jewish communities in several other Muslim states. However, in practice the freedom of Iranian Jews to practice their religion is limited, and Iranian Jews remain reluctant to speak out for fear of reprisals. During 1993-1998, Iran executed five Jews allegedly spying for Israel. In June 1999, Iran arrested 13 Jews (mostly teachers, shopkeepers, and butchers) from the Shiraz area that it said were part of an "espionage ring" for Israel. After a 2000 trial, 10 of the Jews and 2 Muslim accomplices were convicted and given sentences ranging from 4 to 13 years. An appeals panel reduced the sentences, and all were

Group/Issue	Regime Practice/Recent Developments
Azeris	<p>released by April 2003. On November 17, 2008, Iran hanged businessman Ali Ashtari (a Muslim), for providing information on Iran's nuclear program to Israel.</p> <p>Azeris are one-quarter of the population and are mostly well integrated into government and society, but many Azeris complain of ethnic and linguistic discrimination. Each year, there are arrests of Azeri students and cultural activists who press for their right to celebrate their culture and history. The government accuses them of promoting revolution or separatism.</p>
Kurds	<p>There are about 5 million-11 million Kurds in Iran. The Kurdish language is not banned, but schools do not teach it and Kurdish political organizations, activists, and media outlets are routinely scrutinized, harassed, and closed down for supporting greater Kurdish autonomy. Several Kurdish oppositionists have been executed since 2010.</p>
Arabs	<p>Ethnic Arabs are prominent in southwestern Iran, particularly Khuzestan Province. The 2 million to 4 million Arabs in Iran encounter oppression and discrimination, including torture and a prohibition on speaking or studying Arabic.</p>
Human Trafficking	<p>The June 19, 2012 (latest), State Department "Trafficking in Persons" report, for the seventh consecutive year, places Iran in Tier 3 (worst level) for failing to take significant action to prevent trafficking in persons. Iranian women, boys, and girls are trafficked for sexual exploitation in Iran as well to Pakistan, the Persian Gulf, and Europe, possibly with the involvement of religious leaders and immigration officials.</p>
Executions Policy	<p>Human rights groups say executions have increased sharply since the dispute over the June 2009 election. The State Department human rights report for 2011 said there were between 275 and 700 executions during 2011, and the U.N. Rapporteur said there were nearly 500 in 2012, including of some who were minors when they committed their crimes. Iran is a party to the International Covenant on Civil and Political Rights and the Convention on the Rights of the Child, and is obligated to cease the executions of minors.</p>
Stonings	<p>In 2002, the head of Iran's judiciary issued a ban on stoning. However, Iranian officials later called that directive "advisory" and could be ignored by individual judges. On December 2, 2008, Iran confirmed the stoning deaths of two men in Mashhad who were convicted of adultery. A sentence of stoning against a 45-year-old woman (Sakineh Ashtiani) convicted of adultery and assisting in the murder of her husband was set aside for further review in July 2010. An Iranian parliamentarian said on January 17, 2011, the stoning sentence was dropped but she would serve 10 years in prison.</p>
Arrests of Dual Nationals and Foreign Nationals/Robert Levinson/ the American Hikers	<p>An Iranian American journalist, Roxanna Saberi, was arrested in January 2009 allegedly because her press credentials had expired; was charged on April 9, 2009, with espionage for possessing an Iranian military document. Sentenced to eight years in jail, she was released on appeal on May 12, 2009, and left Iran.</p> <p>U.S. national, former FBI agent Robert Levinson, remains missing after a visit in 2005 to Kish Island. In December 2011, his family released a one-year old taped statement by him and appealed for help in obtaining his release. Ahmadinejad indicated in September 2012 that Iranian intelligence personnel may have had some knowledge of the case but that he is unaware of the current status of their investigation. In January 2013, his family released photos of him in captivity but of unknown origin or time period.</p> <p><i>Hikers.</i> Three American hikers were arrested in August 2009 after crossing into Iran, possibly mistakenly, from a hike in northern Iraq. On September 15, 2010, Sara Shourd was released on \$500,000 bail, an arrangement brokered by Oman. Her fiancé, Shane Bauer, and Josh Fattal, were released on September 21, 2011, on similar terms.</p>

**Sources:** Most recent State Department reports on human rights (May 24, 2012, trafficking in persons (June 19, 2012), and on religious freedom (July 30, 2012). <http://www.state.gov>; U.N. Special Rapporteur report of February 28, 2013.

## Iran's Strategic Capabilities and Weapons of Mass Destruction Programs

The Obama Administration views Iran as one of the key national security challenges facing the United States—an assessment based largely on suspicions about Iran's nuclear and missile programs and its intent and ability to counter U.S. objectives in the region. A nuclear armed Iran, in the view of U.S. and Persian Gulf state officials, would be more assertive than it now is in trying to influence the foreign and energy policies of the Persian Gulf states and in supporting countries and movements in the Middle East and elsewhere that oppose U.S. interests and allies. Iran would likely conclude that the United States would hesitate to take military action against—or undertake any action to try to change the regime of a nuclear-armed Iran. A nuclear-armed Iran could cause other countries in the region to try to acquire a countervailing nuclear capability—stimulating a nuclear arms race in one of the world's most volatile regions. Israel views an Iranian nuclear weapon as a threat to its existence.

Others see Iran's foreign policy as primarily defensive. Some believe Iran's core national security goals are to protect itself from foreign, primarily U.S., interference or attack; to prevent any efforts to cut off its ability to export oil; and to exert regional influence that Iran believes is commensurate with its size and concept of nationhood.

### Conventional Military/Revolutionary Guard/Qods Force

Iran's armed forces are extensive but they are widely considered relatively combat ineffective in a confrontation against the United States or even a major neighbor such as Turkey. Iran is believed to lack the logistical ability to deploy ground forces much beyond its borders. However, a 2012 Defense Department report, required by P.L. 111-84, reported growing lethality and survivability of Iran's ballistic and cruise missiles, suggesting the Defense Department assesses a higher level of conventional threat from Iran as compared to a similar DOD report in 2010.<sup>11</sup> The 2012 assessment raises the question of whether Iran possesses the capability to close the strategic Strait of Hormuz, where about one-third of all seaborne traded oil flows. The Iranian armed forces are sufficiently effective to deter or fend off any threats, should they emerge, from Iran's weaker neighbors such as post-war Iraq, Turkmenistan, Azerbaijan, and Afghanistan.

Organizationally, Iran's armed forces are divided to perform functions appropriate to their roles in Iran. The Islamic Revolutionary Guard Corps (IRGC, known in Persian as the *Sepah-e-Pasdaran Enghelab Islami*)<sup>12</sup> controls the *Basij* (Mobilization of the Oppressed) volunteer militia that has been the main instrument to repress Green Movement protests in Iran. The IRGC and the regular military (*Artesh*) report to a joint headquarters, headed by Dr. Hassan Firuzabadi. The *Artesh* has no role in internal security and is deployed mainly at bases outside major cities.

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<sup>11</sup> Department of Defense. Annual Report on Military Power of Iran. April 2012. For the 2010 report, see [http://media.washingtontimes.com/media/docs/2010/Apr/20/Iran\\_Military\\_Report.pdf](http://media.washingtontimes.com/media/docs/2010/Apr/20/Iran_Military_Report.pdf). The reports are required by §1245 of the National Defense Authorization Act for FY2010 (P.L. 111-84).

<sup>12</sup> For a more extensive discussion of the IRGC, see Katzman, Kenneth. "The Warriors of Islam: Iran's Revolutionary Guard," *Westview Press*, 1993.

The IRGC Navy and regular Navy (Islamic Republic of Iran Navy, IRIN) are distinct forces; the IRIN has responsibility for the Gulf of Oman, whereas the IRGC Navy has responsibility for the closer-in Persian Gulf and Strait of Hormuz. The regular Air Force controls most of Iran's combat aircraft, whereas the IRGC Air Force has come to focus primarily on developing Iran's ballistic missile capabilities. Iran has a small number of warships on its Caspian Sea coast; it reportedly deployed on that sea in March 2013 to augment its capabilities there.

Iran's armed forces have few formal relationships with foreign militaries, but Iran and India have a "strategic dialogue" and some Iranian naval officers reportedly have undergone some training in India. Most of Iran's other military-to-military relationships, such as with Russia, Ukraine, Belarus, North Korea, and a few others, generally center on Iranian arms purchases or upgrades, although such activity is now banned by U.N. Resolution 1929 of June 2010. In September 2012, Iran and North Korea signed an agreement to cooperate on science and technology, raising concerns about potential additional North Korean support to Iran's nuclear program. Iranian technicians reportedly attended North Korea's December 2012 launch of a rocket that achieved orbit.

**Table 4. Iran's Conventional Military Arsenal**

**Military Personnel:** 460,000+. Regular ground force is about 220,000, Revolutionary Guard Corps (IRGC) ground force is about 130,000. Remainder are regular and IRGC navy (18,000 and 20,000 personnel respectively) and Air Forces (52,000 regular Air Force personnel and 5,000 Guard Air Force personnel.) About 12,000 air defense.

**Security Forces:** About 40,000-60,000 law enforcement forces on duty, with another 600,000 Basij security/paramilitary forces available for combat or internal security missions.

**Tanks:** 1,800+ Includes 480 Russian-made T-72

**Ships:** 100+ (IRGC and regular Navy) Includes 4 Corvette; 18 IRGC-controlled Chinese-made patrol boats, several hundred small boats.) Also has 3 Kilo subs (reg. Navy controlled). 2012 DOD report says Iran may have acquired additional ships and submarines over the past two years, but does not stipulate a supplier, if any.

**Midget Subs:** Iran has been long said to possess several small subs, possibly purchased assembled or in kit form from North Korea. Iran claimed on November 29, 2007, to have produced a new small sub equipped with sonar-evading technology, and it claimed to deploy four Iranian-made "Ghadir class" subs to the Red Sea in June 2011.

**Surface-to-Air Missiles (SAMs):** 150+ I-Hawk plus possibly some Stinger

**Combat Aircraft:** 330+ Includes 25 MiG-29 and 30 Su-24. Still dependent on U.S. F-4's, F-5's and F-14 bought during Shah's era.

**Anti-aircraft Missile Systems:** Russia delivered to Iran (January 2007) 30 anti-aircraft missile systems (Tor M1), worth over \$1 billion. In September 2006, Ukraine agreed to sell Iran the Kolchuga radar system that can improve Iran's detection of combat aircraft. In December 2007, Russia agreed to sell the highly capable S-300 (also known as SA-20 "Gargoyle") air defense system, which would greatly enhance Iran's air defense capability. The value of the deal is estimated at \$800 million. The system is a ground-to-air missile whose sale to Iran would, according to most experts, not technically violate the provisions of U.N. Resolution 1929, because the system is not covered in the "U.N. Registry on Conventional Arms. However, on September 22, 2010, Russian President Medvedev signed a decree banning the supply of the system to Iran, asserting that its provision to Iran is banned by Resolution 1929. In November 2011, Iran claimed to have deployed its own version (Mersad) of the Russian S-200 air defense system and said in September 2012 that it has completed 30% of a missile defense network similar to the S-300. In August 2011, Iran sued Russia at the International Court of Justice for non-delivery of the system.

**Defense Budget:** About 3% of GDP

**Sources:** IISS Military Balance—Section on Middle East and North Africa, and various press reports; April 2010 and April 2012 DOD reports on military power of Iran," cited earlier.

Table 5. The Revolutionary Guard

The IRGC is generally loyal to Iran's hardliners politically and is clearly more politically influential than is Iran's regular military, which is numerically larger, but was held over from the Shah's era. IRGC influence has grown sharply as the regime has relied on it to suppress dissent to the point where Secretary of State Clinton sees it as wielding preponderant influence. As described in a 2009 Rand Corporation study, "Founded by a decree from Ayatollah Khomeini shortly after the victory of the 1978-1979 Islamic Revolution, Iran's Islamic Revolutionary Guards Corps (IRGC) has evolved well beyond its original foundations as an ideological guard for the nascent revolutionary regime. Today the IRGC functions as an expansive socio-political-economic conglomerate whose influence extends into virtually every corner of Iranian political life and society. Bound together by the shared experience of war and the socialization of military service, the Pasdaran have articulated a populist, authoritarian, and assertive vision for the Islamic Republic of Iran that they maintain is a more faithful reflection of the revolution's early ideals. The IRGC's presence is particularly powerful in Iran's highly factionalized political system, in which [many senior figures] hail from the ranks of the IRGC. Outside the political realm, the IRGC oversees a robust apparatus of media resources, training activities, education programs designed to bolster loyalty to the regime, prepare the citizenry for homeland defense, and burnish its own institutional credibility vis-à-vis other factional actors."

Through its Qods (Jerusalem) Force, the IRGC has a foreign policy role in exerting influence throughout the region by supporting pro-Iranian movements, as discussed further below. The Qods Force numbers approximately 10,000-15,000 personnel who provide advice, support, and arrange weapons deliveries to pro-Iranian factions in Lebanon, Iraq, Persian Gulf states, Gaza/West Bank, Afghanistan, and Central Asia. IRGC leaders have confirmed it is operating in Syria to assist the regime of Bashar al-Assad against an armed uprising. It also operates a worldwide intelligence network to give Iran possible terrorist option and to assist in procurement of WMD-related technology. The Qods Force commander, Brigadier General Qassem Soleimani, is said to have his own independent channel to Supreme Leader Khamene'i, bypassing the IRGC and Joint Staff command structure. The Qods Force commander during 1988-1995 was Brigadier General Ahmad Vahidi, confirmed as defense minister on September 3, 2009. He led the Qods Force when it allegedly assisted two bombings of Israeli and Jewish targets in Buenos Aires (he is wanted by Interpol for a role in the 1994 bombing there); recruited Saudi Hezbollah activists later accused of the June 1996 Khobar Towers bombing; and assassinated Iranian dissident leaders in Europe in the early 1990s.

IRGC leadership developments are significant because of the political influence of the IRGC. On September 2, 2007, Khamene'i named Mohammad Ali Jafari as commander in chief of the Guard; Jafari is considered a hardliner against political dissent and increasingly at odds with Ahmadinejad in the context of the Ahmadinejad-Khamene'i power struggle. The *Basij* reports to the IRGC commander in chief; its leader is Brigadier General Mohammad Reza Naqdi. It operates from thousands of positions in Iran's institutions. Command reshuffles in July 2008 integrated the *Basij* more closely with provincially based IRGC units and increased the *Basij* role in internal security. In November 2009, the regime gave the IRGC's intelligence units greater authority, perhaps surpassing those of the Ministry of Intelligence, in monitoring dissent. The IRGC Navy has responsibility to patrol the Strait of Hormuz and the regular Navy has responsibility for the broader Arabian Sea and Gulf of Oman (deeper waters further off the coast).

As noted, the IRGC is also increasingly involved in Iran's economy, acting through a network of contracting businesses it has set up, most notably *Ghorb* (also called *Khatem ol-Anbiya*, Persian for "Seal of the Prophet"). Active duty IRGC senior commanders reportedly serve on *Ghorb's* board of directors and its commander, Rostam Ghasemi, became oil minister in August 2011. In September 2009, the Guard bought a 50% stake in Iran Telecommunication Company at a cost of \$7.8 billion. In the past five years, Guard affiliated firms have won 750 oil and gas and construction contracts, and the Guard has its own civilian port facilities. However, *Ghorb* pulled out of a contract to develop part of the large South Pars gas field in July 2010, citing the impact of expanded U.S. and international sanctions, which might have caused foreign partner firms to refuse to cooperate with *Ghorb*.

On October 21, 2007, the Treasury Department designated several IRGC companies as proliferation entities under Executive Order 13382. Also that day, the IRGC as a whole, the Ministry of Defense, several IRGC commanders, and several Iranian banks were sanctioned under that same executive order. Simultaneously, the Qods Force was named as a terrorism supporting entity under Executive Order 13224. These orders freeze the U.S.-based assets and prevent U.S. transactions with the named entities, but these entities are believed to have virtually no U.S.-based assets. On June 9, 2011, the IRGC and *Basij* were named as human rights abusers under Executive Order 13553, with the same penalties as the above Executive Orders.

**Sources:** Frederic Wehrey et al. "The Rise of the Pasdaran." Rand Corporation. 2009. Katzman, Kenneth. "The Warriors of Islam: Iran's Revolutionary Guard." Westview Press, 1993; Dept. of the Treasury.

## **Nuclear Program and Related International Diplomacy**

Iran's nuclear program has been a growing U.S. national security issue since late 2002, when Iran confirmed PMOI allegations that Iran was building a uranium enrichment facility at Natanz and a heavy water production plant at Arak,<sup>13</sup> considered ideal for the production of plutonium. The United States and its partners state that they accept Iran's right to use nuclear energy for peaceful purposes, but that Iran must verifiably demonstrate that its nuclear program is for only peaceful purposes. Since 2010, Iran has been enriching to 20% purity—relatively easy technically to convert to the highly enriched uranium (HEU: 90%+) needed for a nuclear weapon. Another requirement for a nuclear weapon is a triggering mechanism that Iran is not believed to possess, but which it might have researched in the past. Iran's potential to develop a delivery vehicle for a nuclear weapon also is discussed below.

### **Iran's Nuclear Intentions<sup>14</sup>**

The U.S. intelligence community stated in its “worldwide threat assessment” testimony on March 12, 2013,” that Iran has the capacity to eventually produce nuclear weapons, but that it has not made a decision to do so. International Atomic Energy Agency (IAEA) reports indicate that Iran has not satisfactorily addressed IAEA information that it still might have a nuclear weapons program.<sup>15</sup> The IAEA report of November 8, 2011, report contained an extensive annex laying out the IAEA's information on Iran's apparent research efforts on weaponizing HEU, as well as on some possible facilities used for that effort. However, Iran is not known to have produced any HEU. Based on the November 8, 2011 IAEA report, on November 18, 2011 the IAEA Board of Governors adopted a resolution expressing “deep and increasing concern” about Iran's nuclear program. The vote was 32 in favor, 2 against (Cuba, Ecuador), and 1 abstention (Indonesia).

After repeatedly refusing to discuss the IAEA information, in January 2012 Iran began discussions with the IAEA on a workplan to clear up the allegations, including allowing IAEA inspections of the Parchin military base where the IAEA suspects research on nuclear explosive technology may have taken place. (The site was inspected twice in 2005.) IAEA Director Yukiya Amano, following an unexpected visit to Iran on May 21, 2012, announced an “agreement in principle” on the proposed workplan to resolve these questions. However, amid IAEA accusations that Iran may have cleaned up parts of the Parchin facility, no pact was finalized. That precipitated another IAEA Board of Governors resolution criticizing Iran for non-cooperation; it was adopted on September 13, 2012, with 31 countries in favor, Cuba against, and Ecuador, Tunisia, and Egypt abstaining. Further talks to finalize the workplan and Parchin inspection were held in Tehran on December 13, 2012, January 16-17, 2013, and February 13, 2013. However, no agreement has been finalized and on April 2, 2013 IAEA Director Yukio Amano said that Iran might be secretly working on nuclear weapons design while it delays finalizing that agreement. Some experts believe Iran wants to fold this issue into the broader nuclear issues that Iran is discussing with the international negotiating countries, discussed below. The U.S. representative to the IAEA had said in December 2012 that a pact must be finalized by March 2013, although no consequences were spelled out for not meeting that ultimatum. Additional concerns about Iran's

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<sup>13</sup> In November 2006, the IAEA, at U.S. urging, declined to provide technical assistance to the Arak facility on the grounds that it was likely for proliferation purposes.

<sup>14</sup> Text of the report is at [http://isis-online.org/uploads/isis-reports/documents/IAEA\\_Iran\\_8Nov2011.pdf](http://isis-online.org/uploads/isis-reports/documents/IAEA_Iran_8Nov2011.pdf).

<sup>15</sup> [http://www.isis-online.org/uploads/isis-reports/documents/Iran\\_report-nov23.pdf](http://www.isis-online.org/uploads/isis-reports/documents/Iran_report-nov23.pdf); <http://lewis.armscontrolwonk.com/files/2011/02/gov2011-7.pdf>.

intentions were raised by a scientific cooperation pact it reached with North Korea in September 2012 – a pact that resembles one North Korea signed with Syria before helping build a nuclear reactor in that country.<sup>16</sup>

## Iran's Position and Counter-Arguments

Iranian leaders deny they are trying to achieve a nuclear weapons capability and assert that Iran's nuclear program is for medical uses and electricity generation, given finite oil and gas resources. Iran argues that uranium enrichment is its "right" as a party to the 1968 Nuclear Non-Proliferation Treaty.<sup>17</sup> Iran claims that IAEA information demonstrates little more than that some of its scientists may have performed nuclear weapons calculations on computers. U.S. officials have said that Iran's gas resources make nuclear energy unnecessary.

Iran professes that WMD is inconsistent with its ideology. In 2003, the Supreme Leader Khamene'i issued a formal pronouncement (*fatwas*) that nuclear weapons are un-Islamic. On February 22, 2012, he expanded on that concept in a speech saying that the production of and use of a nuclear weapon is prohibited as a "great sin," and that stockpiling such weapons is "futile, expensive, and harmful."<sup>18</sup> He repeated this formulation in an August 30, 2012, speech to the Non-Aligned Movement summit meeting in Tehran. On February 17, 2013, he reportedly told visitors said Iran is not seeking to develop a nuclear weapon but that the international community would not be able to prevent Iran from doing so if that were Iran's goal.<sup>19</sup>

Iran's assertions of a purely peaceful program have been met with widespread skepticism, not only because of its enrichment activities but also because Iran's governing factions appear to perceive a nuclear weapons capability as a means of ending Iran's perceived historic vulnerability to invasion and domination by great powers, and as a symbol of Iran as a major nation. Others believe a nuclear weapon represents the instrument with which Iran intends to intimidate its neighbors and dominate the Persian Gulf region. Still others believe regime leaders see a nuclear weapon as insurance that domestic or international opponents will forgo any attempt to displace the regime. There are also fears Iran might transfer WMD to extremist groups or countries.

Aside from the issue about the cost international sanctions are imposing on Iran, some Iranian strategists appear to agree with U.S. assertions that a nuclear weapon will make Iran less secure. According to this view, moving toward a nuclear weapons capability will bring Iran further international sanctions, military containment, U.S. attempted interference in Iran, and efforts by neighbors to develop countervailing capabilities. Some Green Movement leaders have positions on the nuclear issue similar to those of regime leaders, but many Green Movement factions see the nuclear program as an impediment to eventual reintegration with the West.

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<sup>16</sup> Jay Solomon. "Iran-North Korea Pact Draws Concern." *Wall Street Journal*, March 9, 2013.

