

# RISING TENSIONS IN THE MIDDLE EAST: THE POSITION OF THE TRUMP ADMINISTRATION AND THE FUTURE OF THE IRAN DEAL



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ADMINISTRATION AND THE FUTURE OF THE IRAN DEAL**

**ABSTRACT:**

The Iran-US ties have been in a downward spiral ever since President Trump assumed power. President Trump has termed the JCPOA (Iran Deal) as a bad deal- in his view the deal enables Iran to: accumulate economic benefits, eventually acquire nuclear weapons and threaten the security of the traditional American allies in the Middle East. The recent days manifested a near conflict situation when Iran downed a US RQ-4A Global Hawk- for violating Iranian airspace. Soon after the incident, President Trump ordered attacks on Iranian installations before calling off the attack few hours later. The Trump regimes unilateral withdrawal from the Iran deal and ensuing sanctions on Iran paints a bleak picture of the future efficacy of the JCPOA. The recent downing of a US drone by Iran is the first direct attack on a US asset amidst the rising tensions between Iran and US, this incident has positioned the future of the Middle East at a critical juncture. The upcoming days will set the tone for the future of the JCPOA and the Middle East arena.

## Introduction:

The Trump administration states that the Iran deal should be re-negotiated to encapsulate Iranian missile program and address Iran's alleged involvement in the Middle East conflicts. In order to pressure Iran to re-negotiate the deal the US has enhanced its maximum pressure campaign.

On 8th May 2018, Trump officially pulled out of the Iran Deal and snapped back the US economic sanctions on Iran. The economic sanctions were re-instated in two phases. The first phase became functional on 7th August 2018, it blocked: Iranian purchase of US currency, Iranian trade in gold and precious metals and sale of auto parts, commercial passenger aircraft and related services- to Iran. The second phase of sanctions was re-imposed in November 2018- restricting the sale of Iranian oil, petrochemical products and banking channels.

In April 2019, the Trump administration went a step further on the escalation ladder and labeled the Islamic Revolutionary Guards Corps as a foreign terrorist organization. A month later, in May 2019- the US National Security Advisor John Bolton claimed that based on credible intelligence of Iranian threats to US interests in the Middle East, the US is deploying the USS Abraham Lincoln Carrier Strike Group and a bomber task force to the US Central Command region to send a message to Iran. Alongside, the US also stated that it would impose sanctions on all countries that continue importing Iranian oil and that the US was taking additional measures to sanction Iranian steel, aluminum, iron and copper sectors.

The Iranian response has been reactionary to the evolving US postures. In the wake of the US force deployment and threats of enhanced sanctions. Zarif stated that "the US was playing a very dangerous game by boosting its military presence in the region. Having all these military assets in a small area is in of itself prone to accidents." Speaking about the JCPOA, Zarif noted that US walked out of a multilateral commitment, which was intended to limit Iran's nuclear capabilities in return for the lifting of sanctions and now the US is using economic warfare to hurt the Iranian people. Iran has also called for European allies to safeguard the deal by ensuring that Iran receives the promised economic benefits despite the US sanctions, or it would revert to slowly enhancing its nuclear production.

A few days after the US naval deployment in the Arabian Sea, it was reported that two Saudi oil tankers were attacked by armed drones off the coast of the United Arab Emirates- Saudi Arabia pointed fingers at Iranian complicity in these attacks. However, Iran has denounced these attacks, called for investigations and warned against plotting of any false flag operations as a pretext to attacking Iran.

The EU has also called for maximum restraint by the US. In April, a revealing statement was issued by Maj Gen Christopher Ghika- deputy commander of Operation Inherent Resolve (OIR)- the coalition conducting counter-terrorist operations against Isis in Iraq and Syria, has negated US assessments by stating that there is no increased threat from Iranian-backed forces in Iraq or Syria.

Reportedly, the current US administration is encouraging a regime change in Iran – one which would be favorable for US and the interests of its Middle East allies- the maximum pressure campaign is aimed at achieving this goal.

The US pull out from the Iran deal and the snap back of sanctions, created minor unrest in Iran in 2018. However, recent assessments suggest that the public grievances are not intensified enough to cause a regime change. It is also reported that majority of Iranian public rejects the idea of a major change to their political system, they support the nuclear deal and do not favor a renegotiation.

According to Foad Izadi, assistant professor at Tehran University- “the Iranian people understand that the Rouhani government has been trying to reduce tensions with the US.”

