

May 2007

Pierre Gomez (MALD '07, Fletcher) submitted the following memo in response to an assignment from Graham Allison for his spring semester 2007 class: Central Challenges in American Foreign Policy. The assignment was to develop “options” for the President to consider in dealing with Iran that “best protect and advance American national interests.”

From: XXX

To: Deputy Secretary of State John Negroponte

Re: Iran’s Nuclear Ambition

Issues: The US must prevent Iran from becoming a nuclear weapon state over the next five years. A military attack on nuclear facilities is too risky and international sanctions are too slow and weak to produce results before the end of 2007 or early 2008.

US National Interests: Iran’s nuclear goals threaten numerous national interests, they include:

- Preventing states hostile to the US from acquiring a WMD capability (vital, threat: high)
- Preventing the threat of nuclear attack on the US and its allies (vital, threat: low)
- Avoiding war in the Middle East (vital, threat: medium)
- Promote the well-being of US allies (very important, threat: medium)
- Preventing the emergence of Iran as a regional hegemon (very important, threat: high)
- Prevent the proliferation of WMDs in the Middle East (very important, threat: high)

Objectives: To secure America’s vital interests, we must meet these objectives:

Objective	Outlook	Chance of Success
Keep Iran from developing a closed nuclear fuel cycle	Long-term	5%
Prevent Iran from producing enough enriched uranium for a bomb before the end of the year	Short-term	45%
Keep Iran from developing a nuclear weapon over the next 5 years	Long-term	50%

Discussion: Iran’s research into nuclear warhead design, long-range missile technology, and its efforts to produce HEU by year’s end demand immediate action. A nuclear-armed Iran will fuel nuclear proliferation in the Middle East. Iran’s plans may also prompt a preemptive strike from Israel and thus lead to a wider war. To Iran, the bomb has a number of benefits. It allows for bolder and more aggressive foreign policy, deters against invasion or attack, creates prestige, fosters scientific advancement, counterbalances Israel’s capabilities, and ensures strategic dominance in the region. Iran must be convinced that the costs of a WMD capability outweigh its benefits or that it can achieve its goals by other means. Iran’s multiple centers of authority and their constant struggle for power complicate this goal. Russia, China, and India would contribute little due to their economic investments in Iran. US action is partially constrained by its role in Iraq and Afghanistan. Within Iran, the number of stock market traders decreased by 46% this year and several major European banks left the state. Furthermore, Iranian oil production declines 10 to 12 percent annually. Experts say Iran’s wells will run dry by 2015, but with foreign investment, it can boost production, salvage oil from old wells and continue exporting beyond 2015.

Strategic Options:

Option 1: Tighten the Screws

The United States must work with its allies to cripple the state economically. The following US allies import Iranian oil: Germany (1%), France (6%), Italy (9%), and Japan (20%). With Saudi Arabia, the US can outline a plan that replaces our closest allies' Iranian oil consumption with Saudi crude. Once a plan is in place to secure oil for US allies from Saudi Arabia, the US will use maritime and air power to block all tankers headed for Iran at the Strait of Hormuz and by establishing a "red line" in the Caspian Sea protected by air power along the 38th parallel.

Pros	Cons
<ul style="list-style-type: none"> • A costly, escalatory signal that demonstrates American resolve • Threat alone may push China, Russia to pressure Iran to stop enrichment • Strategic oil reserve, Saudi Arabia can cushion shock 	<ul style="list-style-type: none"> • If leaked, Iranian will escalate first • Execution may take too long • Will sharply increase global oil prices • Blockade is technically an act of war • Proper signaling critical to avoiding war • Disrupts Russian and Chinese oil supplies

Option 2: Détente through Grand Bargain

In 2003, through Swiss channels, Khamenei agreed in principle to a "Grand Bargain" that addressed security, economic, political, and energy issues between the states. Today, Iran's pragmatic leaders still want direct talks with the US, but on their terms. The "Grand Bargain" roadmap can serve as a jumping point for future discussions, but the US must acknowledge Iran's "right" to enrichment. To kick-start secret talks, the US could set the following "nuclear condition," which, if met by Iran, would lead to regular, bilateral talks on all other issues outlined in the roadmap as well as any new UN sanctions. *The US will refrain from backing regime change and its advocates and will agree publicly to a closed nuclear fuel cycle. Simultaneously, Iran will publicly offer full transparency: an immediate, verifiable halt to all WMD related activities and unconditional compliance with all IAEA requests.* If Iran breaches this "condition" at any later point, the US will rescind all benefits, return to the status quo, reintroduce the need for sanctions at the UN, and place the military option back on the table.