<sup>17</sup> For Iran's arguments about its program, see Iranian paid advertisement "An Unnecessary Crisis—Setting the Record Straight About Iran's Nuclear Program," in the *New York Times*, November 18, 2005. P. A11.

<sup>18</sup> "Leader Says West Knows Iran Not Seeking 'Nuclear Weapons.'" Vision of the Islamic Republic of Iran Network, February 22, 2012.

<sup>19</sup> The comments were posted on Khamene'i's website, [khamenei.ir](http://khamenei.ir)



## **Nuclear Weapons Time Frame Estimates**

If Iran were to decide to pursue a nuclear weapon, estimates differ as to how long it would take Iran to achieve that goal. On March 14, 2013, President Obama stated the view of the intelligence community that “it would take Iran over a year or so” to develop a nuclear weapon after a decision to do so. Then Secretary of Defense Panetta said in January 2012, that Iran would need an additional one to two years to develop a delivery vehicle for that weapon. The Institute for Science and International Security, in a study released in January 2013, said that Iran could acquire the “critical capability” for a nuclear weapon (defined as ability to make enough HEU for one bomb before foreign detection) in mid-2014.<sup>20</sup> These estimates take into account technical difficulties caused by international sanctions and reported disruptive action such as the computer virus (Stuxnet).

A separate but related issue is the ability of the United States and IAEA to detect an all-out effort by Iran to develop an actual nuclear weapon. Director of National Intelligence Clapper, in his March 12 testimony mentioned earlier, said that Iran could not divert safeguarded material and produce a weapon-worth of weapons grade uranium before this activity is discovered. The crucial role of the IAEA in monitoring Iran’s activities explains why many experts consider it crucial that Iran continue to cooperate with the IAEA.

## **Status of Enrichment**

Iran’s enrichment program—a requirement if Iran is to acquire the fissionable material for a nuclear weapon—has progressed steadily. According to the February 21, 2013, IAEA report<sup>21</sup> on Iran’s nuclear program, Iran has produced 18,200 lbs of low-enriched (3.5%-5%) uranium—enough to produce about five nuclear weapons if it were to enrich that stockpile to weapons grade. And, Iran has produced a total of 616 lbs of 20% enriched uranium, although it has used 250 lbs. of that to fabricate fuel rods for its research reactor that produces medical isotopes. The fuel rods cannot practically be further enriched to HEU (90% purity). Its remaining 20% stockpile stands at 367 lbs. as of the February 21, 2013 IAEA report—short of the 550 lbs. that would be needed, if further enriched to HEU level, to produce one nuclear weapon. Experts assess that Iran is keeping its 20% stockpile at about this level in order not to alarm the international community or provoke U.S. or other military action.

On the other hand, the February 2013 IAEA report said Iran had added 2,255 older-model centrifuges at the Natanz enrichment site and has installed the more advanced IR-2 centrifuges there as well, although these more efficient machines have not been put into operation yet. No IAEA reports - or U.S. intelligence testimony or comments - assert that Iran has diverted any nuclear material for a nuclear weapons program.<sup>22</sup>

Some of the enrichment to 20% is taking place at the heavily fortified Fordow site that Iran admitted in September 2009 (after discovery by Western intelligence) that it had developed. The

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<sup>20</sup> “Iran Set for 2014 Nuclear Capability: US Think Tank” Agence France Presse, January 14, 2013.

<sup>21</sup> [http://www.isis-online.org/uploads/isis-reports/documents/IAEA\\_Iran\\_Safeguards\\_report\\_-\\_21\\_Feb\\_2013.pdf](http://www.isis-online.org/uploads/isis-reports/documents/IAEA_Iran_Safeguards_report_-_21_Feb_2013.pdf)

<sup>22</sup> The February 25, 2011, IAEA report listed Iran’s declared nuclear sites as well as a summary of all the NPT obligations Iran is not meeting. IAEA report of February 25, 2011. <http://lewis.armscontrolwonk.com/files/2011/02/gov2011-7.pdf>.

November 16, 2012, IAEA report said that Iran had finished installing the planned 2,785 centrifuges at the site, although only about half are in use.

### ***Bushehr Reactor***

U.S. officials have generally been less concerned with Russia's work, under a January 1995 contract, on an \$800 million nuclear power plant at Bushehr. Russia insisted that Iran sign an agreement under which Russia would reprocess the plant's spent nuclear material; that agreement was signed on February 28, 2005. The plant was expected to become operational in 2007, but Russia appeared to delay opening it to pressure Iran on the broader nuclear issue. The plant was inaugurated on August 21, 2010, and fueling was completed by October 25, 2010. It began limited operations on May 8, 2011, and was linked to Iran's power grid in September 2011. It was reported by Iran as operational as of September 3, 2012, but it is still mostly operated by Russia and a Russian energy official said the plant would not be fully operational and turned over to full Iranian control until early 2013. As part of this work, Russia trained 1,500 Iranian nuclear engineers. In early December 2012, it was reported that Iran had discharged some fuel rods from Bushehr, raising the question of whether it would violate its agreement to submit them to Russia for reprocessing. Spent nuclear reactor fuel can be used to produce plutonium as part of another possible route to develop a nuclear weapon.

### **Early International Diplomatic Efforts to Address Iran's Nuclear Program**

The international response to Iran's nuclear program has evolved into a global consensus to apply substantial economic pressure on Iran, coupled with diplomacy, to persuade Iran to limit its nuclear program. In 2003, France, Britain, and Germany (the "EU-3") opened a separate diplomatic track to curb Iran's program, initially having some success. On October 21, 2003, Iran pledged, in return for peaceful nuclear technology, to (1) fully disclose its past nuclear activities, (2) sign and ratify the "Additional Protocol" to the NPT (allowing for enhanced inspections), and (3) suspend uranium enrichment activities. Iran signed the Additional Protocol on December 18, 2003, although the *Majles* has not ratified it. Iran discontinued abiding by the Protocol after the IAEA reports of November 10, 2003, and February 24, 2004, stated that Iran had violated its NPT reporting obligations over an 18-year period.

Iran ended the suspension several months after it began, but the EU-3 and Iran reached a more specific November 14, 2004, "Paris Agreement," committing Iran to suspend uranium enrichment (which it did as of November 22, 2004) in exchange for renewed trade talks and other aid.<sup>23</sup> The George W. Bush Administration began to support these Europe-led agreements in March 11, 2005, when it announced it would drop U.S. objections to Iran applying to join the World Trade Organization (it applied in May 2005) and to selling civilian aircraft parts to Iran.

The Paris Agreement broke down after Ahmadinejad's election; Iran rejected as insufficient an EU-3 offer to permanently resolve the issue by assisting Iran with peaceful uses of nuclear energy and provide limited security guarantees, in exchange for Iran's: (1) permanently ending uranium enrichment; (2) dismantling the Arak heavy-water reactor;<sup>24</sup> (3) allowing no-notice nuclear

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<sup>23</sup> For text of the agreement, see [http://www.iaea.org/NewsCenter/Focus/IaeaIran/eu\\_iran14112004.shtml](http://www.iaea.org/NewsCenter/Focus/IaeaIran/eu_iran14112004.shtml). EU-3-Iran negotiations on a permanent nuclear pact began on December 13, 2004, and related talks on a trade and cooperation accord (TCA) began in January 2005.

<sup>24</sup> In November 2006, the IAEA, at U.S. urging, declined to provide technical assistance to the Arak facility.

inspections; and (4) pledging not to leave the NPT (it has a legal exit clause). On August 8, 2005, Iran broke the IAEA seals and began uranium “conversion” (one step before enrichment) at its Esfahan facility. On September 24, 2005, the IAEA Board declared Iran in non-compliance with the NPT and decided to refer the issue to the Security Council,<sup>25</sup> but no time frame was set for the referral. After Iran resumed enrichment activities, on February 4, 2006, the IAEA board voted 27-3<sup>26</sup> to refer the case to the Security Council. On March 29, 2006, the Council agreed on a presidency “statement” setting a 30-day time limit (April 28, 2006) for ceasing enrichment.<sup>27</sup>

*“P5+1” Formed.* With the EU-3 agreements with Iran having broken down, the George W. Bush Administration offered on May 31, 2006, to join the nuclear talks with Iran if Iran first suspends its uranium enrichment. Such talks would center on a package of incentives and possible sanctions—formally agreed on June 1, 2006—by a newly formed group of nations, the so-called “Permanent Five Plus 1” (P5+1: United States, Russia, China, France, Britain, and Germany). EU foreign policy chief Javier Solana—acting as representative of the P5+1—formally presented the P5+1 offer to Iran on June 6, 2006. The incentive package—accepting Iran into the World Trade Organization and Persian Gulf security frameworks, easing sanctions, and guarantees of nuclear fuel and light-water reactor technology, was outlined in Annex I to Resolution 1747. Sanctions threatened<sup>28</sup>—such as a ban on technology and arms sales to Iran—have mostly been imposed subsequently.

### *First Set of U.N. Security Council Resolutions Adopted*

Iran did not immediately respond to the offer. In response, the U.N. Security Council began to impose sanctions on Iran in an effort to shift Iran’s calculations toward compromise.

- *Resolution 1696.* On July 31, 2006, the Security Council voted 14-1 (Qatar voting no) for U.N. Security Council Resolution 1696, giving Iran until August 31, 2006, to fulfill the long-standing IAEA nuclear demands (enrichment suspension, etc.). Purportedly in deference to Russia and China, it was passed under Article 40 of the U.N. Charter, which makes compliance mandatory, but not under Article 41, which refers to economic sanctions, or Article 42, which would authorize military action. It called on U.N. member states not to sell Iran WMD-useful technology.
- *Resolution 1737.* After Iran refused a proposal to temporarily suspend enrichment, the Security Council adopted U.N. Security Council Resolution 1737 unanimously on December 23, 2006, under Chapter 7, Article 41 of the U.N. Charter. It demanded enrichment suspension by February 21, 2007, and prohibits sale to Iran—or financing of such sale—of technology that could contribute to Iran’s uranium enrichment or heavy-water reprocessing activities. It also required U.N. member states to freeze the financial assets of several named Iranian

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<sup>25</sup> Voting in favor: United States, Australia, Britain, France, Germany, Canada, Argentina, Belgium, Ghana, Ecuador, Hungary, Italy, Netherlands, Poland, Portugal, Sweden, Slovakia, Japan, Peru, Singapore, South Korea, India. Against: Venezuela. Abstaining: Pakistan, Algeria, Yemen, Brazil, China, Mexico, Nigeria, Russia, South Africa, Sri Lanka, Tunisia, and Vietnam.

<sup>26</sup> Voting no: Cuba, Syria, Venezuela. Abstaining: Algeria, Belarus, Indonesia, Libya, South Africa.

<sup>27</sup> See <http://daccessdds.un.org/doc/UNDOC/GEN/N06/290/88/PDF/N0629088.pdf?OpenElement>.

<sup>28</sup> One source purports to have obtained the contents of the package from ABC News: <http://www.basicint.org/pubs/Notes/BN060609.htm>.

- nuclear and missile firms and related persons. In deference to Russia, the Resolution exempted the Bushehr reactor.
- *Resolution 1747.* With no Iranian compliance, on March 24, 2007, after only three weeks of P5+1 negotiations, Resolution 1747 was adopted unanimously. It demanded Iran suspend enrichment by May 24, 2007, added entities to those sanctioned by Resolution 1737, and:
    - banned arms transfers by Iran, a provision targeted at Iran’s alleged arms supplies to Lebanese Hezbollah and to Shiite militias in Iraq; and
    - called for (but did not require) countries to avoid selling arms or dual use items to Iran and for countries and international financial institutions to avoid any new lending or grants to Iran. The Resolution specifically exempted loans for humanitarian purposes, thereby not applying to World Bank loans.
  - *Resolution 1803 and Additional Incentives for Iran.* With no Iranian compliance forthcoming, after several months of negotiations, Resolution 1803 was adopted by a vote of 14-0 (Indonesia abstaining) on March 3, 2008. It added 12 more entities to those sanctioned, and:
    - banned virtually all sales of dual use items to Iran, citing equipment listed as dual use in various proliferation conventions and documents;
    - authorized, but did not require, inspections of shipments by Iran Air Cargo and Islamic Republic of Iran Shipping Line, if such shipments are suspected of containing banned WMD-related goods;
    - imposed a firm travel ban on five Iranians named in Annex II to the Resolution and requires reports on travel by 13 other named individuals; and
    - stated the willingness of the P5+1 to consider additional incentives to resolve the Iranian nuclear issue through negotiation “beyond those of June 2006.”

The Bush Administration agreed to expand the June 2006 incentive package at a meeting in London on May 2, 2008, offering political and enhanced energy cooperation with Iran. Then-EU foreign policy envoy Javier Solana presented the package (which included a signature by Secretary of State Rice) on June 14, 2008, but Iran was non-committal. (The text of that enhanced incentive offer to Iran was later revealed as an Annex to Resolution 1929, adopted in June 2010.) Iran did not accept the enhanced package of incentives but, in July 2008, it indicated it might be ready to accept a six week “freeze for freeze:” the P5+1 would freeze further sanctions efforts and Iran would freeze any expansion of uranium enrichment. To try to take advantage of this opening, the Bush Administration sent then-Under Secretary of State for Political Affairs William Burns to join Solana and the other P5+1 representatives at a meeting in Geneva on July 19, 2008. Iran did not accept the “freeze for freeze” by an extended deadline of August 2, 2008.

- *Resolution 1835.* The August 2008 crisis between Russia and Georgia contributed to Russia’s opposing new U.N. sanctions on Iran. In an effort to demonstrate to Iran continued P5+1 resolve, the Council adopted Resolution 1835 (September 27, 2008), demanding compliance with existing resolutions but not adding sanctions.

## **Developments Since the Start of the Obama Administration**

After President Obama was inaugurated, the P5+1 met in Germany on February 4, 2009, seeking to incorporate the U.S. Administration's commitment to direct U.S. engagement with Iran.<sup>29</sup> On April 8, 2009, then Under Secretary William Burns told the other members of the P5+1 that a U.S. diplomat would attend all of the group's meetings with Iran. The P5+1 did not materially alter its approach because of the unrest in Iran that erupted after that election, but a July 9, 2009, G-8 summit statement, which included Russian concurrence, stated that P5+1 expected Iran to offer constructive proposals by late September 2009 or face "crippling sanctions." On September 9, 2009, Iran distributed its proposals to settle the nuclear issue to P5+1 representatives in Iran, which the P5+1 considered vague but still a sufficient basis to meet with Iran on October 1, 2009.

### ***October 1, 2009, Tentative Agreement***

In light of September 25, 2009, revelations about the previously unreported Iranian nuclear site, little progress was expected at the October 1, 2009, meeting in Geneva. However, the meeting resulted in an apparent breakthrough in the form of a tentative agreement to allow Russia and France, subject to technical talks to begin by mid-October, to reprocess 2,600 pounds (about 75% of Iran's low-enriched uranium) for medical use. There was also agreement for the Fordow facility to be inspected, which happened during October 25-29, 2009. At the session, Burns, representing the United States, also met privately with Iranian negotiator Sayed Jallili.

The technical talks were held October 19-21, 2009, at IAEA headquarters in Vienna, Austria, and chaired on the U.S. side by Deputy Energy Secretary Daniel Poneman. A draft agreement was approved by the P5+1 countries and the IAEA. Despite Ahmadinejad's comments in early February 2010 that he "did not have a problem" with the arrangement, the Supreme Leader—who is suspicious of any deals with the West—reportedly vetoed finalizing the agreement.

Iran subsequently floated amendments to the agreement, proposing to ship its enriched uranium to France and Russia in increments or to reprocess the uranium in Iran itself, but the P5+1 rejected these proposals. Iran rebuffed a specific U.S. proposal in January 2010 to allow it to buy on the open market isotopes for its medical reactor, although this proposal remains active.

### ***May 2010 Iran-Brazil-Turkey Uranium Exchange Deal ("Tehran Declaration")***

As international discussions of new sanctions accelerated in April 2010, Brazil and Turkey negotiated with Iran to revive the October 1, 2009, arrangement. On May 17, 2010, with the president of Brazil and prime minister of Turkey in Tehran, the three signed an arrangement for Iran to send 2,600 pounds of uranium to Turkey, which would be exchanged for medically useful reprocessed uranium along the lines discussed in October 2009.<sup>30</sup> As required by the agreement, Iran forwarded to the IAEA a formal letter accepting the agreement terms. Even though some assert that the Obama Administration quietly supported the Brazil-Turkey initiative, the Obama Administration did not accept the Tehran Declaration, asserting, primarily, that the arrangement did not address Iran's enrichment to the 20% level.

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<sup>29</sup> Dempsey, Judy. "U.S. Urged to Talk With Iran." *International Herald Tribune*, February 5, 2009.

<sup>30</sup> Text of the pact is at <http://www.cfr.org/publication/22140/>.

### ***Resolution 1929 and EU Follow-Up***

On May 18, 2010, one day after the signing of the Tehran Declaration, Secretary of State Clinton announced that the P5+1 had reached agreement on a new sanctions resolution. The resolution was designed to attract support from Russia and China, which believe sanctions might threaten their own interests in Iran, while also giving U.S. allies authority to take substantial new measures against Iran. Simultaneous with Russian agreement on the draft, several Russian entities, including the main state arms export agency Rosoboronexport, were removed from U.S. lists of sanctioned entities. (See CRS Report RS20871, *Iran Sanctions*, for a table of entities under sanction.)

Adopted on June 9, 2010,<sup>31</sup> the key provisions of Resolution 1929 are the following:<sup>32</sup>

- It added 15 Iranian firms affiliated with the Revolutionary Guard firms, and 22 other Iranian entities, to the list of U.N.-sanctioned entities. Some of the IRGC firms are alternate names for the *Khatem ol-Anbiya* (Seal of the Prophet) engineering firm under IRGC control.
- It made mandatory a ban on travel for Iranian persons named in it and in which a non-binding travel restriction was instituted in previous resolutions.
- It authorized countries to inspect any shipments if the shipments are suspected to carry contraband items. However, inspections on the high seas are subject to concurrence by the country that owns that ship.
- It prohibited countries from allowing Iran to invest in uranium mining and related nuclear technologies, or in nuclear-capable ballistic missile technology.
- It banned sales to Iran of most categories of heavy arms and requests restraint in sales of light arms, but did not bar sales of missiles not on the “U.N. Registry of Conventional Arms” (meaning that the delivery of the S-300 system, discussed above, would not be legally banned).
- It requested, but did not mandate, that countries prohibit Iranian banks to open in their countries, or for their banks to open in Iran, *if* doing so could contribute to Iran’s WMD activities.
- It authorized the establishment of an eight person “panel of experts,” with a mandate to assist the U.N. Sanctions Committee in implementing the Resolution and previous Resolutions, and to suggest ways of more effective implementation. The Panel’s coordinator is French; current membership includes the P-5 countries plus Japan, Germany, and Nigeria. The panel’s reports are not officially published by the Sanctions Committee but are usually carried by various websites. Resolution 2049, adopted June 7, 2012, extends the mandate of the Panel of Experts for an additional 13 months.
- An annex to the Resolution presented a modified offer of incentives for Iran to rejoin the international community.

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<sup>31</sup> It was adopted by a vote of 12-2 (Turkey and Brazil voting no) with one abstention (Lebanon)

<sup>32</sup> Text of the resolution is at [http://www.isis-online.org/uploads/isis-reports/documents/Draft\\_resolution\\_on\\_Iran\\_annexes.pdf](http://www.isis-online.org/uploads/isis-reports/documents/Draft_resolution_on_Iran_annexes.pdf).

### ***2011-2013 Developments: More Talks But Without Agreement***

President Obama and other senior officials noted that the intent of Resolution 1929 was to bring Iran back to negotiations, and subsequent P5+1-Iran talks, held during December 6-7, 2010, in Geneva, made little progress. The United States and Iran did not, as they did in the October 2009 talks, hold any direct bilateral talks during the sessions. There was agreement to hold another round in Istanbul, which some thought might lead Iran to show more flexibility because of Turkey's willingness to take Iran's viewpoints into account. The Istanbul talks (January 21-22, 2011) failed - in part because Iran demanded lifting of international sanctions as a precondition to substantive discussions. Indications that talks might revive followed Iran-Russia talks during August 15-16, 2011, when Iran praised as a "basis to start negotiations" Russia's proposals for a stepwise exchange of the lifting of international sanctions for Iran's giving up some nuclear activities. A State Department spokeswoman, Victoria Nuland, confirmed that U.S. diplomats had worked with Russian counterparts to develop the proposal.

The prospect for new talks receded in late 2011 when, in response to a move by the United States, Britain, and Canada to shut Iran out of the international banking system, a mob supported by the Basij militia ransacked the British Embassy in Tehran on November 29, 2011. This led to the closure of the Iranian and British embassies in London and Tehran, respectively, and caused the EU to decide on January 23, 2012 to impose an embargo on purchases of Iranian oil. (Canada closed its embassy in Iran in September 2012, citing security concerns.) As this sanction went into effect on July 1, 2012, Iran - while simultaneously threatening to close the Strait of Hormuz - proposed new nuclear talks. A letter of acceptance was sent by chief negotiator Jalilli to EU foreign policy chief Catherine Ashton on February 15, 2012.

*April 13-14, 2012 Istanbul Talks.* Talks were set for April 13-14, 2012, in Istanbul. However, the P5+1 appeared to move off previous formulas demanding Iran suspend all uranium enrichment, and focus instead on ending Iran's more worrisome 20% enrichment as at least an interim step. The talks were held and, by all accounts, including a statement by EU foreign policy chief Ashton, did not focus on substantive details. However, Iran agreed to enter a negotiating process on its nuclear program—a pledge considered sufficient to announce a follow-up round in Iraq on May 23-24, 2012, to be held in Baghdad—a venue intended to accommodate Iran's earlier proposal. In preparation for the Baghdad talks, technical teams from the Iranian and P5+1 sides worked on substantive proposals.

*May 23-24, 2012 Baghdad Talks.* There was a sense of optimism going into the Baghdad talks, because Iranian leadership statements appeared to prepare the Iranian public for compromise. Tempering the optimism was the view among many experts that the Supreme Leader remains suspicious of U.S. and international intent and might, in the end, not accept an agreement. The following outlines what both sides, by numerous accounts, offered in Baghdad. The positions of both sides appear based on the principle of "reciprocity"—a term used by Secretary Clinton, EU foreign policy chief Ashton, and others—referring to a stepwise easing of sanctions in exchange for verifiable Iranian compliance.

The P5+1 reportedly proposed in Baghdad:

- That Iran halt enrichment to the 20% level ("stop") and allow removal from Iran of the existing stockpile of 20% enriched uranium ("ship").
- That Iran eventually close the Fordow facility ("shut").

- That Iran accept a comprehensive verification regime to ensure that Iran fulfills any commitments made.
- That Iran clear up reputed past efforts to design a nuclear explosive device, including allowing inspections of Parchin and other facilities.

As “reciprocity” for Iran accepting such steps, the P5+1:

- Apparently would allow, at least in the interim, Iran to enrich uranium to the 3.5%-5% level.
- Offered Iran a guaranteed a supply of medical isotopes that it says it needs, and technical assistance to ensure the safety of its civilian nuclear facilities.
- Offered Iran spare parts for its civilian passenger aircraft.
- The P5+1 did not offer to meet Iran’s demand to “recognize” Iran’s right to enrich uranium. Nor did it offer to defer or lift or ease the EU oil embargo that goes into full effect July 1, leading to criticism in the Iranian media that the P5+1 offer was “unbalanced.”

Even though Iranian negotiators perceived the offered sanctions relief as insufficient, U.S. and other officials told journalists that the talks were substantive. According to EU foreign policy representative Ashton’s statement at the conclusion of the talks, “it is clear that we both want to make progress, and that there is some common ground. However, significant differences remain. Nonetheless, we do agree on the need for further discussion to expand that common ground.” According to the statement, Iran declared its readiness to address the 20% enrichment issue and presented a five part counter-proposal that focused on the nuclear issue but also raised the issue of U.S. and European involvement in Syria. There was enough progress to yield agreement that further Iran-P5+1 talks would be held June 18-19, 2012, in Moscow.

*June 18-19, 2012 Moscow Talks.* Expectations were relatively low going into the Moscow talks, in that the P5+1 refused Iran’s proposal to have technical talks immediately before the negotiations. Still, by all accounts, the Moscow talks were highly substantive, and Iran engaged specifically on the P5+1 demands to “stop, shut, and ship” discussed above. No breakthrough was achieved, but the parties agreed to hold lower level technical talks on July 3, 2012, in Istanbul to clarify the P5+1 proposal, increase P5+1 understanding of Iran’s response, and study other issues raised in the talks. Subsequently, there would be contact between the deputies to Ashton and to Iranian chief negotiator Jalilli, followed by Ashton-Jalilli contact to discuss a possible further round of high level talks.

This roadmap of further talks agreed in Moscow was followed, with technical held talks on July 3, 2012, and then talks between Ms. Ashton’s deputy, Helga Schmid, and Seyyed Jallili’s deputy, Ali Baqeri, on July 24, 2012. Ms. Ashton and Seyyed Jallili spoke on August 2, 2012, agreeing to speak again later. Ashton and Jallili met in Istanbul on September 18, 2012, to assess the status of the technical discussions. The P5+1 countries met on September 27, 2012, on the sidelines of the U.N. meetings, indicating a willingness to continue negotiating but rejecting easing sanctions.

The P5+1 countries met on November 21, 2012—following the U.S. presidential election, which Iran purportedly saw as holding up any major P5+1 decisions—and expressed willingness to enter into more talks. The P5+1 reportedly began “refreshing” their proposals somewhat to prepare for a resumption of the high-level political talks. In early February, Iran and the P5+1 agreed to hold this next round of talks in Almaty, Kazakhstan, on February 26, 2013. In the weeks



leading up to the talks, Vice President Biden, on February 2, 2013, reiterated a U.S. offer of direct talks with Iran. However, the Supreme Leader appeared to reject that concept in a speech on February 7, 2013, asserting that the United States continued to demonstrate hostility toward Iran through imposition of sanctions.

*First Almaty Talks, February 26-27, 2013.* The talks convened, as expected, on February 26, and extended for a second day. The talks reportedly centered on the “refreshed” P5+1 proposals which, in contrast to the 2012 proposals: (1) dropped the insistence that Iran dismantle the Fordow site entirely, but instead close down the line that feeds 3.5% enriched uranium for enrichment to 20% there; (2) would allow Iran to retain some 20% enriched uranium for use in the Tehran reactor that produces medical isotopes; (3) called on Iran, as a confidence-building measure, to cease enriching to 20% immediately; (4) offered to drop the ban on paying Iran with gold or other precious metals; and to drop a ban on purchases of Iranian petrochemicals.

The talks resulted in an announcement that technical talks would take place in Istanbul on March 18, 2013, to be followed by another round of high level talks during April 5-6, 2013, again in Almaty. The announcement of further talks, coupled with statements from Iranian and P5+1 negotiators, suggested progress, but Iran emphasized that the modified P5+1 offer was a sign that the P5+1 were coming closer to Iran’s positions. Iran did not specifically respond to the new P5+1 proposals, and some participants and other officials told journalists that it might be too soon to assess whether the talks represented a major turning point that would lead to an agreement. The technical talks were held, as planned, on March 18 in Istanbul and, according to some observers, were highly substantive. The office of EU foreign policy chief Ashton summed up the meeting by saying that P5+1 experts presented Iran further details about their refreshed proposals presented in the February Almaty talks and that the two sides explored each others’ positions.

*Second Almaty Talks, April 5-6, 2013.* The second round of talks in Almaty are set to convene as Iran enters its presidential election period, and it is widely assumed that this round will be the last round of talks before that election. Some experts believe that the chances for a breakthrough at the second Almaty talks are limited by Iran’s election considerations; many Iranian figures are said to believe that it should be left to the next Iranian president to reassess Iran’s positions and possibly alter the Iranian negotiating team. In advance of the talks, Iran’s chief negotiator Jallili said on April 4, 2013 that the meeting, at the outset, should include immediate P5+1 recognition of Iran’s right to enrich uranium - a longstanding Iranian demand.

Others see potential for major progress. Some P5+1 officials said they are seeking an Iranian response to the proposals made during the first Almaty talks, but that there was a sense of optimism surrounding the upcoming round. And, in a speech to the Assembly of Experts on March 7, 2013, the Supreme Leader suggested that the P5+1 had begun to recognize Iran’s “rights” - and that the second Almaty talks might affirm P5+1 sincerity. On the other hand, in that same speech, he said he did not oppose the talks with the P5+1 but predicted that the United States would not accept any settlement. Khamene’i has stated that the U.S. intent is to maintain sanctions for the purpose of eventually overturning Iran’s regime – not for the purpose of obtaining a nuclear settlement.

**Table 6. Summary of Provisions of U.N. Resolutions on Iran Nuclear Program (1737, 1747, 1803, and 1929)**

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Requires Iran to suspend uranium enrichment (all of the resolutions) .

Prohibits transfer to Iran of nuclear, missile, and dual use items, except for use in light-water reactors.

Prohibits Iran from exporting arms or WMD-useful technology (1747)

Prohibits Iran from investing abroad in uranium mining, related nuclear technologies or nuclear capable ballistic missile technology (1929).

Freezes the assets of over 80 named Iranian persons and entities, including Bank Sepah, and several corporate affiliates of the Revolutionary Guard.

Requires that countries ban the travel of over 40 named Iranians.

Mandates that countries not export major combat systems to Iran (1929).

Calls for “vigilance” (a nonbinding call to cut off business) with respect to all Iranian banks, particularly Bank Melli and Bank Saderat. (1929)

Calls for vigilance (voluntary restraint) with respect to providing international lending to Iran and providing trade credits and other financing and financial interactions. (1929)

Calls on countries to inspect cargoes carried by Iran Air Cargo and Islamic Republic of Iran Shipping Lines—or by any ships in national or international waters—if there are indications they carry cargo banned for carriage to Iran. Searches in international waters would require concurrence of the country where the ship is registered. (1929)

A Sanctions Committee, composed of the fifteen members of the Security Council, monitors implementation of all Iran sanctions and collects and disseminates information on Iranian violations and other entities involved in banned activities. A seven member “panel of experts” is empowered to report on sanctions violations and make recommendations for improved enforcement. (1929)

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## **Missiles and Chemical/Biological Weapons**

Iran has an array of weapons that could pose problems for the United States and its allies in the Persian Gulf. In particular, Iran’s missiles are considered to pose a threat to U.S. ships, forces, and allies in the Gulf region and beyond.

### **Chemical and Biological Weapons**

Official U.S. reports and testimony state that Iran maintains the capability to produce chemical warfare (CW) agents and “probably” has the capability to produce some biological warfare agents for offensive purposes, if it made the decision to do so.<sup>33</sup> This raises questions about Iran’s compliance with its obligations under the Chemical Weapons Convention (CWC), which Iran signed on January 13, 1993, and ratified on June 8, 1997.

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<sup>33</sup> Deputy Director of National Intelligence for Analysis. “Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, Covering 1 January to 31 December 2010. March 2011.

## Ballistic and Cruise Missiles and Warheads<sup>34</sup>

The Administration view is that Iran's growing inventory of ballistic missiles and its acquisition of indigenous production of anti-ship cruise missiles (ASCMs) provide capabilities for Iran to project power. Tehran views its conventionally armed missiles as an integral part of its strategy to deter—and if necessary retaliate against—forces in the region, including U.S. forces. A particular worry of U.S. commanders remains Iran's inventory of cruise missiles, which can reach U.S. ships in the Gulf quickly after launch. DNI Clapper testified on March 12, 2013 that the intelligence community assesses that “Iran's ballistic missiles are capable of delivering WMD.”

The April 2012 Defense Department report, corroborated by the March 12, 2013 DNI testimony, says that Iran is steadily expanding its missile and rocket inventories, and has “boosted the lethality and effectiveness of existing systems with accuracy improvements and new sub-munition payloads. These assessments appear to credit Iran's missile technology to a greater degree than past official reports and say that Iran's missile programs are enhancing its ability to project power. However, there has been no alteration to the long-standing U.S. estimate that Iran would likely not be able to fully develop a missile of intercontinental range until 2015. Then Secretary of Defense Panetta said in January 2012 that Iran might be able to develop a nuclear-armed missile about a year or two after developing a nuclear explosive device.<sup>35</sup> It is not clear to what extent, if any, Iran's missile programs might have been set back by the November 12, 2011, explosion at a ballistic missile base 25 miles from Tehran that killed 17 IRGC missile force officers, including commander Hassan Tehrani Moghaddam. The base was almost completely destroyed, according to commercial satellite photos posted on various websites.

The U.N. expert panel created by Resolution 1929 reported in May 2011 that might be getting ballistic missile technology from North Korea, in violation of U.S. sanctions against Iran. Some reports suggest Iranian technicians may have witnessed North Korea's satellite launch in December 2012, which, if true, could support the view that Iran-North Korea missile cooperation is extensive. **Table 7** contains some details on Iran's missile programs.<sup>36</sup>

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<sup>34</sup> For more information on Iran's missile arsenal, see CRS Report R42849, *Iran's Ballistic Missile and Space Launch Programs*, by Steven A. Hildreth.

<sup>35</sup> <http://thehill.com/blogs/defcon-hill/policy-and-strategy/207275-panetta-iran-could-have-nuclear-weapons-delivery-vehicles-in-2-3-years>.

<sup>36</sup> Annual Threat Assessment of the Intelligence for the Senate Select Committee on Intelligence, Dennis C. Blair, Director of National Intelligence, February 2, 2010.

Table 7. Iran's Missile Arsenal

Shahab-3 ("Meteor")	800-mile range. The missile is operational, and Defense Department report of April 2012, indicates Tehran has improved its lethality and effectiveness, tempering previous assessments by experts that the missile is not completely reliable.
Shahab-3 "Variant" /Sijil/Ashoura	1,200-1,500-mile range. The April 2010 Defense Department report had the liquid fueled Shahab-3 "variant" as "possibly deployed," and the April 2102 report indicates the solid fuel version (Sijil or Ashoura) is increasing in range, lethality, and accuracy. These missiles potentially put large portions of the Near East and Southeastern Europe in range, including U.S. bases in Turkey. A U.N. experts panel reported in May 2011 that Iran tested the missile in October 2010 although the launch was "reported by a [U.N.] Member state," and not announced publicly. In concert with the beginning of 10-day "Great Prophet Six" military exercises, on June 28, 2011, Iran unveiled underground missile silos and undertook some missile tests.
BM-25	1,500-mile range. On April 27, 2006, Israel's military intelligence chief said that Iran had received a shipment of North Korean-supplied BM-25 missiles. Missile said to be capable of carrying nuclear warheads. <i>The Washington Times</i> appeared to corroborate this reporting in a July 6, 2006, story, which asserted that the North Korean-supplied missile is based on a Soviet-era "SS-N-6" missile. Press accounts in December 2010 indicate that Iran may have received components but not the entire BM-25 missile from North Korea.
ICBM	U.S. officials believe Iran might be capable of developing an intercontinental ballistic missile (3,000 mile range) by 2015, a time frame reiterated by the April 2012 DOD report.
Short Range Ballistic Missiles and Cruise Missiles	Iran is fielding increasingly capable, short range ballistic missiles, according to DOD 2012 report, such as ability to home in on and target ships while in flight. One version could be a short range ballistic missile named the Qiam, tested in August 2010. Iran has long worked on a 200 mile range "Fateh 110" missile (solid propellant), which it again tested in August 2012. Iran also possesses a few hundred short-range ballistic missiles, including the <i>Shahab-1</i> (Scud-b), the <i>Shahab-2</i> (Scud-C), and the <i>Tondar-69</i> (CSS-8). In January 2009, Iran claimed to have tested a new air-to-air missile. On March 7, 2010, Iran claimed it was producing short-range cruise missiles that it claimed are highly accurate and can destroy heavy targets. Iran also is able to arm its patrol boats with Chinese-made C-802 cruise missiles. Iran also has Chinese-supplied Seerseekers and C-802's emplaced along Iran's coast.
Space Vehicle	In February 2008 Iran claimed to have launched a probe into space, suggesting its missile technology might be improving to the point where an Iranian ICBM is realistic. Following an August 2008 failure, in early February 2009, Iran successfully launched a small, low-earth satellite on a Safir-2 rocket (range about 155 miles). The Pentagon said the launch was "clearly a concern of ours" because "there are dual-use capabilities here which could be applied toward the development of long-range missiles." A larger space vehicle, Simorgh, was displayed in February 2010. Iran claimed to have launched a satellite into orbit on June 16, 2011.
Warheads	<i>Wall Street Journal</i> report of September 14, 2005, said that U.S. intelligence believes Iran is working to adapt the Shahab-3 to deliver a nuclear warhead. Subsequent press reports say that U.S. intelligence captured an Iranian computer in mid-2004 showing plans to construct a nuclear warhead for the Shahab. <sup>37</sup>

<sup>37</sup> Broad, William and David Sanger. "Relying On Computer, U.S. Seeks to Prove Iran's Nuclear Aims." *New York Times*, November 13, 2005.

## **Foreign Policy and Support for Terrorist Groups**

Iran's foreign policy is a product of the ideology of Iran's Islamic revolution, superimposed on long-standing national interests to dominate the region. U.S. observers interpret Iran's foreign policy objectives as beyond defensive—attempting to overturn the power structure in the Middle East that Iran believes favors the United States, Israel, and their “collaborators”: Sunni Muslim regimes such as Egypt, Jordan, and the Gulf states. Iran couches that policy as support for an “oppressed” underclass in a region dominated by elites, while downplaying the underlying Iranian intent to empower fellow Shiites against the Sunni Muslims that dominate the region. Iran and its supporters interpret Iran's policies as attempting to thwart a U.S. goal of isolating Iran to the point where its Islamic revolution can be overturned. On March 5, 2013, outgoing commander of U.S. Central Command (CENTCOM) Gen. James Mattis testified that “Iran remains the single most significant regional threat to stability and prosperity.”

Others argue that Iran is increasingly isolated and that its foreign policy is ineffective. Countries in the region have helped the United States enforce strict sanctions against Iran, rather than defy the sanctions in an effort to help Tehran. Iran's strategic position has become severely threatened by the civil conflict in Syria, which is likely to eventually topple Iran's closest Arab ally, Bashar Al Assad of Syria. A key Iranian policy objective—which would certainly be set back by the fall of Assad—is to position itself to strategically counter Israel.

Iran argues that it is not isolated and that it has benefitted from the uprisings that have toppled the leaders of Egypt, Tunisia, and Libya, and which have threatened the grip on power of the Sunni rulers of Bahrain. Another benefit to Iran has been the willingness of the new leaders of Egypt to end decades of diplomatic estrangement with Iran, and their decision to allow Iranian ships to transit the Suez Canal since the fall of President Mubarak. President Mohammad Morsi of Egypt attended the Non-Aligned Movement summit in Tehran during August 27-31, 2012, and Iran's foreign minister has visited Cairo three times since Morsi was inaugurated. On the other hand, at the Non-Aligned meeting in Tehran, Morsi denounced Syria's use of military action against its armed opposition, directly countering Iran's efforts at the meeting to support the Syrian government. Some assert that the holding of that meeting in Tehran, attended by nine heads of state and U.N. Secretary-General Ban Ki-Moon, as well as representatives of the nearly 120 countries in the NAM, illustrates that Iran is not isolated. On February 5, 2013, Ahmadinejad visited Cairo to attend the Organization of Islamic Conference summit there; the first such visit by an Iranian president since the 1979 Islamic revolution. Others assert that there were substantial strategic benefits for Iran in pre-2011 developments such as the U.S.-led installation of Iran-friendly regimes in Iraq and Afghanistan, and the growing political strength of Hezbollah in Lebanon and Hamas in Gaza.

## **Support for International Terrorism**

Iran's foreign policy often involves support of groups that are named as terrorist organizations by the United States. Iran was placed on the U.S. list of state sponsors of terrorism (“terrorism list”) in January 1984. The State Department report on international terrorism for 2011, released July 31, stated that Iran “remained an active state sponsor of terrorism in 2011,” but did not repeat previous years' characterizations that it is “the most active state sponsor of terrorism.” The report again cites the IRGC Qods Force as the primary instrument by which the regime supports militant movements abroad as instruments of Iran's foreign policy. The current Defense Minister of Iran is Brigadier General Ahmad Vahidi, a former Qods Forces commander.

In 2011 and 2012, U.S. officials emphasized what they see as a new dimension to the Iranian threat—the potential for Iran to try to commit acts of terrorism in the United States itself. This was discussed by DNI James Clapper in testimony before the Senate Intelligence Committee on January 31, 2012, and represented a change from the previous U.S. view that the risk of U.S. retaliation makes Iran’s leaders highly unlikely to authorize attacks inside the United States. The altered assessment is based on an alleged Iranian plot, revealed on October 11, 2011, by the U.S. Justice Department, to assassinate the Saudi Ambassador to the United States.

A further trend in 2012 was Iranian-sponsored attempts to attack Israeli diplomats and citizens, perhaps in retaliation for assassinations of Iranian nuclear scientists—which Iran alleges were carried out by Israel. India reportedly has concluded the Qods Force was responsible for wounding the wife of an Israeli diplomat in an attack in Delhi in February 2012. Israel says Iran, working through its Lebanon ally Hezbollah, was responsible for a July 19, 2012, terrorist bombing in Bulgaria that killed five Israeli tourists. Other alleged Iranian plots against Israeli and other targets were reported in 2012 in Thailand, Georgia, Azerbaijan, Cyprus, and Kenya.

Earlier, Iranian terrorism took the form of assassinating dissidents abroad. In the late 1980s and early 1990s, Iran allegedly was responsible for the assassination of several Iranian dissidents based in Europe, including Iranian Kurdish dissident leader Abdol Rahman Qasemlu, several other Kurdish leaders (including those killed at the Mykonos café in Berlin in September 1992), the brother of PMOI leader Masud Rajavi, and several figures close to the late Shah of Iran. In May 2010, France allowed the return to Iran of Vakili Rad, who had been convicted in the 1991 stabbing of the Shah’s last prime minister, Shahpour Bakhtiar. Iran has not been accused of dissident assassinations abroad in well over a decade.

**Table 8. Major Past Acts of Iran or Iran-Related Terrorism**

<b>Date</b>	<b>Incident/Event</b>	<b>Likely/Claimed Perpetrator</b>
April 18, 1983	Truck bombing of U.S. Embassy in Beirut, Lebanon. 63 dead, including 17 U.S. citizens.	Factions that eventually formed Lebanese Hezbollah claimed responsibility.
October 23, 1983	Truck bombing of U.S. Marine barracks in Beirut. 241 Marines killed.	Same as above
December 12, 1983	Bombings of U.S. and French embassies in Kuwait City. 5 fatalities.	Da’wa Party of Iraq—Iran-supported Iraqi Shiite militant group. 17 Da’wa activists charged and imprisoned in Kuwait
September 20, 1984	Truck bombing of U.S. embassy annex in Beirut. 23 killed.	Factions that eventually formed Lebanese Hezbollah
May 25, 1985	Bombing of Amir of Kuwait’s motorcade	Da’wa Party of Iraq
June 14, 1985	Hijacking of TWA Flight 847. One fatality, Navy diver Robert Stetham	Lebanese Hezbollah
April 5, 1988	Hijacking of Kuwait Air passenger plane. Two killed.	Lebanese Hezbollah, seeking release of 17 Da’wa prisoners in Kuwait.
March 17, 1992	Bombing of Israeli Embassy in Buenos Aires. 29 killed.	Lebanese Hezbollah, assisted by Iranian intelligence/diplomats.

July 18, 1994	Bombing of Argentine-Jewish Mutual Association (AMIA) building in Buenos Aires.	Same as above
June 25, 1996	Bombing of Khobar Towers housing complex near Dhahran, Saudi Arabia. 19 U.S. Air Force personnel killed.	Saudi Hezbollah, supported by Iran. Some assessments point to possible involvement of Al Qaeda as well.

**Source:** CRS. Prepared with the assistance of Hussein Hassan, Knowledge Services Group.

## Foreign Policy: Relations with the Persian Gulf States

The Persian Gulf monarchy states (Gulf Cooperation Council, GCC: Saudi Arabia, Kuwait, Bahrain, Qatar, Oman, and the United Arab Emirates) are concerned about Iranian strategic influence in the Gulf. Several Gulf rulers have asserted, mostly privately, that the United States should move decisively to end Iran's nuclear program and they are cooperating with U.S. containment and missile defense strategies and with many aspects of U.S. and multilateral sanctions against Iran. The Gulf states with spare oil production capacity are offering more oil to customers that are reducing purchases of Iranian oil. However, the Gulf states have not openly supported U.S. conflict with Iran, fearing doing so might cause Iran to retaliate against Gulf state targets, and they maintain relatively normal trade with Iran. The Gulf states also appear to be working to oust Syrian President Bashar al-Assad in large part to weaken Iran strategically in the region.