Pros	Cons
<ul style="list-style-type: none"> • Halts WMD program without humiliating regime internationally • US recognizes and respects the theocracy as a major player • Normalizes relations, reduces the risk of future confrontations • US security assurance removes some motivations for the bomb • Leads to more DFI for Iran, changing Iranian opinions of the US • May push Iran to cooperate in Iraq • Empowers Iranian moderates 	<ul style="list-style-type: none"> • Requires secret talks such that each side can assess options without weight of public and global opinion – risk of leak • Iran keeps enrichment • Sets bad precedent: behave badly, get a deal, and keep option to build bomb • Iran may pursue a clandestine program • Power shift in Iran may hinder follow through on commitments • Agreement must eventually include lifting UN, US sanctions • Israel will not support this option • Some will call this appeasement

Option 3: Monkey Wrench

Covert action against Iran's nuclear program will lengthen the time required to produce a weapon, give the international community more time to arrive at a permanent solution, and boost the likelihood of meeting our objectives. The goal will be to disrupt the development of nuclear weapons in Iran without revealing American involvement. Weaponizing nuclear material is a complex and expensive process with little room for error. The US will delay Iranian efforts in one or more of the following ways: (1) preventing or slowing the flow of critical components to Iran, (2) sabotaging known uranium enrichment facilities, (3) recruiting Iranian nuclear scientists to spy for the US, and (4) seizing critical materials or equipment. CIA would staff and manage this operation but may require collaboration with one or more of the following states depending on American operational capabilities in Iran: Britain, France, Israel, Saudi Arabia, and Egypt.

Pros	Cons
<ul style="list-style-type: none"> • If done skillfully, reduces Iranian confidence and creates distrust between program elites and scientists • Buys time to allow the UN and US sanctions to work • Lowers risk of wider war • Can cripple or maim Iranian bomb effort • Low cost and a high rate of return • More viable than a military strike but with similar effects – depends on scope of operation 	<ul style="list-style-type: none"> • Media or intelligence leak prevents action and endangers American assets in Iran – the bigger the effort the more likely to leak • Not a permanent solution – stopgap • Israeli preemptive strike might still happen • Botched effort will fuel Iranian and Arab distrust of US and may drive Iran's nuclear program underground • US may lack assets to execute this policy • Iran may anticipate this action and rely on secret facilities for important work • May damage Russian assets

Recommendation: Détente through Grand Bargain

Containing and marginalizing Iran has had little impact on preventing the regime from advancing its nuclear ambitions. However, a naval blockade carries significant risk and its aftermath will empower Iranian hardliners. Similarly, if covert action fails or knowledge of it becomes public, it will make future engagement with Iran nearly impossible. In time, Iran will gain the skills required to build the bomb. Direct engagement may convince the theocracy that it does not need nuclear weapons to achieve greatness or as protection. However, to hedge against failed diplomacy, the US should *lay the groundwork but not execute option **Monkey Wrench***.

Implementation:

- 1) Use Mohammad Khatami to personally communicate the “nuclear condition” to Khamenei
 - a) Detail the “nuclear condition” and describe steps a) through d)
 - b) If Khamenei wishes to proceed, Iran's chief representative (TBD by Iran) must meet with Secretary Rice in 5 days in Abu Dhabi with a definitive answer to the deal
 - i) Future bilateral talks on other issues depend both sides accepting “nuclear condition”
 - c) At the meeting, If Khamenei agrees, then he must signal a shift by publicly calling for a direct dialogue with the United States within 24 hours and an openness to talks on nuclear arms
 - i) President Bush will publicly agree to the America's part within 24 hours
 - ii) Iran must then begin to comply with the IAEA within 24 hours after the announcement and provide a list of locations for inspection

- (1) The US will compare the Iranian list to its own intelligence data and use satellite surveillance to confirm the sites and verify that Iran is not moving materials
 - d) If Iran is not present, the US will reconsider a military strike
 - 2) Concurrently, identify choke points and weaknesses in Iran's nuclear cycle and assess extent to which sabotaging equipment and co-opting individuals will delay Iran's progress
 - a) The CIA should strive for a 6 to 12 month delay in nuclear bomb development
- Fallback:** If diplomacy fails, proceed with *Monkey Wrench* and reassess strategic options.