- *Saudi Arabia.* Iran and Saudi Arabia represent opposing poles of influence and interests in the region and Saudi leaders have threatened to try to acquire a nuclear weapon if Iran acquires one. Saudi Arabia sees itself as leader of the Sunni Muslim world and views Shiite Muslims, including those in eastern Saudi Arabia, as heretical. Saudi alarm over Iranian influence in the Gulf was a major factor in the military intervention by Saudi Arabia on behalf of the Bahrain government in March 2011. The Saudis repeatedly criticize Iran for past actions, including inspiring violent demonstrations at some Hajj pilgrimages in Mecca in the 1980s and 1990s—which caused a break in relations from 1987-1991—and or supporting a pro-Iranian movement, Saudi Hezbollah, that the Saudis hold responsible for the June 25, 1996, Khobar Towers bombing.<sup>38</sup> There have been some Shiite demonstrations in Saudi Arabia since the Arab uprisings began in early 2011 but there is no hard evidence of any Iranian involvement in that unrest. At the same time, Saudi-Iran diplomatic interactions normalized somewhat during the 1997-2005 presidency of the moderate Mohammad Khatemi, and Ahmadinejad has visited the Kingdom on several occasions.
- *United Arab Emirates (UAE)* concerns about Iran have not recovered from the April 1992 Iranian expulsion of UAE security forces from the Persian Gulf island

<sup>38</sup> Walsh, Elsa. "Annals of Politics: Louis Freeh's Last Case." *The New Yorker*, May 14, 2001. The June 21, 2001, federal grand jury indictments of 14 suspects (13 Saudis and a Lebanese citizen) in the Khobar bombing indicate that Iranian agents may have been involved, but no indictments of any Iranians were announced. In June 2002, Saudi Arabia reportedly sentenced some of the eleven Saudi suspects held there. The 9/11 Commission final report asserts that Al Qaeda might have had some as yet undetermined involvement in the Khobar Towers attacks.

of Abu Musa, which it and the UAE shared under a 1971 bilateral agreement. (In 1971, Iran, then ruled by the U.S.-backed Shah, seized two other islands, Greater and Lesser Tunb, from the emirate of Ras al-Khaymah, as well as part of Abu Musa from the emirate of Sharjah.) The UAE seeks to refer the dispute to the International Court of Justice (ICJ), but Iran insists on resolving the issue bilaterally. (ICJ referral requires concurrence from both parties to a dispute.) The UAE formally protested Iran's setting up of a maritime and ship registration office on Abu Musa in July 2008. The issue reignited on April 11, 2012, when Ahmadinejad visited Abu Musa, causing the UAE to submit to Iran and to the United Nations a formal letter of protest. On May 2, 2012, IRGC Commander Mohammad Ali Jaafari, accompanied by several Majles deputies, visited the island and discussed developing a tourism industry there. UAE officials say the visits negated one year of quiet diplomacy between the two countries on the issue, which included the naming of negotiators by both sides. In November 2012, the IRGC Navy established a new base to reinforce its authority over the three disputed islands. The United States supports UAE proposals but takes no formal position on sovereignty.

Despite the territorial and political disputes, the UAE and Iran maintain relatively normal trade and diplomatic ties. Still, the UAE has provided extensive cooperation to U.S. and international efforts to enforce economic sanctions against Iran, as discussed further in CRS Report RS20871, *Iran Sanctions*. Earlier, to avoid antagonizing Iran, in May 2007 the UAE received Ahmadinejad (the highest-level Iranian visit since the 1979 revolution) and allowed him to lead an anti-U.S. rally of several hundred Iranian-origin residents of Dubai at a stadium there. This large Iranian-origin resident community (about 300,000) in Dubai may explain why Dubai takes a generally softer line on Iran than does the federation capital, Abu Dhabi.

- *Qatar* is wary that Iran might eventually seek to encroach on its large North Field (natural gas). It shares that field with Iran (called South Pars on Iran's side) and Qatar earns large revenues from natural gas exports from it. Qatar's fears have been heightened by occasional Iranian statements, such as one in April 2004, when Iran's deputy oil minister said that Qatar is probably producing more gas than "her right share" from the field and that Iran "will not allow" its wealth to be used by others. Possibly to try to ease such implied threats, Qatar invited Ahmadinejad to the December 2007 GCC summit there.
- *Bahrain* is about 60% Shiite-inhabited, many of whom are of Persian origin, but its government is dominated by the Sunni Muslim Al Khalifa family. In 1981 and again in 1996, Bahrain publicly accused Iran of supporting Bahraini Shiite dissidents in efforts to overthrow the ruling Al Khalifa family. These concerns underlie the government response to the 2011-2012 uprising against the Al Khalifa regime by mostly Shiite demonstrators. In November 2011, an investigatory commission (Bahrain Independent Commission of Inquiry) concluded there is no evidence to indicate Iran instigated the protests, although U.S. officials say Iran is working with Shiite hardline groups to block a political settlement there. Tensions have flared several times since July 2007 over Iranian attempts to question the legitimacy of a 1970 U.N.-run referendum in which Bahrainis opted for independence from Iran.



- *Oman*. Of the GCC states, the Sultanate of Oman is closest politically to Iran and has tended not to directly criticize Iranian policies. During the Shah's rule, Iran sent troops to help the Sultan suppress rebellion in the Dhofar region. Sultan Qaboos made a state visit to Iran in August 2009, coinciding with the second inauguration of Ahmadinejad that coincided with substantial Iranian unrest inside Iran over his reelection. Oman played a brokering role in obtaining the release from Iran of U.S. hiker Sara Shourd in September 2010, and her companions in September 2011. Some press reports say Omani officials routinely turn a blind eye to or even cooperate in the smuggling of western goods to Iran.
- *Kuwait* had pursued ties to Iran as a counterweight to Saddam Hussein, who invaded Kuwait in August 1990. Since Saddam's overthrow in 2003, Kuwait has become more distant from and critical of Iran and, in May 2010, Kuwait confirmed that it had arrested some Kuwaiti civil servants and stateless residents for allegedly working on behalf of the Qods Force in an alleged plot to blow up Kuwaiti energy facilities.<sup>39</sup> In March 2011, a Kuwait court sentenced two Iranians and a Kuwaiti to death in the alleged plot. In a related development that month, Kuwait expelled three Iranian diplomats, and Iran expelled three Kuwaiti diplomats in response. Iranian official visits to Kuwait in May 2011 defused the issue, to some extent, but the suspicions flared again in November 2011 when Iran arrested two persons its says are Kuwaiti spies. About 25% of Kuwaitis are Shiite Muslims, and Iran supported Shiite radical groups in Kuwait in the 1980s as a means to try to pressure Kuwait not to support the Iraqi war effort in the Iran-Iraq War (1980-1988). Some of those acts are listed in the table above.

## Yemen

Yemeni leaders have long claimed that Iran was trying to destabilize Yemen—making such claims perhaps in order to secure more financial and military aid from the Arab Gulf states. More recently there have been independent indications of a growing Iranian role inside Yemen. In the north, an unnamed U.S. official reportedly said that Iranian smugglers backed by the Quds Force are using small boats to ship in AK-47s, rocket-propelled grenades and other arms to replace older weapons used by the Houthi rebels.<sup>40</sup> On July 19, 2012, Yemen's President accused Iran of spying on Yemen and threatened unspecified retaliation if Iran continued to do so. The overlay of the conflict in Yemen is an uprising against longtime President Ali Abdullah Saleh that began in 2011 and led to his departure from Yemen in January 2012. On January 13, 2013, U.S. Ambassador to Yemen Gerald Feierstein accused Iran of supporting secessionist Yemeni leaders, particularly Ali Salim al-Baidh, who is in exile in Beirut. The U.N. Panel of Experts that is monitoring Iran's compliance with sanctions reportedly has found that Yemen-based militants are receiving arms from Iran, and some of the weapons might be subsequently moving to the militant Al Shabab group in Somalia.<sup>41</sup>

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<sup>39</sup> "Iran Spy Cell Dismantled in Kuwait." Associated Press, May 6, 2010; "Iran Cell Planned Attacks in Kuwait, Minister Says." *Reuters*, April 21, 2011.

<sup>40</sup> A rebellion in northern Yemen was begun by dissident Shiite cleric Hussein Badruddin Al Houthi, and the rebellion is widely referred to as the Houthi rebellion. Eric Schmitt and Robert F. Worth, "With Arms for Yemen Rebels, Iran Seeks Wider Mideast Role," *New York Times*, March 15, 2012.

<sup>41</sup> Louis Charbonneau. "U.N. Monitors See Arms Reaching Somalia From Yemen, Iran." *Reuters*, February 10, 2013.

## Iranian Policy in Iraq<sup>42</sup>

The U.S. military ousting of Saddam Hussein in 2003 benefitted Iran strategically by removing a long-time antagonist and producing a government led by Shiite Islamists with long-standing ties to Iran. The Iraqi government formed in May 2006 is still led by Prime Minister Nuri al-Maliki, the head of a Shiite Islamist party. He has made numerous visits to Iran during his tenure and Iran has strongly backed him in political disputes with Iraq's Sunni and Kurdish leaders, as well as his split with the Shiite faction of Moqtada Al Sadr. In mid-2012, Iran's backing was instrumental in helping Maliki beat back a vote of no-confidence orchestrated by these factions. Although preserving ties to the United States that helped establish his government, Maliki supports many of Iran's regional goals, such as keeping in power Iran's ally President Bashar al-Assad of Syria. Iraq reportedly has allowed Iran to overfly Iraqi airspace with cargo flights to supply the Syrian military in its battle against armed dissidents.<sup>43</sup> Following a March 24, 2013 visit by Secretary of State John Kerry to Baghdad, focused on the issue, Iraq pledged to exercise greater vigilance in inspecting the Iranian flights. Iraq also continues to conduct a full spectrum of trade with Iran, sometimes allegedly running afoul of U.S. and international sanctions against Iran. On July 31, 2012, the United States sanctioned the Elaf Islamic Bank of Iraq for conducting sanctionable banking transactions with Iran. (For more information, see CRS Report RS20871, *Iran Sanctions*, and CRS Report RS21968, *Iraq: Politics, Governance, and Human Rights*.)

Aside from Iran's ties to Maliki and governing institutions, Iran exercises influence in Iraq through Shiite factions, particularly that of Shiite cleric Moqtada Al Sadr. Iran continues to support Sadrist and other pro-Iranian Shiite militias in Iraq—such as the Promised Day Brigade, As'aib Ahl Al Haq (League of the Righteous) and Kata'ib Hezbollah (Hezbollah Brigades). The latter organization has been named a Foreign Terrorist Organization (FTO) by the United States. Asa'ib Ahl Al Haq is reported to be expanding its political offices in southern Iraq, with some Iranian assistance. Some experts assess that these groups are evolving from militias into political organizations, a development that helps Iraqi stability, because the U.S. military departure in December 2011 removed the groups' rationale for remaining armed.

## Undermining Israel by Supporting Militant Groups

Iran has long opposed Israel as a creation of the West and an oppressor of the Palestinian people and other Arabs. Iranian leaders, including Ahmadinejad, the Supreme Leader, and others have often gone beyond that to threaten to destroy Israel. Khamene'i has repeatedly called Israel a "cancerous tumor." In December 2001, Rafsanjani, now considered a moderate, said that it would take only one Iranian nuclear bomb to destroy Israel, whereas a similar strike against Iran by Israel would have far less impact because Iran's population is large. Iran has hosted numerous conferences to which anti-peace process terrorist organizations were invited (for example: April 24, 2001, and June 2-3, 2002).

Iran's support for Palestinian militant groups has long concerned U.S. administrations as part of an apparent Iranian effort to obstruct an Israeli-Palestinian peace. The State Department report on terrorism for 2011 repeated previous year's reports assertions that Iran provides funding, weapons, and training to Hamas, Palestinian Islamic Jihad (PIJ), the Al Aqsa Martyr's Brigades,

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<sup>42</sup> Background on this issue is covered in CRS Report RS22323, *Iran-Iraq Relations*, by Kenneth Katzman.

<sup>43</sup> Michael Gordon. "Iran Supplying Syrian Military Via Iraqi Airspace." *New York Times*, September 5, 2012.

and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC). All are named as foreign terrorist organizations (FTO) by the State Department for their use of violence against Israel. However, as discussed below, Iran and Hamas have split over the Syria issue and, in late December 2012, the PFLP-GC enclave in Damascus was captured by Syrian rebels in mid-December 2012. The organization splintered, and its leader, Ahmad Jibril, reportedly has fled Syria for Lebanon—developments that make the PFLP-GC substantially less useful to Tehran. The formal position of the Iranian Foreign Ministry, considered a bastion of moderates, is that Iran would not seek to block an Israeli-Palestinian settlement but that the process is too weighted toward Israel to yield a fair result.

## Iran and Hamas

Since mid-2011, Hamas, a Sunni organization but one long considered a key to Iran's influence in stoking Israeli-Palestinian conflict, has split with Iran politically over the issue of Syria. For well over a decade, the State Department report on terrorism, including the report for 2011, has said that Hamas receives funding, weapons, and training from Iran. Hamas opposed the military-led crackdown against unrest by Syrian President Bashar Al Assad, largely out of sectarian sympathy with the mostly Sunni protesters in Syria. Because it took this position, Hamas' Syria-based leaders left that country in late 2011. This position is at odds with Iranian policy, and Iran reportedly reduced payments to Hamas as of July 2011. On March 6, 2012, Hamas leaders stated they would not necessarily retaliate against Israel on Iran's behalf, if Israel undertook unilateral military action against Iranian nuclear facilities. The Iran-Hamas rift appears to affirm the basic underlying vulnerability of the relationship in the form of their sectarian difference.<sup>44</sup>

On the other hand, Iran was trying to rebuild the Hamas relationship at the end of 2012. Iranian leaders openly admitted providing "missile technology" that Hamas used against Israel during the November 14-22, 2012, conflict between Hamas in Gaza and Israel. Prior to the conflict, Iran might have supplied missile technology or whole missiles to Hamas via Sudan, from where the gear was trucked into Gaza through Egypt. Some Hamas leaders thanked Iran for its support. Any such shipments appeared to violate Resolution 1747, which bans Iranian arms exports. Still, the ceasefire between Hamas and Israel was brokered by Egypt, now led by a Muslim Brotherhood leader (Hamas is itself a Brotherhood offshoot)—not Iran—suggesting that Egypt now has far more sway over Hamas than Iran does.

Earlier, when the Iran-Hamas relationship was consistently strong, Iran's regional policy was strengthened by Hamas successes, such as its victory in the January 25, 2006, Palestinian legislative elections, and even more so by Hamas's June 2007 armed takeover of the Gaza Strip. Iran provided material support to Hamas during the earlier Israel-Hamas War in Gaza (December 27, 2008-January 17, 2009). Then Joint Chiefs Chairman Admiral Mike Mullen said on January 27, 2009, that the United States boarded but did not seize a ship carrying light arms to Hamas from Iran; the ship (the *Monchegorsk*) later went to Cyprus. On February 1, 2009, one of Hamas' main leaders, Khaled Meshal, publicly praised Iran for helping Hamas achieve "victory" over Israel in the conflict.<sup>45</sup> In March 2011, Israel intercepted a ship, the *Victoria*, off its coast, and seized a "large quantity" of mortars and C-704 cruise missiles that Israel said were bound for Hamas in Gaza.

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<sup>44</sup> CNN "Late Edition" interview with Hamas co-founder Mahmoud Zahar, January 29, 2006.

<sup>45</sup> Hamas Leader Praises Iran's Help in Gaza 'Victory.' *CNN.com*, February 1, 2009.

## Iran and Hezbollah<sup>46</sup>

Lebanese Hezbollah is Iran's chief protégé movement in the region. That relationship began when Lebanese Shiite clerics of the pro-Iranian Lebanese Da'wa Party began to organize in 1982 into what later was unveiled in 1985 as Hezbollah. Iran's political, financial, and military aid to Hezbollah has helped it become a major force in Lebanon's politics; it remains politically close to Iran but is no longer seen as Tehran's "proxy." Acts of terrorism by the group and its antecedents are listed in the table above, but Hezbollah has largely forsaken acts of international terrorism in recent years, focusing instead on its role in Lebanon.

Hezbollah's attacks on Israeli forces in southern Lebanon contributed to an Israeli withdrawal in May 2000, but Hezbollah maintained military forces along the border. Although Iran likely did not instigate Lebanese Hezbollah to provoke the July-August 2006 war with Israel, Iran has long been its major arms supplier. Hezbollah fired Iranian-supplied rockets on Israel's northern towns during the fighting, including at the Israeli city of Haifa (30 miles from the border), and, more intensively, at cities within 20 miles of the Lebanese border.<sup>47</sup> During that conflict, on July 14, 2006, Hezbollah hit an Israeli warship with a C-802 sea-skimming missile probably provided by Iran. Iran's 50 Qods Force personnel in Lebanon reportedly advised Hezbollah during the conflict, although that number might have increased during the conflict to help Hezbollah operate the Iran-supplied weaponry. Even though Hezbollah reduced its overt military presence in southern Lebanon in accordance with the conflict-related U.N. Security Council Resolution 1701 (July 31, 2006), Hezbollah was perceived as a victor in the war for holding out against Israel.

Ahmadinejad advertised Iran's continued strong commitment to Hezbollah during his October 14-15, 2010, visit to Lebanon, the first by a president of the Islamic Republic, which included villages near the border with Israel. Iran was perceived as a political beneficiary of Hezbollah's decision in January 2011 to withdraw from the Lebanese cabinet, which led to the fall of the Hariri government and the formation of a government by Hezbollah-selectee Najib Mikati, a Sunni Muslim. (Under a long-standing agreed political formula in Lebanon, the prime minister is a Sunni Muslim.)

However, there has been more vocal criticism of Hezbollah within and outside Lebanon because it continues to support its other key patron, Syrian President Bashar Al Assad, despite his violent crackdown against protesters in Syria. Hezbollah fighters reportedly have been fighting in Syria on behalf of Assad, and Iranian financial and logistical help is reportedly facilitating the Hezbollah intervention. The Syria issue caused a rift between Hezbollah and Mikati, and Mikati resigned on March 22, 2013. Because of the perceived vulnerability of Hezbollah should Assad fall, Iran is reported to be trying to broaden its relationships in Lebanon, particularly with the Christian community. In May 2012, Iran's first vice president visited Lebanon with a large delegation and numerous proposals to fund development projects in areas inhabited by all of Lebanon's different sects and confessions. One controversial project is to provide \$40 million for a dam to provide electricity to parts of Lebanon's Christian heartland.<sup>48</sup>

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<sup>46</sup> For detail on Hezbollah, see CRS Report R41446, *Hezbollah: Background and Issues for Congress*, by Casey L. Addis and Christopher M. Blanchard.

<sup>47</sup> "Israel's Peres Says Iran Arming Hizbollah." *Reuters*, February 4, 2002.

<sup>48</sup> Neil MacFarquhar. "Iran is Seeking Lebanon Stake As Syria Totters." *New York Times*, May 25, 2012.

### ***Recent Arming and Funding***

Since the 2006 conflict, Iran has resupplied Hezbollah with at least 25,000 new rockets, and<sup>49</sup> press reports in early 2010 said Hezbollah maintains a wide network of arms and missile caches around Lebanon. Among the post-war deliveries were 500 Iranian-made “Zelzal” (Earthquake) missiles with a range of 186 miles, enough to reach Tel Aviv from south Lebanon. In November 2009, Israel intercepted a ship that it asserted was carrying 500 tons of arms purportedly for Hezbollah. Iran also made at least \$150 million available for Hezbollah to distribute to Lebanese citizens (mostly Shiite supporters of Hezbollah) whose homes were damaged in the Israeli military campaign.<sup>50</sup> Many experts believe Hezbollah might fire those rockets at Israel if Israel were to strike Iran’s nuclear facilities.

As far as funding, the State Department terrorism report for 2008, released on April 30, 2009, specified Iranian aid to Hezbollah as exceeding \$200 million in 2008, and said that Iran trained over 3,000 Hezbollah fighters in Iran during that year. The report for 2009 used similar figures for Iranian aid and training for Hezbollah but over an unspecified time frame. The State Department report for 2011 repeated the 2010 report’s assertion that Iran “has provided hundreds of millions of dollars in support of Hezbollah and has trained thousands of Hezbollah fighters at camps in Iran.”

### **Syria**

Syria has been Iran’s closest Arab ally and Iran would suffer a considerable strategic setback if the Sunni-led rebellion in Syria succeeds in toppling the regime of Bashar Al Assad. Syria has been the linchpin of Iran’s efforts to support Hezbollah because Syria is the transit point for Iranian weapons shipments to Hezbollah. Both Iran and Syria have used Hezbollah as leverage against Israel to achieve their regional and territorial aims.

To try to prevent Assad’s downfall, Iran is reportedly increasing its material support to the Syrian regime. On April 14, 2011, and on several occasions since, U.S. officials have said that Iran is providing Syria with equipment to suppress crowds and to monitor and block protester use of the Internet.<sup>51</sup> In January 2012, the armed opposition in Syria captured several men who it said were members of the Qods Force, and showed them and their identification cards on a video. (These captives, numbering 48, were released by Syrian rebels in exchange for over 2,000 Syrian oppositionists in early January 2013.) The April 2012 Defense Department report on Iran’s military power, released in July 2012, said that “Iran probably has provided military trainers to advise Syrian security forces.” On May 17, 2012, press reports quoted a study by the “panel of experts” that is monitoring Iranian compliance with the U.N. resolutions (see above) as saying that Iran has shipped weaponry to Syria (and Afghanistan). In May 2012, senior Qods Force officer General Esmail Ghaani publicly confirmed that there are Qods Force personnel in Syria; IRGC Commander-in-Chief Jafari affirmed that assertion on September 16, 2012. The direct intervention was again exposed on February 14, 2013 when a top IRGC officer, Hassan Shateri, was killed by Syrian rebels while he was crossing the Syria-Lebanon border. As of early 2013, it

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<sup>49</sup> Rotella, Sebastian. “In Lebanon, Hezbollah Arms Stockpile Bigger, Deadlier.” *Los Angeles Times*, May 4, 2008.

<sup>50</sup> Shadid, Anthony. “Armed With Iran’s Millions, Fighters Turn to Rebuilding.” *Washington Post*, August 16, 2006.

<sup>51</sup> Adam Entous and Matthew Rosenberg. “U.S. Says Iran Helps Crackdown in Syria.” *Wall Street Journal*, April 14, 2011.

has been reported that Iran's resupply flights to Syria have increased (and one flight was shot down by rebels on March 28, 2013), and that Iran is helping Syria set up popular militia forces to relieve some of the burden on the strapped Syrian army. As a show of support, Majles Speaker Larijani visited Syria on November 23, 2012.

Iran bases its justification for its intervention in Syria on a long-standing defense relationship with the Assad regime. On December 13, 2009, the Syrian and Iranian defense ministers signed a defense agreement to "face common enemies and challenges." In late June 2010, it was reported that Iran had sent Syria a sophisticated air defense radar system that Syria could potentially use to thwart Israeli air strikes.<sup>52</sup> In March 2011, Iranian officials commented that they might contribute to improving some Syrian port facilities or other installations. On some occasions, including the early 1990s, Iran purportedly has acted as an intermediary with North Korea to supply Syria with various forms of WMD and missile technology. Iran reportedly has helped Syria expand its chemical weapons arsenal.<sup>53</sup>

At the same time, sensing that unconditional backing for Assad is failing and could jeopardize all of Iran's influence in a post-Assad Syria, Iran has tried to encourage Assad to take steps to calm the unrest through reforms. In January 2012, Iran said Syria should hold free elections, but that doing so would take time to organize. In November 2012, Iran hosted representatives of different ethnic and political groups from Syria, including from the Syrian government, in a "national dialogue"; no representatives of the armed opposition were invited, and the meeting was largely dismissed as an Iranian effort to support the Assad regime. Since then, Iran has invited some moderate Syrian oppositionists to Iran for talks. On December 16, 2012, Iran announced a six-point plan for a peaceful transition that would culminate in free, multiparty elections, although the plan was unacceptable to Syrian rebels because it provides for Assad to remain in office at least until 2014 elections.

The Syria issue also has worsened Iran's relations with Turkey, which had been relatively close in 2009-2011. Iran publicly opposed a NATO decision on December 3, 2012, to deploy Patriot anti-missile batteries in Turkey to protect against Syrian missile fire and combat aircraft.

In response to the Iranian military presence in Syria, on May 4, 2011, the Treasury Department designated the Qods Force as an entity subject to a U.S. assets freeze for human rights abuses in Syria (under Executive Order 13572). On May 18, 2011, the Treasury Department designated Mohsen Chizari, a Qods Force officer, and Qods Force overall commander Qasem Soleimani under that order. Other Iranians were sanctioned in late June under that order. In late August 2011, the European Union sanctioned the Qods Force for assisting the Syrian crackdown.

## **The Caucasus and Central Asia**

Iran's policy in the nearby Caucasus has thus far emphasized Iran's rights to Caspian Sea resources, particularly against Azerbaijan. That country's population, like Iran's, is mostly Shiite Muslim, but its leadership is highly secular. Azerbaijan is ethnically Turkic, and Iran fears that Azerbaijan nationalists might stoke separatism among Iran's large Azeri Turkic population, which demonstrated some unrest in 2006 and during the uprising in Iran in 2009. These factors could

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<sup>52</sup> Levinson, Charles. "Iran Arms Syria With Radar." *Wall Street Journal*, June 30, 2010.

<sup>53</sup> James Ball. "Documents: Iran Helped Syria Expand Chemical Weaponry." *Washington Post*, July 28, 2012.

explain why Iran has generally tilted toward Armenia, which is Christian, and which is at odds with Azerbaijan over territory and control of ethnic Armenians. In May 2012, Azerbaijan refused entry to a senior aide to Khamene'i. Iran has often slowed or stopped Azerbaijani truck traffic that must transit Iran in order to reach a non-contiguous part of Azerbaijan (Nakichevan), which is cut off from the rest of Azerbaijan by Armenia's occupation of Nagorno-Karabakh.

In July 2001, Iranian warships and combat aircraft threatened a British Petroleum (BP) ship on contract to Azerbaijan out of an area of the Caspian that Iran considers its own. The United States called that action provocative, and has since been engaged in border security and defense cooperation with Azerbaijan. The United States successfully backed construction of the Baku-Tblisi-Ceyhan oil pipeline, intended in part to provide alternatives to Iranian oil.

Israel also is apparently looking to Azerbaijan to counter Iran, announcing in February 2012 a major sale of defense equipment. In mid-March 2012, Azerbaijan arrested 22 persons it said were Iranian agents plotting attacks against Israeli and Western targets there.

Along with India and Pakistan, Iran has been given observer status at the Central Asian security grouping called the Shanghai Cooperation Organization (SCO—Russia, China, Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan). In April 2008, Iran applied for full membership in the organization, but, not wanting to antagonize the United States, in June 2010 the SCO denied Iran's bid by barring admission to countries under U.N. Security Council sanctions. Ahmadinejad attended the latest SCO meeting in Beijing on June 6-7, 2012, which he primarily used to press his case with China and Russia for relief from international sanctions over its nuclear program.

## **South Asia: Afghanistan, Pakistan, and India<sup>54</sup>**

Iran looks to its eastern neighbors in South Asia as allies and potential allies to help parry U.S. and European pressure on Iran's economy and its leaders.

### **Afghanistan**

In Afghanistan, as in Iraq, Iran is viewed by U.S. officials as pursuing a multi-track strategy—attempting to help develop Afghanistan and enhance its influence there, while also building leverage against the United States by arming anti-U.S. militant groups. Iran's main goal appears to be to restore some of its traditional sway in eastern, central, and northern Afghanistan, where Persian-speaking Afghans predominate. Many Afghans, even those of Pashtun ethnicity, speak Dari, a dialect of Persian language. Reports in mid-2012 suggest that Iranian traders are conducting financial or currency transactions in Afghanistan in an effort to acquire U.S. dollars and blunt the effects of international sanctions against Iran.<sup>55</sup>

Iran has sought some influence by supporting the government of President Hamid Karzai, who is a Sunni Muslim and a Pashtun. Karzai has said publicly and repeatedly that he opposes any competition between the United States and Iran in Afghanistan. Karzai regularly meets with

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<sup>54</sup> Substantially more detail on Iran's activities in Afghanistan is contained in: CRS Report RL30588, *Afghanistan: Post-Taliban Governance, Security, and U.S. Policy*, by Kenneth Katzman.

<sup>55</sup> Matthew Rosenberg and Annie Lowry. "Iranian Currency Traders Find a Haven in Afghanistan" *New York Times*, August 18, 2012.

Ahmadinejad bilaterally and in the context of several regional summit series that include Pakistan and Central Asian states. The latest such summit, between Iran, Afghanistan, and Pakistan, was held during February 17-18, 2012. The two countries are said to be cooperating effectively against narcotics trafficking from Afghanistan into Iran; Iranian border forces take consistent heavy losses in operations to try to prevent this trafficking. Karzai admitted on October 26, 2010, that press reports were true that Iran has given Afghanistan direct cash payments (about \$2 million per year) to support its budget.

While dealing with Karzai, Iran also is positioning itself—in ways at odds with Afghan government interests—to threaten U.S. forces. Reflecting concern about the U.S. military presence in Afghanistan, Iran reportedly tried to derail the U.S.-Afghanistan Strategic Partnership Agreement that was signed on May 1, 2012, under which it is likely that the United States will keep forces in Afghanistan beyond the planned transition to Afghan lead in 2014. The agreement prohibits the United States from using Afghanistan as a base from which to launch military action against other countries. Still, U.S. officials say Iran tried to sway Afghan parliamentarians against the pact with bribes, but the Afghan legislators accepted Iran's payments but voted in favor of the pact anyway. Others say Iran is capable of mobilizing thousands of Afghans, particularly from the west of Afghanistan, to support Iranian interests there.

The State Department has provided evidence of Iranian materiel support to militants in Afghanistan in its terrorism report for 2011. The report continued to accuse the Qods Force of supplying various munitions, including 107 mm rockets, to select Taliban and other militants in Afghanistan, and of training Taliban fighters in small unit tactics, small arms use, explosives, and indirect weapons fire. The report again asserts that Iran has supplied militants in Qandahar, which is a Pashtun-inhabited province in southern Afghanistan and demonstrates that Iran is not only assisting militants near its borders. In February 2011, British forces captured 48 Iranian-made rockets in Afghanistan's western province of Nimruz, allegedly bound for Taliban militants. In August 2010, the Treasury Department sanctioned two Iranian Qods Force officers allegedly involved in supplying funds and materiel to Afghan militants. They were sanctioned under Executive Order 13224 for supporting international terrorism. On the other hand, U.S. commanders have consistently maintained that the Iranian assistance to Afghan militants is not decisive on the battlefield.

The aid to militants gives Iran some ability to threaten the U.S. use of the air base at Shindand, in Herat Province, which Iran believes could be used for surveillance of or strikes on Iran. The U.S. drone that crashed in Iran in December 2011 was believed to be based in Shindand. The support also gives Iran leverage in any Taliban-government political settlement in Afghanistan; Iran reportedly invited some Taliban members to an "Islamic Awakening" conference in Tehran in mid-September 2011. The invitation was reportedly part of an attempt to broker a meeting between the Taliban representatives and Afghan government representatives attending the conference—the chief Afghan representative was the then head of the Afghanistan High Peace Council overseeing the reconciliation process, former President Burhanuddin Rabbani, who was assassinated in Kabul after returning from the conference. In July 2012, Iran reportedly allowed the Taliban to open an office in Zahedan, in eastern Iran—possibly to better coordinate policy with the Taliban or possibly to facilitate and Iranian role in political reconciliation in Afghanistan.<sup>56</sup>

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<sup>56</sup> Maria Abi-Habib. "Tehran Builds On Outreach to Taliban." *Wall Street Journal*, August 1, 2012.



Iran has, with U.S. acceptance, engaged in some of the international diplomacy on Afghanistan. It attended the October 18, 2010, meeting in Rome of the 44-nation “International Contact Group” on Afghanistan. The United States did not object to the Iranian attendance at the meeting, which included a briefing by General David Petraeus (then top U.S./NATO commander in Afghanistan). Iran also attended the a Contact Group meeting on March 3, 2011, in Jeddah, Saudi Arabia (at the headquarters of the Organization of Islamic Conference). Iran did not attend the January 28, 2010, international meeting in Britain on Afghanistan, but it did attend a follow-up meeting in Kabul on July 20, 2010. Iran attended the regional meeting on Afghanistan in Istanbul on November 2, 2011, at which all regional countries pledged to support Afghan stability and sovereignty. It also attended the major international Bonn Conference on Afghanistan on December 5, 2011, and subsequent international conferences on that issue, with the exception of the May 20-21, 2012, NATO summit in Chicago.

## Pakistan

Iran’s relations with Pakistan have been partly a function of events in Afghanistan, although relations have worsened somewhat in late 2009 as Iran has accused Pakistan of supporting Sunni Muslim rebels in Iran’s Baluchistan region. These Sunni guerrillas have conducted a number of attacks on Iranian regime targets in 2009, as discussed above (*Jundullah*).

Iran engaged in substantial military cooperation with Pakistan in the early 1990s, and it was revealed in 2003 that the founder of Pakistan’s nuclear weapons program, A. Q. Khan, sold Iran nuclear technology and designs.<sup>57</sup> However, Iran-Pakistan relations became strained in the 1990s when Pakistan was supporting the Taliban in Afghanistan, which committed alleged atrocities against Shiite Afghans (Hazara tribe), and which seized control of Persian-speaking areas of western and northern Afghanistan. Iran remains suspicious that Pakistan might want to again implant Taliban militants in power in Afghanistan, but Iran-Pakistan relations have improved since mid-2011 as Pakistan’s relations with the United States have worsened. Iran and Pakistan now have a broad bilateral agenda that includes a potential major gas pipeline project, which was formally inaugurated in early March 2013. Iran has completed the line on its side of the border, and Pakistan is trying to accelerate work on its part of the line, although Pakistan reportedly is having trouble financing the project. U.S. officials say they consider it potential sanctionable under the Iran Sanctions Act.

## India

India and Iran have sought to accommodate each others’ interests and avoid mutual conflict. Their interests have tended to align on several issues, particularly Afghanistan, where both countries support the minority factions based in the north and west. India reportedly wants to expedite the development of Iran’s Chabahar port, which would give India direct access to Afghanistan and Central Asia without relying on transit routes through Pakistan.

As international sanctions have increased in 2011-2012, India appears to be wrestling with a choice of preserving its ties to Iran—which has provided it with needed oil for its growing economy—or joining U.S. and international attempts to isolate Iran. In 2012, it has sided with the

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<sup>57</sup> Lancaster, John and Kamran Khan. “Pakistanis Say Nuclear Scientists Aided Iran.” *Washington Post*, January 24, 2004. [http://isis-online.org/uploads/isis-reports/documents/IAEA\\_Iran\\_8Nov2011.pdf](http://isis-online.org/uploads/isis-reports/documents/IAEA_Iran_8Nov2011.pdf).

United States and the EU by cutting its purchases of Iranian oil, and has received an exemption from U.S. sanctions—the latest of which was on December 7, 2012. India's cooperation with U.S. sanctions is discussed more extensively in CRS Report RS20871, *Iran Sanctions*.

Of particular concern to some U.S. officials, particularly in the late 1990s, were India-Iran military-to-military relationships and projects. The relationship included visits to India by some Iranian naval personnel, although India said these exchanges involve junior personnel and focus mainly on promoting interpersonal relations and not on India's provision to Iran of military expertise. The military relationship between the countries has withered over at least the past five years. India and Iran, along with the United States, backed anti-Taliban factions in Afghanistan during 1996-2001.

## **Al Qaeda**

Iran is not a natural ally of Al Qaeda, largely because Al Qaeda is an orthodox Sunni Muslim organization. However, some experts believe that hardliners in Iran still might want to use Al Qaeda activists as leverage against the United States and its allies, despite the May 1, 2011, death of Al Qaeda founder Osama bin Laden in a U.S. raid in Pakistan. Some allege that Iran is forging links to Al Qaeda affiliates in Africa, such as Boko Haram in Nigeria and Al Shabab in Somalia, for the purpose of extending its influence in Africa. However, it is unclear whether any Iranian ties to these groups have been approved at the highest levels of the Iranian leadership.

The 9/11 Commission report said several of the September 11 hijackers and other plotters, possibly with official help, might have transited Iran, but the report did not assert that the Iranian government knew about the plot. A U.S. district court filing in May 2011 in New York named Iranian officials and ministries as materially supporting the Al Qaeda in the September 11 attacks. On December 15, 2011, the court in favor of the plaintiffs and later ordered Iran, Al Qaeda, and the Taliban to pay \$6 billion in damages to the relatives of the September 11 attacks. Earlier, on November 28, 2011, a U.S. district court issued a ruling linking Iran (and Sudan) to the August 1998 Al Qaeda bombings of the U.S. embassies in Kenya and Tanzania.

Even though bin Laden has been killed, Iran might see possibilities for tactical alliance with Al Qaeda. Three major Al Qaeda figures believed to still be based mostly in Iran include spokesman Sulayman Abu Ghaith, top operative Sayf Al Adl, and a bin Laden's son, Saad.<sup>58</sup> All three have been reported, at least on occasion, to have been allowed outside Iran to travel to Pakistan. U.S. officials blamed the three for the May 12, 2003, bombings in Riyadh, Saudi Arabia, against four expatriate housing complexes, saying they were able to contact associates outside Iran.<sup>59</sup> The Department of Treasury, on January 16, 2009, designated four Al Qaeda operatives in Iran, including Saad bin Laden (and three lesser known figures) as terrorist entities under Executive Order 13224. On July 28, 2011, under that same order, the Treasury Department sanctioned six Al Qaeda members for allegedly moving funds to Al Qaeda in Pakistan and Afghanistan via their bases in Iran, and under a specific agreement between Al Qaeda and Iran. Another bin Laden ally, Abu Musab al-Zarqawi, killed by U.S. forces in Iraq on June 7, 2006, reportedly transited Iran into Iraq after the September 11, 2001, attacks and became an insurgent leader in Iraq.

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<sup>58</sup> Gertz, Bill. "Al Qaeda Terrorists Being Held by Iran." *Washington Times*, July 24, 2003.

<sup>59</sup> Gertz, Bill. "CIA Points to Continuing Iran Tie to Al Qaeda." *Washington Times*, July 23, 2004.

Iran has, to some extent, confirmed the presence of Al Qaeda militants in Iran. It asserted on July 23, 2003, that it had “in custody” senior Al Qaeda figures. On July 16, 2005, Iran’s intelligence minister said that 200 Al Qaeda members are in Iranian jails.<sup>60</sup> U.S. officials have said since January 2002 that Iran has not prosecuted or extradited any senior Al Qaeda operatives. In December 2009, Iran’s foreign minister confirmed that a teenage daughter of Osama bin Laden had sought refuge in the Saudi embassy in Tehran—the first official confirmation that members of bin Laden’s family have been in Iran. She left Iran in March 2010.

As a possible sign of an Iranian shift, Abu Ghaith was expelled to Turkey, and was apprehended on March 13, 2013, with the help of Turkey and Jordan, by U.S. authorities on his way to his native Kuwait. If Iran is in the process of turning against Al Qaeda, the cause could be differences on Syria, where allies of Al Qaeda form a large part of the anti-Asad rebellion.

## **Latin America**

A growing concern in Congress has been Iran’s developing relations with countries and leaders in Latin America. Iran views some Latin American countries, particularly Cuba and Venezuela, as sharing its distrust of the United States and as willing to help Iran circumvent some international sanctions. Suggesting expanded Iranian interest in the Western Hemisphere, during 2006-2011, Iran opened six embassies in countries in the region (Colombia, Nicaragua, Chile, Ecuador, Uruguay, and Bolivia), and expanded embassies in Cuba, Argentina, Brazil, Mexico, and Venezuela. In January 2012, Ahmadinejad undertook a visit to Latin America, including Venezuela, Ecuador, Cuba, and Nicaragua. By all accounts, few concrete economic agreements were reached during that visit, which expands on past patterns in which agreements tend to be announced but not implemented. Ahmadinejad attended the U.N. Conference on Sustainable Development in Brazil on June 21, 2012, which was bounded by his travel to Bolivia and Venezuela.

On March 1, 2012, a House Foreign Affairs Committee Subcommittee on Terrorism, Nonproliferation and Trade reported out H.R. 3783, the “Countering Iran in the Western Hemisphere Act,” requiring the Administration to develop—within 180 days of enactment—a strategy to counter Iran’s influence in Latin America. It was passed by the House on September 19, 2012, and by the Senate on December 12, 2012 and signed by the President on December 28, 2012 (P.L. 112-220). Many outside experts, however, believe that most Latin American countries see little benefit to a major expansion of ties to Iran and that assessments of Iran’s influence in the region may be overstated by some think-tank experts. No Latin American leader attended the NAM summit in Tehran in August 2012.

## **Venezuela and Cuba**

Venezuela under President Hugo Chavez was Iran’s main champion in the region—raising questions about the prospect for substantial change now that Chavez has passed away. Even before Chavez’s death on March 5, 2013, there was no consensus on the degree of threat posed by Iran-Venezuela ties; in July 2012, President Obama stated that Iran-Venezuela ties do not constitute a strategic threat to the United States. The April 2012 Defense Department report on Iran does not address this issue at all, although the 2010 version of the report was the first U.S.

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<sup>60</sup> “Tehran Pledges to Crack Down on Militants.” Associated Press, July 18, 2005.

government publication to say that Qods Force personnel are in Venezuela, where their presence had “increased” in recent years, according to that report.

As President, Chavez visited Iran on several occasions, offering to engage in joint oil and gas projects, and Ahmadinejad has visited Venezuela on each of his six trips to Latin America as president, including the June 2012, trip. However, contrary to the assertions of some experts, a State Department official testified before the House Foreign Affairs Committee on June 24, 2011, that Iran’s embassy in Caracas has only about 14 diplomats and is not particularly active in terms of open diplomatic activity, casting doubt on reports that Iran has a large, active presence in Venezuela. About 400 Iranian engineers have reportedly been sent to Venezuela to work on infrastructure projects there.

It was reported in May 2011 that the two may have signed an agreement in October 2010 to develop a joint missile base in Venezuela, but Venezuela has denied these reports and the Obama Administration has said there is no evidence to support the missile base assertion. Venezuela reportedly has purchased some Iranian military equipment, such as rifles, as well as \$23 million in military equipment upgrades and an explosives factory.<sup>61</sup>

Many accounts say that most of the agreements between Iran and Venezuela are agreements in principle that have not been implemented in reality. Among the arrangements implemented are the establishment of direct air links through an obscure air service dedicated to this route, although the route was suspended in 2010. A firm deal for Petroleos de Venezuela to supply Iran with gasoline was signed in September 2009, apparently in a joint effort to circumvent the reduction in worldwide sales of gasoline to Iran. In part because of this trade, the firm was sanctioned under the Iran Sanctions Act in May 2011. Other Venezuelan firms have also been sanctioned for ties to Iran, as discussed in CRS Report RS20871, *Iran Sanctions*.

## ***Cuba***

Iran’s relations with Cuba are long-standing and Cuba has routinely been included in Ahmadinejad’s several visits to Latin America. In the past, Cuba reportedly has helped Iran jam the broadcasts of Iranian dissidents based in Los Angeles and elsewhere in the United States. Still, Cuba’s economy is widely considered too small to be able to materially reduce the effect of international sanctions against Iran.

## **Other Ties in the Region**

Iran also has built ties to Ecuador, Bolivia, Nicaragua, and Brazil, although some press accounts may exaggerate the extent and strategic significance of these relations. Iranian Defense Minister Ahmad Vahidi visited Bolivia in May 2011, but President Evo Morales was then compelled to apologize to Argentina for inviting him because of Vahidi’s alleged involvement in the 1994 Buenos Aires bombing listed in the table above. Vahidi was, at the time, the head of the Qods Force. Iran reportedly has \$1 billion in joint ventures with Bolivia. These ventures reportedly were the subject of discussion during Ahmadinejad’s June 2012 visit, discussed above. Trade with Ecuador expanded from \$6 million annually to \$168 million from 2007 to 2008.

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<sup>61</sup> Martin Arostegui. “Iran Tries to Gain Sway in Latin America.” Wall Street Journal, December 6, 2011.

Iran's embassy in Managua, Nicaragua, is said by close observers to be small, and Nicaragua has refused Iranian demands to repay \$164 million in debt it owes Iran for past crude oil deliveries. Nicaragua reportedly was upset that Ahmadinejad's January 2012 visit did not result in an Iranian pledge to forgive that debt. Iran also failed to implement some promises to undertake joint ventures with Nicaragua, including a \$350 million deep water port there. Still, President Daniel Ortega hosted Ahmadinejad during his visit there in January 2012.

Because of its large economy, Brazil, under previous President Luiz Inacio Lula da Silva, emerged as Iran's most significant supporter, particularly because of Brazil's engagement with Iran to forge the "Teheran Declaration" on nuclear issues in June 2010. However, the government of President Dilma Roussef, whose term began January 1, 2011, has been less supportive of Iran than was her predecessor. Ahmadinejad did not visit Brazil during his January 2012 visit to the region, but he did visit in June 2012 to attend the U.N. conference on sustainable development.

## **Africa**

To reduce Iran's isolation, Ahmadinejad has reached tried to enlist the support of some African leaders. Some observers believe that Iran's outreach is focused on those African countries that might be able to export natural uranium for Iran's nuclear program to compensate for Iran's domestic deficiencies; such uranium producers include Zimbabwe, Senegal, Nigeria, and the Democratic Republic of Congo. In April 2010, Ahmadinejad visited Uganda and Zimbabwe, even though Zimbabwe's leader, Robert Mugabe, has himself been heavily criticized by the international community in recent years. Still, it is believed that African support for Iran is unlikely to outweigh Iran's growing estrangement from Europe and other regions. Ten heads of state or government attended the NAM summit in Tehran in August 2012, including Mugabe.

As an example of what the Administration called Iran's exports of lethal aid to foment violence in Africa, in October 2010, the Qods Force reportedly attempted to ship weapons to Gambia, via Nigeria, but the shipment was intercepted in Nigeria. Several Iranian entities, and a Nigerian shipping agent, were sanctioned by the United States in April 2012 for facilitating this incident. The Nigerian shipping agent allegedly helped Qods Force personnel enter Nigeria. The U.N. panel of experts report on Iranian arms sales embargo violations, discussed above, have cited Iranian attempts to ship weapons to allies in the Middle East via Nigeria. Iran restored relations with Senegal on February 7, 2013; relations had been severed in February 2011 when Senegal accused Iran of supplying weapons to rebels in its southern Casamance region. (For more information, see CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman.)

Some Members of Congress are concerned that Iran is supporting radical Islamist movements in Africa. Allegations of Iran's support for Al Qaeda affiliates in Africa are discussed above in the section on Al Qaeda. As noted above, the U.N. panel of experts reportedly concluded in early 2014 that Iranian arms had reached Al Shabab in Somalia. However, such activity appears to be a minor component of Iranian policy.

## **Sudan**

Iran also appears to have an ongoing—and possibly expanding—relationship with the government of Sudan. Relations were close in the early 1990s when Islamist leaders in Sudan welcomed international Islamist movements to train and organize there. The Iran-Sudan relationship apparently cooled in the mid-1990s when international sanctions compelled Sudan to

expel Osama bin Laden in 1996 and to downplay Islamist links abroad. However, Iran continued to supply the Sudanese government with weapons it has used on its various fronts, such as the one with South Sudan, and the Qods Force continued to arm and train the Popular Defense Force militia. Some observers say Iranian pilots have been active in Sudan on behalf of the government there. President Omar Hassan Al Bashir attended the NAM summit meeting in Tehran in August 2012. On October 31, 2012, two Iranian warships docked in Port Sudan for joint exercises with Sudan, one week after a weapons factory in Khartoum was bombed, allegedly by Israel. The factory purportedly was a source of Iranian or other rockets and other weapons intended for Hamas. After the ship visit, some Sudanese politicians questioned the wisdom of Sudan's drawing closer to Iran. Additional Iranian warships visited the port in mid-December 2012.

## **U.S. Policy Approaches and Additional Options**

The February 11, 1979, fall of the Shah of Iran, a key U.S. ally, opened a deep and ongoing rift in U.S.-Iranian relations. Although U.S. concerns about Iran and its nuclear program are long-standing, Israel's threat to use military action against Iran's nuclear facilities—with or without U.S. backing—has made U.S. policy toward Iran an urgent issue. Many of the policy options being implemented or under consideration are the same options that have faced the United States since 1979—and virtually no policy option has been taken “off the table.”

Iran has an interest section in Washington, DC, under the auspices of the Embassy of Pakistan; it is staffed by Iranian Americans. The U.S. interest section in Tehran—under the auspices of the Embassy of Switzerland there—has no American personnel stationed there. There has been occasional U.S. consideration of requesting that Tehran allow U.S. personnel there, but an apparent lack of support from Tehran has thus far caused the idea to languish. As a temporary alternative, the State Department is attempting outreach to the Iranian people by establishing, as of November 2011, an Internet-based “virtual embassy,” that explains the visa application process and other items of interest to Iranians. However, press reports say Iran has censored the site and rendered it at least partially inaccessible. In the 113<sup>th</sup> Congress, H.R. 783, introduced February 15, 2013, would require the President to name a high level envoy to lead U.S. diplomacy with Iran.

## **Background on Relations Since the 1979 Revolution**

The Carter Administration sought a degree of engagement with the Islamic regime during 1979, but it agreed to allow in the ex-Shah for medical treatment and engaged some moderate Iranian officials of the new regime who were viewed by Khomeini loyalists as insufficiently revolutionary. As a result, the U.S.-Iran estrangement began in earnest on November 4, 1979, when radical pro-Khomeini “students in the line of the Imam (Khomeini)” seized the U.S. Embassy in Tehran and held its diplomats hostage until minutes after President Reagan's inauguration on January 20, 1981. The United States broke relations with Iran on April 7, 1980 (two weeks prior to the failed U.S. military attempt to rescue the hostages during April 24-25, 1980), and the two countries had only limited official contact thereafter.<sup>62</sup>

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<sup>62</sup> An exception was the abortive 1985-1986 clandestine arms supply relationship with Iran in exchange for some American hostages held by Hezbollah in Lebanon (the so-called “Iran-Contra Affair”).

The United States tilted toward Iraq in the 1980-1988 Iran-Iraq War, including U.S. diplomatic attempts to block conventional arms sales to Iran, providing battlefield intelligence to Iraq<sup>63</sup> and, during 1987-1988, direct skirmishes with Iranian naval elements in the course of U.S. efforts to protect international oil shipments in the Gulf from Iranian mines and other attacks. In one battle on April 18, 1988 (“Operation Praying Mantis”), Iran lost one-quarter of its larger naval ships in a one-day engagement with the U.S. Navy, including one frigate sunk and another badly damaged. Iran strongly disputed the U.S. assertion that the July 3, 1988, U.S. shoot down of Iran Air Flight 655 by the USS *Vincennes* over the Persian Gulf (bound for Dubai, UAE) was an accident.

After the Iran-Iraq War ended, President George H. W. Bush laid the groundwork for a rapprochement with Iran. In his January 1989 inaugural speech, saying that, in relations with Iran, “goodwill begets goodwill,” implying better relations if Iran helped obtain the release of U.S. hostages held by Hezbollah in Lebanon. Iran reportedly did assist in obtaining their releases, which was completed in December 1991, but no thaw followed, possibly because Iran continued to back groups opposed to the U.S.-sponsored Middle East peace process.

Upon taking office in 1993, the Clinton Administration moved to further isolate Iran as part of a strategy of “dual containment” of Iran and Iraq. In 1995 and 1996, the Clinton Administration and Congress added sanctions on Iran (a ban on U.S. trade and investment with Iran and the Iran Sanctions Act that penalizes foreign investment in Iran’s energy sector) in response to growing concerns about Iran’s weapons of mass destruction and its efforts to subvert the Arab-Israeli peace process. The intent of these sanctions was to persuade U.S. allies to restrict trade with Iran. The Administration expressed skepticism of the EU’s policy of “critical dialogue” with Iran—a dialogue consisting of EU meetings with Iran that included criticisms of Iran’s human rights policies and its support for militant movements in the Middle East.

The election of Khatemi in May 1997 precipitated a U.S. shift toward engagement; the Clinton Administration offered Iran official dialogue, with no substantive preconditions. In January 1998, Khatemi publicly agreed to “people-to-people” U.S.-Iran exchanges, but ruled out direct talks. In a June 1998 speech, then-Secretary of State Albright called for mutual confidence building measures that could lead to a “road map” for normalization. Encouraged by the reformist victory in Iran’s March 2000 *Majles* elections, Secretary Albright, in a March 17, 2000, speech, acknowledged past U.S. meddling in Iran, announcing an easing of the U.S. trade ban with Iran, and promised to try to resolve outstanding claims disputes. In September 2000 U.N. “Millennium Summit” meetings in New York, Albright and President Clinton attended Khatemi’s speeches.

With Iran’s nuclear program emerging as an issue in 2002, the George W. Bush Administration undertook multi-faceted efforts to limit Iran’s strategic capabilities through international diplomacy and sanctions. Although Iran appeared to have no role in the September 11, 2001, attacks, President Bush appeared to define Iran as an enemy of the United States when he included Iran as part of an “axis of evil” in his January 2002 State of the Union message (along with Iraq and North Korea). President George W. Bush’s second inaugural address (January 20, 2005) and his January 31, 2006 State of the Union message stated that the United States would be a close ally of a free and democratic Iran—reflecting sentiment for efforts to change the regime.<sup>64</sup>

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<sup>63</sup> Sciolino, Elaine. *The Outlaw State: Saddam Hussein’s Quest for Power and the Gulf Crisis*. New York: John Wiley and Sons, 1991. p. 168.

<sup>64</sup> Cooper, Helene and David Sanger. “Strategy on Iran Stirs New Debate at White House.” *New York Times*, June 16, 2007.

On the other hand, Bush Administration statements that it considered Iran a great nation and respects its history<sup>65</sup> reflected the views of those in the Administration who believed favored diplomacy—particularly considering Iran’s potential to harm U.S. troops deployed in Afghanistan and Iraq. The Administration engaged Iran on specific regional issues: for example, it conducted a dialogue in Geneva with Iran on Iraq and Afghanistan from late 2001 until May 2003.<sup>66</sup> This represented the first confirmed direct dialogue between the two countries since the 1979 revolution. The United States aided victims of the December 2003 earthquake in Bam, Iran, including a reported offer—rebuffed by Iran—to send a high-level delegation to Iran, reportedly including then Senator Elizabeth Dole and President George W. Bush’s sister, Dorothy. An amendment by then Senator Joseph Biden to the FY2007 defense authorization bill (P.L. 109-364) supported the Administration joining nuclear talks with Iran.

The Bush Administration did not offer Iran an unconditional, direct U.S.-Iran bilateral dialogue on *all* issues of U.S. concern. However, some say the Bush Administration “missed an opportunity” for a “grand bargain” with Iran on its nuclear program and other issues of concern by rebuffing a reported comprehensive overture from Iran just before the May 12, 2003, Riyadh bombing. The *Washington Post* reported on February 14, 2007, (“2003 Memo Says Iranian Leaders Backed Talks”) that the Swiss ambassador to Iran in 2003, Tim Guldemann, had informed U.S. officials of a comprehensive Iranian proposal for talks with the United States.<sup>67</sup> However, State Department officials and some European diplomats based in Tehran at that time question whether that proposal represented an authoritative Iranian communication.

## Obama Administration Policy: Engagement Coupled with Pressure

In 2009, President Obama took office asserting that there was an opportunity to diplomatically dissuade Iran from expanding its nuclear program and potentially to build a new framework for relations with Iran after the decades of estrangement and enmity. The Administration offered to integrate Iran into the world economy in return for Iranian compromises on its nuclear program. Some Obama Administration officials expressed skepticism that engagement would yield changes in Iran’s policies, while other officials believed that the United States needed to present Iran with clear incentives and punishments for continuing uranium enrichment.

The first major public manifestation of President Obama’s approach to Iran policy came in his first message to the Iranian people on the occasion of Nowruz (Persian New Year), March 21, 2009. He stated that the United States “is now committed to diplomacy that addresses the full range of issues before us, and to pursuing constructive ties among the United States, Iran, and the international community.” He also referred to Iran as “The Islamic Republic of Iran,” a formulation that suggests an aversion to a regime change option. Other steps included:

- President Obama’s reported two letters in 2009 to Iran’s Supreme Leader expressing the Administration’s philosophy in favor of engagement with Iran.
- A major speech to the “Muslim World” in Cairo on June 4, 2009, in which President Obama said the United States had played a role in the overthrow of

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<sup>65</sup> These were prominent themes in speeches by President Bush such as at the Merchant Marine Academy on June 19, 2006, and his September 18, 2006, speech to the U.N. General Assembly.

<sup>66</sup> Wright, Robin. “U.S. In ‘Useful’ Talks With Iran.” *Los Angeles Times*, May 13, 2003.

<sup>67</sup> [http://www.armscontrol.org/pdf/2003\\_Spring\\_Iran\\_Proposal.pdf](http://www.armscontrol.org/pdf/2003_Spring_Iran_Proposal.pdf).



Mossadeq, and said that Iran had a right to peaceful nuclear power if it complies with its responsibilities under the NPT.

- An announcement on April 8, 2009, that U.S. officials would attend all P5+1 meetings with Iran.
- Loosened restrictions on U.S. diplomats to meet their Iranian counterparts at international meetings, and permission for U.S. embassies to invite Iranian diplomats to the 2009 celebration of U.S. Independence Day. (The July 4, 2009, invitations did not get issued because of the Iran unrest.)

### **Shift Since 2009: Pressure Combined With Diplomacy**

By the middle of 2009, the crackdown on the 2009 election-related unrest by Iran and its refusal to agree to technical terms of the October 1, 2009, nuclear agreement shifted the Administration's focus to pressuring Iran economically as a means of producing diplomatic leverage. In a statement following the June 9, 2010, passage of Resolution 1929, President Obama said Iran had refused the path of engagement and chosen instead to preserve all elements of its nuclear program. Since then, the Administration has emphasized implementing additional sanctions, while continuing dialogue and negotiations with Iran and offering sanctions relief if Iran is willing to bargain seriously on the core nuclear concerns.

To place pressure on Iran, since 2010, the President has signed into law four major Iran sanctions bills—P.L. 111-195, a title of the FY2012 National Defense Authorization Act (P.L. 112-81), P.L. 112-158, and a title of the FY2013 National Defense Authorization Act (P.L. 112-239)<sup>68</sup>—and U.S. partners in Europe have completely ended purchases of Iranian oil, among many other measures. As of January 2013, these sanctions have halved Iran's exports of oil, virtually shut Iran out of the international banking system, and caused a collapse of Iran's currency. The currency collapse precipitated street unrest in October 2012 and the firing of Iran's Central Bank governor in January 2013.

In 2012, President Obama explicitly ruled out containing a nuclear Iran and stated that U.S. policy is to prevent Iran from becoming a nuclear state. He restated this during his March 20-21, 2013 visit to Israel. S.J.Res. 41, discussed below, and which passed the Senate on September 22, 2012, rejects any U.S. policy that relies on containment but acknowledges that President Obama has explicitly ruled out relying on containment. At the same time, the Administration has repeatedly stated that a military option "remains on the table," and President Obama has repeatedly stated that the window for diplomacy is closing. On March 4, 2013, Secretary of State Kerry reinforced that point by stating that there is a "finite time" for nuclear talks to produce an agreement.

In concert with the democratic uprisings in the Middle East that began in 2011, the Administration also has expressed more direct criticism of Iran for its human rights abuses. As noted above, President Obama's March 20, 2011, Nowruz statement was significantly more supportive of the pro-democracy movement in Iran than it was in prior years. The focus of his March 20, 2012, Nowruz statement was on stating that the United States will seek to help Iranians circumvent government restrictions on the Internet and other media forms. These themes were reiterated in President Obama's March 20, 2013 Nowruz message.

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<sup>68</sup> For a detailed discussion of these bills, see CRS Report RS20871, *Iran Sanctions*.

### ***U.S.-Iran Direct Talks?***

The Administration appears willing to undertake direct bilateral talks with Iran to inject progress into the nuclear talks.<sup>69</sup> Other versions of the position indicate that the Administration might consider direct talks with Iran on regional issues Iran considers significant, such as Bahrain and Syria, while remaining within the P5+1 framework on the nuclear issue. On February 2, 2013, Vice President stated that the Administration is willing to undertake bilateral talks if the Supreme Leader “is serious” about negotiating. He did not state any limitations on what issues might be discussed. However, the Supreme Leader, on February 7, 2013, stated his opposition to such talks unless and until the United States ceased pressuring Iran through economic sanctions. That rejection may have disappointed the growing number of Iranian officials who see benefit to such talks. A report by Iran’s Ministry of Intelligence in November 2012, normally considered a hardline bastion, that highlight the potential benefits of negotiating a solution to the nuclear dispute.

### **U.S. and Other Military Action “On The Table” as Israel Threatens a Unilateral Strike**

As noted above, President Obama has repeatedly stated that military options are “on the table.” In a March 2, 2012, interview (*The Atlantic*), he clarified that when he says that “all options are on the table” he means that there is a military component to preventing a nuclear-armed Iran.<sup>70</sup> Vice President Biden reinforced that point in a speech to AIPAC (America-Israel Public Affairs Committee) on March 4, 2013 that President Obama is “not bluffing” in his discussion of possible use of military force if diplomacy with Iran fails to produce a nuclear agreement. Yet, President Obama and other senior officials continued to maintain that military action is a last resort if sanctions and diplomacy fail.

Senior U.S. officials have repeatedly stressed the potential adverse consequences of military action, such as Iranian retaliation that might expand throughout the region or even beyond, a reduction of Iran’s regional isolation, a strengthening of Iran’s regime domestically, an escalation of world oil prices, and the likelihood that military action would only delay Iran’s eventual acquisition of a nuclear weapons capability by about one to two years. These points were enumerated by then Secretary of Defense Panetta in a speech to the Brookings Institution on December 2, 2011<sup>71</sup> and Secretary of Defense Chuck Hagel has expressed similar views during his time as a Senator and since. Most U.S. allies oppose military action.

Some argue that U.S. military action could set back Iran’s nuclear program substantially because there are a limited number of key targets, all of which are relatively vulnerable, including the enrichment site at Fordow that is hardened.<sup>72</sup> On the other hand, reports about U.S. confidence in

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<sup>69</sup> Helene Cooper and Mark Landler. “U.S. Officials Say Iran Has Agreed to Nuclear Talks.” *New York Times*, October 21, 2012.

<sup>70</sup> Jeffrey Goldberg. “Obama to Iran and Israel: ‘As President of the United States, I Don’t Bluff’” *The Atlantic*, March 2, 2012.

<sup>71</sup> <http://2scottmontgomery.blogspot.com/2011/12/panetta-brookings-speech.html>.

<sup>72</sup> Joby Warrick. “Iran: Underground Sites Vulnerable, Experts Say.” *Washington Post*, March 1, 2012. For an extended discussion of U.S. air strike options on Iran, see Rogers, Paul. *Iran: Consequences Of a War*. Oxford Research Group, February 2006.

its ability to do substantial damage to any Iranian nuclear target could be intended to signal to Israel that the United States can destroy Iran's nuclear infrastructure, if needed.

Others argue that there are U.S. military options available that do not require U.S.-initiated hostilities. Some say that a naval embargo is possible, while others might advocate a "no-fly zone" over Iran to pressure the regime. A U.S. ground invasion to remove Iran's regime has not, at any time, appeared to be under serious consideration, in part because of the likely resistance an invasion would meet in Iran.

U.S.-Iran military conflict could result from events or actions other than a deliberate U.S. decision to strike Iran. Such possibilities drew increased attention in relation to Iran's repeated threats in 2012 to close the Strait of Hormuz if sanctions are imposed on Iran's exportation of oil. This issue is discussed in substantial detail in CRS Report R42335, *Iran's Threat to the Strait of Hormuz*, coordinated by Kenneth Katzman.

### **U.S. Deployments in the Persian Gulf**

Whether or not U.S. military action against Iran is ordered, the United States maintains a large Persian Gulf presence as a show of resolve against Iran and a demonstration that a military option can be implemented successfully. The United States maintains about 50,000 forces in the Gulf region. There are usually two U.S. aircraft carrier task forces in or around the Gulf region at a given time, although maintenance issues compelled one such task force to depart in November 2012. It might return later in 2013. In June 2012, the United States added a ship (USS *Ponce*) in the Gulf that serves as a platform for helicopters and Special Operations Forces, and added minesweeping capabilities including underwater drones that can find and destroy mines. In late September 2012, the United States and 30 other nations held minesweeping exercises in the Persian Gulf to reinforce their ability to respond to any Iranian military action there. On November 15, 2012, it was reported that the United States was sending additional advanced anti-mine technology to the Gulf.

### **Iranian Retaliation Scenarios<sup>73</sup>**

Consistent with U.S. assessments, Iran's Supreme Leader and other Iranian political and military figures have repeatedly warned that Iran will retaliate for any U.S. military action taken against Iran. In September 2012, IRGC officials warned that even if military action were taken only by Israel, the action would trigger retaliation against U.S. targets. Some U.S. officials believe Iran would try to retaliate through terrorist attacks inside the United States or against U.S. embassies and facilities in Europe or the Persian Gulf. Iran could also try to direct anti-U.S. militias in Iraq and Afghanistan to attack U.S. personnel. There are no U.S. troops left in Iraq, but there are about 13,000 U.S. personnel at diplomatic installations there.

Iran's capability to retaliate appears to be increasing. The Defense Department April 2012 report on Iranian military power indicates that Iran's retaliatory ability is growing, as discussed above. That ability has been enhanced through acquisition of additional ships and submarines, increasingly accurate and lethal short range ballistic missiles, and new missile capabilities to re-

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<sup>73</sup> See also, Washington Institute for Near East Policy. "The Last Resort: Consequences of Preventive Military Action Against Iran," by Patrick Clawson and Michael Eisenstadt. June 2008.

target, while in flight, U.S. ships or related installations across the Persian Gulf. Iran has also added naval bases along its Gulf coast, according to the DoD report, enhancing its ability to threaten shipping in the Strait. In mid-February 2013, Iran announced plans to establish a new naval base near Iran's border with Pakistan, on the Sea of Oman.

Many U.S. naval planners also worry about Iran's ability to use its large fleet of small boats to "swarm" U.S. ships, and its ability to lay numerous mines in the narrow Strait of Hormuz. On November 1, 2012, an Iranian Su-25 fired at but missed a U.S. drone that the United States said was over international waters. In late December 2012 and mid-January 2013, Iran's regular and IRGC navies each conducted naval exercises in and around the Strait of Hormuz. Earlier, Iran demonstrated its willingness and ability to act militarily: in February 2007, Iran seized 15 British sailors that Iran said were patrolling in Iran's waters, although Britain says they were in Iraqi waters performing coalition-related searches. They were held until April 5, 2007.

To reduce the effectiveness of Iranian retaliation, some argue that the United States would need to strike not only nuclear facilities but all of the retaliatory capabilities discussed above. Earlier, press reports in late February 2012, citing reported Defense Department briefings of President Obama on military options on Iran, say that a U.S. strike could include IRGC and leadership targets.

### **Containment of Iran and U.S. Efforts to Support the Gulf States**

Some believe Iran will inevitably become a nuclear armed state, no matter what policies are put into effect, and that containing a nuclear armed Iran is a viable option over the long term. Critics see a reliance on containment as an abandonment of U.S. efforts to prevent Iran from becoming a nuclear state. As noted above, during the visit of Netanyahu in early March 2012, President Obama explicitly ruled out such a strategy.

Several "sense of Congress" resolutions introduced in the 112<sup>th</sup> Congress urge the President to "reaffirm the unacceptability of an Iran with nuclear weapons capability and oppose any policy that would rely on containment as an option in response to the Iranian nuclear threat." H.Res. 568 passed the House on May 17, 2012, by a vote of 401-11. Its companion measure in the Senate, S.Res. 380 did not advance. On September 22, 2012, the Senate passed S.J.Res. 41, by a vote of 90-1, containing language similar to H.Res. 569 and S.Res. 380, with an additional clause acknowledging that President Obama had ruled out the containment option.

Even though Iran has not yet acquired a nuclear weapon, many elements of a containment strategy have already been put in place by successive Administrations to try to prevent that outcome, or to limit Iran's regional influence in general. A key component of the strategy has been to enhance the capabilities of U.S. allies in the Persian Gulf. Major initiatives to do so were put in place during the Clinton Administration and further developed during the Bush Administration. In mid-2006 the State Department, primarily the Bureau of Political-Military Affairs ("Pol-Mil"), established the "Gulf Security Dialogue" (GSD). The Obama Administration has continued the GSD effort. During a visit to the Middle East in March 2009, then Secretary of State Clinton said, after meeting with several Arab and Israeli leaders in the region, that "there is a great deal of concern about Iran from this whole region." Iran was also the focus of her trip to the Gulf region (Qatar and Saudi Arabia) in February 2010, in which she again raised the issue of a possible U.S. extension of a "security umbrella" or guarantee to regional states against Iran, as a means of preventing Gulf accommodations to Iranian demands or attempting themselves to acquire countervailing nuclear capabilities. With the exception of some arms sales to Bahrain,

most major arms sales to the Gulf states have continued without interruption, despite the Arab uprisings that have occurred in the region since early 2011.

A cornerstone of the U.S. strategy has been to improve and link into one system Gulf state missile defense capabilities, as well as to improve border and maritime security equipment through sales of combat littoral ships, radar systems, and communications gear. During her visit to Saudi Arabia on March 30-31, 2012, then Secretary Clinton inaugurated a U.S.-GCC strategic dialogue that revived the long-standing concept of a GCC-wide, integrated missile defense architecture. She again discussed this issue with GCC leaders during a meeting at the margins of the late September 2012 meetings at the U.N. General Assembly. Several missile defense sales include PAC-3 sales to UAE and Kuwait, and Joint Direct Attack Munitions (JDAMs) to Saudi Arabia and UAE; and the very advanced “THAAD” (Theater High Altitude Area Defense) to UAE. The THAAD sale, previously notified to Congress, was finalized in early January 2012.<sup>74</sup> In early September 2012, it was reported that the United States would soon put in place an early-warning missile defense radar in Qatar that, when combined with radars in Israel and Turkey, would provide a wide range of coverage against Iran’s missile forces.<sup>75</sup>

### ***Other Strategic Missile Defense Concepts Against Iran***

As part of the effort to demonstrate to Iran that nuclear weapons have no utility, there has also been planning to defend against an eventual long-range Iranian missile system. In August 2008, the George W. Bush Administration reached agreements with Poland and the Czech Republic to establish a missile defense system to counter Iranian ballistic missiles. These agreements were reached over Russia’s opposition, which was based on the belief that the missile defense system would be used to neutralize Russian capabilities. However, reportedly based on assessments of Iran’s focus on missiles of regional range, on September 17, 2009, the Obama Administration reoriented this missile defense program to focus, at least initially, on ship-based systems, and systems based in other European countries, including Romania, possibly later returning to the idea of Poland- and Czech-based systems. Some saw this as an effort to win Russia’s support for additional sanctions on Iran, although Russia continues to disagree with the plan. The FY2013 national defense authorization act (H.R. 4310, P.L. 112-239) contains provisions urging the Administration to undertake more extensive efforts, in cooperation with U.S. partners and others, to defend against the missile programs of Iran (and North Korea).

### **Presidential Authorities and Legislation on Military Action**

Perhaps in the belief that there needs to be more advanced planning for U.S. military action, the FY2011 Defense Authorization Act (P.L. 111-383, signed January 7, 2011) contained a provision (§1243) requiring the Administration to develop a “National Military Strategy to Counter Iran.” A provision (Section 307) of a FY2013 intelligence authorization bill (H.R. 5743) requires an assessment of the consequences of a military strike on Iran.

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<sup>74</sup> For more information on this and other U.S. sales to the UAE, see CRS Report RS21852, *The United Arab Emirates (UAE): Issues for U.S. Policy*, by Kenneth Katzman.

<sup>75</sup> David Sanger and Eric Schmitt. “To Calm Israel, U.S. Offers Ways to Restrain Iran.” *New York Times*, September 3, 2012.

A decision to take military action might raise the question of presidential authorities, but no legislation has been passed by both chambers and signed into law limiting the President's authority to use military force against Iran. In the 109<sup>th</sup> Congress, H.Con.Res. 391, introduced on April 26, 2006, called on the President to not initiate military action against Iran without first obtaining authorization from Congress. A similar bill, H.Con.Res. 33, was introduced in the 110<sup>th</sup> Congress. An amendment to H.R. 1585, the National Defense Authorization Act for FY2008, requiring authorization for force against Iran, was defeated 136 to 288. A provision that sought to bar the Administration from taking military action against Iran without congressional authorization was taken out of an early draft of an FY2007 supplemental appropriation (H.R. 1591) to fund additional costs for Iraq and Afghanistan combat (vetoed on May 1, 2007). Other provisions, including requiring briefings to Congress about military contingency planning related to Iran's nuclear program, were in a House-passed FY2009 defense authorization bill (H.R. 5658).

### ***Incidents at Sea Agreement?***

In the 111<sup>th</sup> Congress, H.Con.Res. 94 called for the United States to negotiate an "Incidents at Sea" agreement with Iran. Section 1240 of the National Defense Authorization Act for FY2011 (P.L. 111-383) calls for a DOD report, within one year of enactment, on the merits of such an agreement with Iran and other Persian Gulf countries. A press report in September 2011 said that some Defense Department officials are contemplating establishing formal communications channels to Iranian naval officers to prevent misunderstandings and unintended conflict.<sup>76</sup> The idea grew out of a series of incidents with Iranian vessels, some of the incidents involving British warships, that nearly prompted confrontation with Iran.

### ***An Israeli Strike?***<sup>77</sup>

Prime Minister Benjamin Netanyahu, view a nuclear Iran as a potential existential threat, and he says he is determined to prevent a nuclear-armed Iran, even if doing so requires unilateral Israeli action. Implicit in these Israeli statements is the view that Israeli leaders do not believe the Obama Administration will take military action to prevent Iran from acquiring a nuclear weapon. Following the start of enrichment activities at the hardened site at Fordow, then Defense Minister Ehud Barak and other Israeli leaders expressed concern that Iran's nuclear program might be entering a "zone of immunity" beyond which Israel will have no military options.

The Obama Administration has refused to accept Israeli urgings—such as by Prime Minister Netanyahu in his September 27, 2012, U.N. General Assembly speech, to set clear "red lines"—actions that, if taken by Iran, would trigger certain U.S. military action. However, during President Obama's March 20-12, 2013 visit to Israel, there were signs that Prime Minister Netanyahu had accepted the U.S. formulation of the urgency of the Iran nuclear issue and that U.S.-Israel differences on the issue had narrowed. That narrowing has been evident since November 2012, when Israeli officials pushed out the time horizon for possible unilateral Israeli military action until at least early 2013. On November 9, 2012, then Defense Minister Barak appeared to push that horizon out further to "eight to ten months," taking it to mid-2013. And, the

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<sup>76</sup> Jay Solomon and Julian Barnes. "U.S. Weighs A Direct Line to Tehran." *Wall Street Journal*, September 19, 2011.

<sup>77</sup> This option is analyzed in substantial depth in: CRS Report R42443, *Israel: Possible Military Strike Against Iran's Nuclear Facilities*, coordinated by Jim Zanotti.

January 2013 Israeli elections altered Netanyahu's governing coalition to one that appears less supportive of unilateral action against Iran than was his prior coalition.

Although Israeli strategists say that a strike might be a viable option, several U.S. experts doubt that Israel has the capability to make such action sufficiently effective to justify the risks. The IAF is capable but far smaller than that of the United States, and could require overflight of several countries not likely to support Israeli action, such as Iraq.

While the Israeli strike possibility has become acute, it is not new. In mid-June 2008, Israeli officials confirmed reports that the Israel Air Force (IAF) had practiced a long-range strike such as that which would be required for an attack on Iran's nuclear sites. Debate recurred in September 2010 following the publication of an article in *The Atlantic* by Jeffrey Goldberg entitled "Point of No Return" that hinted at a possibly impending strike in early 2011.<sup>78</sup>

## **Reported Covert Action**

As international concern about Iran's nuclear program has grown, there is increasing discussion about a reported covert component to U.S. attempts to slow Iran's nuclear program. An option is for the United States and partner countries to increase this activity, which is distinct from covert action to support groups inside Iran looking to overthrow Iran's regime.

Previously, during 2006-2008, it was reported that the United States and Israel conducted operations that resulted in the sale to Iran of nuclear and other technology rigged to have a destructive effect on Iran's programs. Another example includes the Stuxnet virus, discussed above. The killings of some Iranian scientists over the past few years remain unexplained and could have been the result of covert action. The latest Iranian scientist to be killed was Mostafa Ahmadi Roshan, a chemical engineer at the Natanz enrichment facility, who died when a bomb placed under his car exploded on January 10, 2012. Earlier, on December 5, 2011, a U.S. drone, the RQ-170 Sentinel, went down in Iran; it reportedly was based in Afghanistan and may have been sent over Iran to monitor Iran's nuclear sites. Iran has refused a U.S. request to return it.

Some believe that Iran is retaliating for the reported covert action through cyberattacks on U.S. or foreign financial institutions, the latest of which occurred against several banks in late 2012. U.S. officials have said Iran might also have perpetrated a cyberattack against Persian Gulf state oil and gas firms in mid-2012. U.S. officials say they are working with affected institutions to try to stop the attacks, and some press reports say that other forms of retaliation against Iran might be under consideration.<sup>79</sup>

## **Regime Change**

Throughout its first year, the Obama Administration sought to allay Iran's long-standing suspicions that the main U.S. goal is to unseat the Islamic regime in Iran. Iran's suspicions of U.S. intentions are based on the widespread perception that the United States has at times sought to

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<sup>78</sup> See <http://www.theatlantic.com/magazine/archive/2010/09/the-point-of-no-return/8186/>.

<sup>79</sup> Siobhan Gorman and Danny Yadron. "Banks Seek U.S. Help on Iran Cyberattacks." *Wall Street Journal*, January 16, 2013.

promote regime change in Iran since the 1979 Islamic revolution. The United States provided some funding to anti-regime groups, mainly pro-monarchists, during the 1980s,<sup>80</sup> and the George W. Bush Administration expressed attraction to this option on several occasions. The Obama Administration's stated policy remains to alter Iran's behavior, not change its regime.

The 2009 domestic uprising in Iran complicated policy for the Obama Administration by presenting an unexpected opportunity for regime change in Iran. Assessing that outcome as unlikely, the Administration expressed rhetorical support for human and political rights demanded by the Green Movement but did not materially support the uprising. As 2009 progressed, the statements of President Obama and other U.S. officials became progressively more critical of the regime. On December 28, 2009, President Obama expressed forthright support for the opposition by saying, in regard to the unrest in Iran, "Along with all free nations, the United States stands with those who seek their universal rights."<sup>81</sup> On September 19, 2010, then Secretary of State Clinton explained that more overt and extensive U.S. support for the opposition could undermine the opposition's position in Iran.

In 2011, the Administration reevaluated its stance slightly in the context of the broader Middle East uprisings. Statements by Secretary Clinton and the National Security Council accused Iran of hypocrisy for supporting demonstrations in Egypt while preventing similar free expression inside Iran.<sup>82</sup> Many observers noted that President Obama's 2011 Nowruz address (delivered March 20, 2011, the eve of Nowruz) was far more explicitly supportive of the Iranian opposition than in past years, mentioning specific dissidents who have been jailed and saying to the "young people of Iran ... I want you to know that I am with you."<sup>83</sup> Since that statement, the Administration has, as noted below, sanctioned Iranian officials for human rights abuses in Iran and for assisting Syria with its crackdown against demonstrations. In his speech to the U.N. General Assembly on September 21, 2011, President Obama said "In Iran, we've seen a government that refuses to recognize the rights of its own people." These statements and steps stop short of constituting a policy of "regime change," although Iran interprets any public support for the domestic opposition as evidence of U.S. intent to overthrow the clerical government. As noted above, his 2012 Nowruz message (March 20, 2012) focused on U.S. efforts to help Iranians circumvent government restrictions on the Internet and other media—a so-called "electronic curtain."

Some in Congress appear to advocate more direct, public, and broad U.S. support for the overthrow of the regime as a focus of U.S. policy. In the 111<sup>th</sup> Congress, one bill said that it should be U.S. policy to promote the overthrow of the regime (The Iran Democratic Transition Act, S. 3008).

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<sup>80</sup> CRS conversations with U.S. officials responsible for Iran policy, 1980-1990. After a period of suspension of such assistance, in 1995, the Clinton Administration accepted a House-Senate conference agreement to include \$18-\$20 million in funding authority for covert operations against Iran in the FY1996 Intelligence Authorization Act (H.R. 1655, P.L. 104-93), according to a *Washington Post* report of December 22, 1995. The Clinton Administration reportedly focused the covert aid on changing the regime's behavior, rather than its overthrow.

<sup>81</sup> White House, Office of the Press Secretary. "Statement by the President on the Attempted Attack on Christmas Day and Recent Violence in Iran." December 28, 2009.

<sup>82</sup> <http://www.whitehouse.gov/the-press-office/2011/02/27/statement-national-security-council-spokesman-tommy-vietor-iran>.

<sup>83</sup> White House. "Remarks of President Obama Marking Nowruz." March 20, 2011.



## **Pursuing a Middle Ground: Democracy Promotion and Internet Freedom Efforts**

In the absence of all-out U.S. pursuit of regime change, successive Administrations and Congress have agreed on more modest steps to promote political evolution in Iran through “democracy promotion” and sanctioning Iranian human rights abusers.

### ***Sanctioning Iranian Human Rights Abusers and Abuses***

As part of its efforts to isolate the regime on human rights grounds, on September 29, 2010, President Obama, acting in accordance with Section 105 of P.L. 111-195 (CISADA), issued Executive Order 13553, imposing sanctions on Iranian officials determined to have committed human rights abuses since Iran’s 2009 election. Sanctions include a ban on visas to the United States and freeze on U.S.-based assets or trade with them. In an annex, eight Iranian officials were named as violators and were subjected to the sanctions. The full list of Iranian sanctioned under this and other Executive Orders is provided in Table 6 of CRS Report RS20871, *Iran Sanctions*.

In the 112<sup>th</sup> Congress, several bills were introduced to increase sanctions on Iranian human rights abusers, including S. 879 and H.R. 1714. Elements of these bills were incorporated into a broad Iran sanctions bill, H.R. 1905, passed by both chambers on August 1, 2012, and signed on August 10 (P.L. 112-158). The provisions of these laws are discussed in greater detail in CRS Report RS20871, *Iran Sanctions*.

### ***Democracy Promotion Funding***

Binding legislation to favor democracy promotion in Iran was enacted in the 109<sup>th</sup> Congress. The Iran Freedom Support Act (P.L. 109-293), signed September 30, 2006, authorized funds (no specific dollar amount) for Iran democracy promotion.<sup>84</sup> Iran asserts that funding democracy promotion represents a violation of the 1981 “Algiers Accords” that settled the Iran hostage crisis and provide for non-interference in each others’ internal affairs.

The George W. Bush Administration asserted that open funding of Iranian pro-democracy activists (see below) as a stated effort to change regime behavior, not to overthrow the regime, although some saw the Bush Administration’s efforts as a cover to achieve a regime change objective. A few accounts, such as “Preparing the Battlefield” by Seymour Hersh in the *New Yorker* (July 7 and 14, 2008) say that President George W. Bush authorized U.S. covert operations to destabilize the regime,<sup>85</sup> involving assistance to some of the ethnic-based armed groups discussed above. CRS has no way to confirm assertions in the Hersh article that up to \$400 million was appropriated and/or used to aid the groups mentioned.

The State Department, the implementer of U.S. democracy promotion programs for Iran, has used funds in appropriations (see **Table 9**) to support pro-democracy programs run by at organizations

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<sup>84</sup> This legislation was a modification of H.R. 282, which passed the House on April 26, 2006, by a vote of 397-21, and S. 333, which was introduced in the Senate.

<sup>85</sup> Ross, Brian and Richard Esposito. Bush Authorizes New Covert Action Against Iran, [http://blogs.abcnews.com/theblotter/2007/05/bush\\_authorizes.html](http://blogs.abcnews.com/theblotter/2007/05/bush_authorizes.html).

based in the United States and in Europe; the department refuses to name grantees for security reasons. The funds shown below have been obligated through DRL and the Bureau of Near Eastern Affairs in partnership with USAID. At least \$60 million of the funds have been allocated to date. Some of the funds have been appropriated for cultural exchanges, public diplomacy, and broadcasting to Iran. A further indication of the sensitivity of specifying the use of the funds is that the Obama Administration requested funds for Near East regional democracy programs in its FY2010, FY2011, FY2012, and FY2013 budget requests, but no specific requests for funds for Iran were delineated.

Many have consistently questioned the effectiveness of such funding. In the view of many experts, U.S. funds would make the aid recipients less attractive to most Iranians. Even before the post-2009 election crackdown, Iran was arresting civil society activists by alleging they are accepting the U.S. democracy promotion funds, while others have refused to participate in U.S.-funded programs, fearing arrest.<sup>86</sup> In May 2007—Iranian American scholar Haleh Esfandiari, of the Woodrow Wilson Center in Washington, DC, was imprisoned for several months, on the grounds that the Wilson Center was part of this effort. The center has denied being part of the democracy promotion effort in Iran.

Perhaps in response to some of these criticisms, the Obama Administration altered Iran democracy promotion programs somewhat toward working directly with Iranians inside Iran who are organized around such apolitical issues as health care, the environment, and science.<sup>87</sup> During 2009, less emphasis was placed on funding journalists and human rights activists in Iran, or on sponsoring visits by Iranians to the United States.<sup>88</sup> One issue arose concerning the State Department decision in late 2009 not to renew a contract to the Iran Human Rights Documentation Center (IHRDC), based at Yale University, which was cataloguing human rights abuses in Iran. Some outside experts believe that, particularly in the current context of a regime crackdown against democracy activists, the contract should have been renewed. That criticism went hand in hand with the view of some experts that the post-election unrest in Iran was evidence that such democracy promotion programs were working and should be enhanced.

### *Promoting Internet Freedom in Iran*

In line with legislation and new assessments of the best use of U.S. assistance, recent U.S. actions have focused on preventing the Iranian government's suppression of electronic communication. Among legislation that was enacted is the "Voice (Victims of Iranian Censorship) Act" (Subtitle D of the FY2010 Defense Authorization, P.L. 111-84), which contains provisions to potentially penalize companies that are selling Iran technology equipment that it can use to suppress or monitor the Internet usage of Iranians.<sup>89</sup> In February 2010, the Administration eased licensing requirements for Iranians to download free mass market U.S. software. And, the U.S.

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<sup>86</sup> Three other Iranian Americans were arrested and accused by the Intelligence Ministry of actions contrary to national security in May 2007: U.S. funded broadcast (Radio Farda) journalist Parnaz Azima (who was not in jail but was not allowed to leave Iran); Kian Tajbacksh of the Open Society Institute funded by George Soros; and businessman and peace activist Ali Shakeri. Several congressional resolutions called on Iran to release Esfandiari (S.Res. 214 agreed to by the Senate on May 24; H.Res. 430, passed by the House on June 5; and S.Res. 199). All were released by October 2007. Tajbacksh was rearrested in September 2009 and remains incarcerated.

<sup>87</sup> CRS conversation with U.S. officials of the "Iran Office" of the U.S. Consulate in Dubai. October 2009.

<sup>88</sup> Solomon, Jay. "U.S. Shifts Its Strategy Toward Iran's Dissidents." *Wall Street Journal*, June 11, 2010.

<sup>89</sup> For more discussion of such legislation, see CRS Report RS20871, *Iran Sanctions*.

Office of Foreign Assets Control has reportedly licensed a California firm (Censorship Research Center) to export anti-filtering software to Iran.<sup>90</sup> Under Secretary of State Sherman testified on October 14, 2011, that some of the democracy promotion funding has been to train Iranians in the use of technologies that undermine regime Internet censorship efforts.

In March 2012, the Administration focused on this issue anew. In his March 20, 2012, Nowruz message, President Obama stated that in recent weeks the regime had increased Internet restrictions and that the Administration is taking new steps to promote Internet freedom in Iran. Acting in accordance with P.L. 111-195 (Comprehensive Iran Sanctions, Accountability, and Divestment Act), which allows U.S. exports of technologies used to expand Internet freedom in Iran, on March 20, 2012, the Administration announced that certain software that can be used to circumvent regime restrictions on Internet use could be exported to Iran without a specific license. On April 23, 2012, President Obama issued an Executive Order (13606) blocking the U.S.-based property and barring U.S. entry by persons and entities determined to be operating any technology that allows the Iranian (or Syrian) government to disrupt, monitor, or track computer usage by citizens of those countries; or to have sold to Iran or Syria any technology that enables those government to carry out such disruptions or monitoring. For detail on these sanctions and orders, see CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman.

### ***Broadcasting/Public Diplomacy Issues***

Another part of the democracy promotion effort has been the development of new U.S. broadcasting services to Iran. The broadcasting component of policy has been an extension of a trend that began in the late 1990s. Radio *Farda* (“tomorrow,” in Farsi) began under Radio Free Europe/Radio Liberty (RFE/RL), in partnership with the Voice of America (VOA), in 2002. The service was established as a successor to a smaller Iran broadcasting effort begun with an initial \$4 million from the FY1998 Commerce/State/Justice appropriation (P.L. 105-119). It was to be called Radio Free Iran but was never formally given that name by RFE/RL. Radio *Farda* now broadcasts 24 hours/day. Radio *Farda* has 59 full time employees. No U.S. assistance has been provided to Iranian exile-run stations.<sup>91</sup>

According to information provided to CRS by the Broadcasting Board of Governors (BBG), the costs of Radio *Farda* are FY2010: \$9.9 million; FY2011: \$11.84 million; and FY2012: \$11.77 million.

*Persian News Network (PNN)*. The VOA established a Persian language service to Iran (VOA Persian Service) in July 2003. In July 2007, it was renamed Persian News Network (PNN), encompassing radio (1 hour a day or original programming); television (6 hours a day of primetime programming, rebroadcast throughout a 24-hour period); and Internet.

Even though PNN has expanded its offerings significantly, it has come under substantial criticism from observers. Some say that PNN has lost much of its audience among young, educated, anti-regime Iranians who are looking for signs of U.S. official support. The Inspector General report cited above, as well as many observers maintain that decisions on who to put on PNN panel discussion shows have been made by a small group of Iranian exiles who deliberately deny

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<sup>90</sup> Ibid.

<sup>91</sup> The conference report on the FY2006 regular foreign aid appropriations, P.L. 109-102, stated the sense of Congress that such support should be considered.

appearances to certain Iranians with whom they disagree. Still others say that PNN frequently airs the views of Iranian groups that are advocates of U.S. engagement of the regime or who downplay regime transgressions. Some have criticized PNN for covering long-standing exiled opposition groups, such as supporters of the son of the former Shah of Iran.<sup>92</sup> Other critics say PNN offers little coverage of the Green Movement, even though a mission of the network is, or should be, to highlight the purported unpopularity of the regime. Others say it has run pieces pointing out such U.S. social problems as homelessness and drug use, while refusing to air pieces showcasing U.S. democracy and rule of law. Other observers say there is wide-ranging nepotism at PNN, in which employees hire their relatives and deny opportunities to employment applicants based on merit. VOA officials said in September 2012 they are attempting address some of these issues through the human resources office of the VOA.

Several observers point to one particular PNN show as having particular effect on audiences inside Iran. That show is called “Parazit” (Persian for static); it is a weekly comedy show modeled on a U.S. program on Comedy Central network called “The Daily Show.” On Parazit, the writers of the show, Kambiz Hosseini and Saman Arbabi, mocked President Mahmoud Ahmadinejad and other Iranian figures, using political satire. Observers say that the show deteriorated in quality in 2012 after Mr. Hosseini left the show or was ousted from it, and it was taken off PNN in February 2012. A different show that satirizes Iranian leaders and news from Iran—called On Ten—began in April 2012, and VOA officials say it is gaining a substantial audience. PNN said in August 2012 that Parazit is to be reconstituted, and based in New York, but Hosseini will not be part of the new show because his employment with PNN was terminated in December 2012.

Other issues relate to the PNN’s leadership and governance. In February 2011, Ramin Asgard, a former State Department officer, was hired as PNN director,<sup>93</sup> tasked with redressing the PNN deficiencies. However, he left in January 2012, reportedly out of frustration at his inability to restructure PNN and make it more effective as a voice for U.S. policy. PNN is now temporarily run by VOA official Steve Redisch. The VOA is attempting to recruit a permanent replacement for Asgard, and hire a deputy director and an executive producer.

According to a VOA briefing on September 21, 2012, PNN has 79 full-time employees and 114 contractors. Past costs for PNN are: FY2010, \$23.78 million; FY2011, \$22.5 million; and FY2012 (estimate), \$23.32 million. In FY2013 its costs are expected to be about \$18 million.

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<sup>92</sup> CRS conversations with Iranian members of the Green Movement. December 2009-August 2010.

<sup>93</sup> <http://ipsnews.net/news.asp?idnews=54504>. Confirmed to CRS on February 25, 2011, by a member of the BBG.

**Table 9. Iran Democracy Promotion Funding**

FY2004	Foreign operations appropriation (P.L. 108-199) earmarked \$1.5 million for “educational, humanitarian and non-governmental organizations and individuals inside Iran to support the advancement of democracy and human rights in Iran.” The State Department Bureau of Democracy and Labor (DRL) gave \$1 million to a unit of Yale University, and \$500,000 to National Endowment for Democracy.
FY2005	\$3 million from FY2005 foreign aid appropriation (P.L. 108-447) for democracy promotion. Priority areas: political party development, media, labor rights, civil society promotion, and human rights.
FY2006	\$11.15 for democracy promotion from regular FY2006 foreign aid appropriation (P.L. 109-102). \$4.15 million administered by DRL and \$7 million for the Bureau of Near Eastern Affairs.
FY2006 supp.	Total of \$66.1 million (of \$75 million requested) from FY2006 supplemental (P.L. 109-234): \$20 million for democracy promotion; \$5 million for public diplomacy directed at the Iranian population; \$5 million for cultural exchanges; and \$36.1 million for Voice of America-TV and “Radio Farda” broadcasting. Broadcasting funds are provided through the Broadcasting Board of Governors.
FY2007	FY2007 continuing resolution provided \$6.55 million for Iran (and Syria) to be administered through DRL. \$3.04 million was used for Iran. No funds were requested.
FY2008	\$60 million (of \$75 million requested) is contained in Consolidated Appropriation (H.R. 2764, P.L. 110-161), of which, according to the conference report \$21.6 million is ESF for pro-democracy programs, including non-violent efforts to oppose Iran’s meddling in other countries. \$7.9 million is from a “Democracy Fund” for use by DRL. The Appropriation also fully funded additional \$33.6 million requested for Iran broadcasting: \$20 million for VOA Persian service; and \$8.1 million for Radio Farda; and \$5.5 million for exchanges with Iran.
FY2009	Request was for \$65 million in ESF “to support the aspirations of the Iranian people for a democratic and open society by promoting civil society, civic participation, media freedom, and freedom of information.” H.R. 1105 (P.L. 111-8) provides \$25 million for democracy promotion programs in the region, including in Iran.
FY2010	\$40 million requested and used for Near East Regional Democracy programming. Programs to promote human rights, civil society, and public diplomacy in Iran constitute a significant use of these region-wide funds.
FY2011	\$40 million requested and will be used for Near East Regional Democracy programs. Programming for Iran with these funds to be similar to FY2010
FY2012	\$35 million for Near East Regional Democracy, and Iran-related use is to be similar to FY2010 and FY2011.
FY2013	\$30 million for Near East Regional Democracy, with Iran use similar to prior two fiscal years.

**Sources:** Information provided by State Department and reviewed by Department’s Iran Office, February 1, 2010; FY2012 Congressional Budget Justification; author conversation with Department of State Iran Office, April 21, 2011.

### *State Department Diplomatic and Public Diplomacy Efforts*

Since 2006, the State Department has been increasing the presence of Persian-speaking U.S. diplomats in U.S. diplomatic missions around Iran, in part to help identify and facilitate Iranian participate in U.S. democracy-promotion programs. The Iran unit at the U.S. consulate in Dubai has been enlarged significantly into a “regional presence” office, and “Iran-watcher” positions have been added to U.S. diplomatic facilities in Baku, Azerbaijan; Istanbul, Turkey; Frankfurt, Germany; London; and Ashkabad, Turkmenistan, all of which have large expatriate Iranian populations and/or proximity to Iran.<sup>94</sup> An Iran watch position is being added in Herat, Afghanistan, in early 2013. An enlarged (eight-person) “Office of Iran Affairs” has been formed

<sup>94</sup> Stockman, Farah. “‘Long Struggle’ With Iran Seen Ahead.” *Boston Globe*, March 9, 2006.

at the State Department, and it is reportedly engaged in contacts with U.S.-based exile groups such as those discussed earlier.

The State Department also is trying to enhance its public diplomacy to reach out to the Iranian population.

- In May 2003, the State Department added a Persian-language website to its list of foreign language websites, under the authority of the Bureau of International Information Programs. The website, according to a statement issued by then-Secretary of State Colin Powell, is intended to be a source of information about the United States and its policy toward Iran.
- On February 14, 2011, the State Department announced that it had begun Persian-language Twitter feeds in an effort to connect better with Internet users in Iran.
- In part to augment U.S. public diplomacy, the State Department announced in April 2011 that a Persian-speaking U.S. diplomat based at the U.S. Consulate in Dubai, would make regular appearances on Iranian official media to explain U.S. positions.

## Additional Sanctions

Amid signs that sanctions are weakening Iran's economy and possibly pressuring its leadership, the Administration and its international partners continue to impose additional sanctions on Iran. Several major Iran sanctions bills were enacted in the 112<sup>th</sup> Congress, including the Iran Threat Reduction and Syria Human Rights Act of 2012 (P.L. 112-158); and provisions of both the FY2012 and FY2013 National Defense Authorization Acts (P.L. 112-81 and P.L. 112-239, respectively). These laws are discussed in detail in CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman.

There are numerous remaining ideas and suggestions for additional economic and diplomatic sanctions against Iran. Some are U.S. sanctions, some are U.S. sanctions against foreign entities intended to compel them to exit the Iranian market, and others are multilateral or international. A bill introduced in the 113<sup>th</sup> Congress, H.R. 850, introduced February 27, 2013, would seek to penalize nearly all significant amounts of foreign trade with Iran. These and other options include:

- *Mandating Reductions in Diplomatic Exchanges with Iran or Prohibiting Travel by Iranian Officials.*
- *Banning Passenger Flights to and from Iran.*
- *Limiting Lending to Iran by International Financial Institutions.* Resolution 1747 calls for restraint on but does not outright ban international lending to Iran.
- *Banning Trade Financing or Official Insurance for Trade Financing.* This was not made mandatory by Resolution 1929, but several countries imposed this sanction (as far as most trade financing) subsequently.
- *Banning All Investment in Iran's Energy Sector.* Such a step is authorized, not mandated, by Resolution 1929, and the Iran Sanctions Act allows for U.S.

- sanctions against foreign investment in that sector. A growing number of countries have used that authority to impose these sanctions on Iran.
- *Restricting Operations of and Insurance for Iranian Shipping.* A call for restraint is in Resolution 1929, but is not mandatory. The EU and other national measures announced subsequently did include this sanction (IRISL) to take effect as of July 1.
  - *Imposing a Worldwide Ban on Sales of Arms to Iran.* Resolution 1929 imposes a ban on sales of major weapons systems to Iran, but another option is to extend that ban to all lethal equipment.
  - *Imposing an International Ban on Trade With Iran, Particularly Purchases of Iranian Oil or Gas.* As noted, the EU has agreed to stop all purchases of Iranian oil as of July 1, 2012, and it later banned purchases of Iranian natural gas. Other countries have cut their oil buys. An option is to impose a worldwide ban on all purchases of oil or gas, or to further pressure or incent nations to end such buys from Iran. A related idea could be the enactment of a global ban on trade with Iran or of U.S. sanctions that seek to compel a partial or comprehensive global ban on trade with Iran. As noted, H.R. 850, introduced in the 113<sup>th</sup> Congress on February 27, 2013, comes close to this later concept.

**Table 10. Digest of Existing U.S. Sanctions Against Iran**

*Ban on U.S. Trade With and Investment in Iran.* Executive Order 12959 (May 6, 1995) bans almost all U.S. trade with and investment in Iran. Modifications in 1999 and 2000 allowed for exportation of U.S. food and medical equipment, and importation from Iran of luxury goods (carpets, caviar, dried fruits, nuts), but P.L. 111-195 (Comprehensive Iran Sanctions, Accountability, and Divestment Act, CISADA) restored the complete ban on imports. The trade ban does not generally apply to foreign subsidiaries of U.S. firms. P.L. 112-239 sanctions most foreign dealings with Iran's energy, shipping, and shipbuilding sector, as well as the sale of certain items for Iranian industrial processes and the transfer to Iran of precious metals (often a form of payment for oil or gas).

*U.S. Sanctions Against Foreign Firms that Deal With Iran's Energy Sector.* The Iran Sanctions Act (P.L. 104-172, August 5, 1996, as amended, most recently by H.R. 1905/P.L. 112-158) authorizes the President to select five out of a menu of twelve sanctions to impose against firms that the Administration has determined: have invested more than \$20 million to develop Iran's petroleum (oil and gas) sector; that buy Iranian oil (unless such country has a sanctions exemption under the P.L. 112-81, see below); have sold Iran more than \$1 million worth of gasoline or equipment to import gasoline or refine oil into gasoline; have sold energy \$1 million or more worth of energy equipment to Iran; that provided shipping services to transport oil from Iran; that have engaged in an energy joint venture with Iran outside Iran; or that buy Iran's sovereign debt.

*Sanctions On Iran's Central Bank.* CISADA bans accounts with banks that do business with the Revolutionary Guard and sanctioned entities and the Treasury Dept. in November 2011 declared Iran's financial system an entity of primary money laundering concern. Section 1245 of P.L. 112-81, signed December 31, 2011, prevents foreign banks that do business with Iran's Central Bank from opening U.S. accounts.

*Terrorism List Designation Sanctions.* Iran's designation by the Secretary of State as a "state sponsor of terrorism" (January 19, 1984—commonly referred to as the "terrorism list") triggers several sanctions, including the following: (1) a ban on the provision of U.S. foreign assistance to Iran under Section 620A of the Foreign Assistance Act; (2) a ban on arms exports to Iran under Section 40 of the Arms Export Control Act (P.L. 95-92, as amended); (3) under Section 6(j) of the Export Administration Act (P.L. 96-72, as amended), a significant restriction—amended by other laws to a "presumption of denial"—on U.S. exports to Iran of items that could have military applications; (4) under Section 327 of the Anti-Terrorism and Effective Death Penalty Act (P.L. 104-132, April 24, 1996), a requirement that U.S. representatives to international financial institutions vote against international loans to terrorism list states.

*Sanctions Against Foreign Firms that Aid Iran's Weapons of Mass Destruction Programs.* The Iran-Syria-North Korea Nonproliferation Act (P.L. 106-178, March 14, 2000, as amended) authorizes the Administration to impose sanctions on foreign persons or firms determined to have provided assistance to Iran's weapons of mass destruction (WMD) programs. Sanctions include restrictions on U.S. trade with the sanctioned entity.

*Sanctions Against Foreign Firms that Sell Advanced Arms to Iran.* The Iran-Iraq Arms Nonproliferation Act (P.L. 102-484, October 23, 1992, as amended) provides for U.S. sanctions against foreign firms that sell Iran "destabilizing numbers and types of conventional weapons" or WMD technology.

*Ban on Transactions With Foreign Entities Determined to Be Supporting International Terrorism.* Executive Order 13324 (September 23, 2001) authorizes a ban on U.S. transactions with entities determined to be supporting international terrorism. The Order was not specific to Iran, coming 12 days after the September 11, 2001, attacks, but several Iranian entities have been designated.

*Ban on Transactions With Foreign Entities that Support Proliferation.* Executive Order 13382 (June 28, 2005) amended previous executive orders to provide for a ban on U.S. transactions with entities determined to be supporting international proliferation. As is the case for Executive Order 13324, mentioned above, Executive Order 13382 was not specific to Iran. However, numerous Iranian entities, including the IRGC itself, have been designated.

*Divestment.* A Title in P.L. 111-195 authorizes and protects from lawsuits various investment managers who divest from shares of firms that conduct sanctionable business with Iran.

*Counter-Narcotics.* In February 1987, Iran was first designated as a state that failed to cooperate with U.S. anti-drug efforts or take adequate steps to control narcotics production or trafficking. The Clinton Administration, on December 7, 1998, removed Iran from the U.S. list of major drug producing countries. This exempted Iran from the annual certification process that kept drug-related U.S. sanctions in place on Iran.

*Sanctions Against Human Rights Abuses and Internet Monitoring.* Various laws discussed above, and Executive Orders, impose sanctions on named Iranian human rights abusers, and on firms that sell equipment Iran can use to monitor the Internet usage of citizens or employ against demonstrators.

**Source:** CRS. For analysis and extended discussion of U.S. and international sanctions against Iran, see CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman.



## Conclusion

Mistrust between the United States and Iran's Islamic regime has run deep for more than three decades and will be difficult to reverse. Some argue that, no matter who is in power in Tehran, the United States and Iran have a common long-term interest in stability in the Persian Gulf and South Asia regions. According to this view, major diplomatic overtures toward the regime might not only help resolve the nuclear issue but yield fruit in producing a new, constructive U.S.-Iran relationship.

Others argue that U.S. concerns stem first and foremost from the character of Iran's regime, and that no diplomatic breakthrough is possible until the regime changes. Those who take this view see in the Green Movement the potential to replace the regime and to integrate Iran into a pro-U.S. strategic architecture in the region. Many argue that a wholesale replacement of the current regime could produce major strategic benefits beyond potentially reducing the threat from Iran's nuclear program, including an end to Iran's effort to obstruct a broad Arab-Israeli peace.

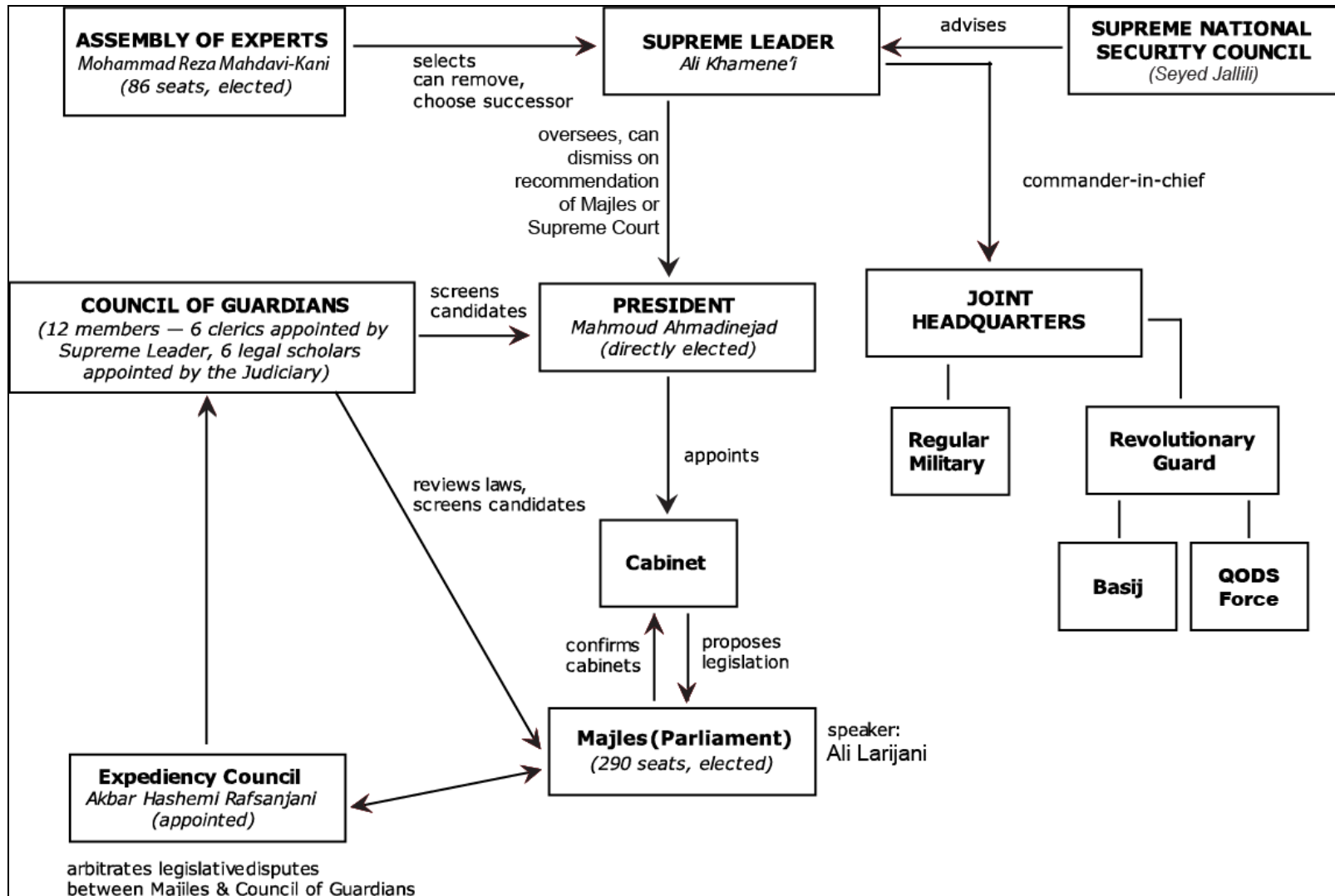
Others argue that many Iranians are united on major national security issues and that a new regime would not necessarily align with the United States. Some believe that many Iranians fear that alignment with the United States would produce a degree of U.S. control and infuse Iran with Western culture that many Iranians find un-Islamic and objectionable.

**Table 11. Selected Economic Indicators**

Economic Growth	possible negative growth in 2012; +2.5% (2011 est.); +3.2% (2010)
Per Capita Income	\$12,200/yr purchasing power parity (2011)
GDP	\$930 billion purchasing power parity (2011)
Proven Oil Reserves	135 billion barrels (highest after Russia and Canada)
Oil Production/Exports	About 3.9 million barrels per day (mbd)/ 2.4 mbd exports.
Major Oil/Gas Customers	Remaining customers: primarily China, India, South Korea, Japan, and Turkey. Turkey also buys 8.6 billion cubic meters/yr of gas from Iran. Oil exports have fallen to just over 1.2 million barrels per day as of late 2012.
Major Export Markets	Mirrors major oil customers, with dollar values in flux due to sanctions implementation.
Major Imports	Mirrors major oil customers, with dollar values in flux due to sanctions implementation.
Major Non-Oil Investments	Renault (France) and Mercedes (Germany)—automobile production in Karaj, Iran—valued at \$370 million; Renault (France), Peugeot (France) and Volkswagen (Germany)—auto parts production; Turkey—Tehran airport, hotels; China—shipbuilding on Qeshm Island, aluminum factory in Shirvan, cement plant in Hamadan; UAE financing Esfahan Steel Company; India—steel plant, petrochemical plant; S. Korea—steel plant in Kerman Province; S. Korea and Germany—\$1.7 billion to expand Esfahan refinery.
Development Assistance Received	2003 (latest available): \$136 million grant aid. Biggest donors: Germany (\$38 million); Japan (\$17 million); France (\$9 million).
Inflation	17.5 in 2012, according to Iran Central Bank in January 2013, but believed to be over 50% by outside experts.
Unemployment Rate	Official rate is 15.3% as of the end of 2011, but outside experts believe the rate is higher

**Sources:** CIA, *The World Factbook*; various press; IMF; Iran Trade Planning Division; CRS conversations with experts and foreign diplomats.

Figure I. Structure of the Iranian Government



Source: CRS.

Figure 2. Map of Iran



Source: Map Resources, adapted by CRS (April 2005).

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