### The Legal Dimension of the JCPOA (IRAN DEAL):

Since 2013, Iran, US, other permanent members of the UN, EU Foreign ministers and members of the IAEA engaged in active negotiations which culminated in signing of the JCPOA on July 15 2015.

- According to a White House report outlining the framework of JCPOA:
- Iran removes its core reactor at the Arak facility, redesigns it and maintains a limit of 130 tons of heavy water, while shipping out any excess.
- Stops Uranium enrichment at Natanz and Fordow facilities.
- Removes two-thirds of its centrifuges.
- Stops R&D of nuclear explosive devices.
- Grants more access to the IAEA to inspect.

Upon complying to the terms; along with ratifying Additional Protocols of the IAEA; Iran acquires sanction reliefs (some of which were lifted in Jan 2016 after IAEA’s verification).

However, The JCPOA allows US to ‘snap back’ sanctions if any part is violated. Furthermore, all unilateral sanctions related to terrorism and human right abuses stay intact- clarifying that all other political matters are to be addressed beyond the scope of the nuclear deal.

The UN removes all prior sanctions, replacing it with resolution 2231 which refrains Iran from use of nuclear capable missile. (UN can re-impose sanctions if Iran defects, that cannot be vetoed by Russia or China for 11-15 years).

The EU lifts sanctions related to nuclear program but can be re-imposed in case of violations.

So far, the reports published by the IAEA on Iran’s nuclear program suggest that Iran is abiding by the deal.

Ever since the Trump administration assumed power, various legislative developments have taken shape to once again tighten the noose on Iran. In the Iranian view, the US attempts to enhance sanctions on Iran in all other spheres besides the nuclear domain defeated the purpose of the deal- as businesses feared US sanctions. In the Iranian believe that JCPOA was a confidence building measure which progressively addresses issues.

The Iranian Missile program has also remained a thorny issue since 2017, US, Israel and Saudi Arabia urged the UN to consider sanctions because Iran allegedly violates UN resolution 2231- which prohibits Iran from testing ballistic missiles for 8 years starting from July 2015.

According to Iranian officials – the missiles are not capable of carrying nuclear warheads, and therefore the deal has not been violated and stands for maintaining conventional arms as it is for self-defense purposes as deterrence against regional rivals which are exponentially modernizing their military capabilities. The JCPOA and Resolution 2231 does not prohibit Iran to test or establish ballistic missiles programs designed for delivering non-nuclear weapons.

### European Response:

In the wake of the US imposed sanctions in May 2018; the EU foreign policy chief quickly clarified that for them–the deal is working and expressed concerns over the new sanctions. However, soon after, President Macron presented Trump with a proposition of carving out a new deal with Iran to tackle the concerns that fall beyond the scope of nuclear weapons. Macron also proposed blocking any Iranian nuclear activity until 2025 and beyond, discuss Iran’s ballistic missile program and look for political solutions to Iran’s alleged role in Middle East conflicts. Iran resisted these proposals and called on the European allies to preserve the deal in its current shape.

The EU for now- appears divided on the US approach towards Iran -few EU states have exhibited support against alleged Iranian threats- on issues beyond the nuclear program, while other states have given a muted response. In the month of January 2019, the EU also imposed some sanctions on Iranian entities- on allegations of killing of two Iranians dissidents living in the Netherlands. The Iranian government on its part- has denied any involvement in the killings and said that the accusations were intended to damage EU-Iran relations.

However, after the first phase of sanctions snapped back on the 7th of August 2018, the EU issued a Joint Statement denouncing this development. Alongside EU’s blocking statute in support of the Iran nuclear deal has also been enforced- aimed at protecting European businesses from US sanctions and has instructed European firms not to comply with the sanctions.

There is an apprehension regarding the efficacy of the blocking statute, as many businesses and banking channels globally are spooked by US sanctions. Since last year,

several major European corporations have pulled out of Iran. Total pulled out from developing South Pars gas field in Iran. Reportedly, Airbus halted the planned delivery of 100 passenger jets. Boeing has also lost a \$20bn contract in Iran. The Belgian company SWIFT removed Iranian banks from its systems due to fears of US sanctions.

On January 31, 2019- Britain, France and Germany announced an alternate payment mechanism known as the Instrument in Support of Trade Exchanges (INSTEX)- to circumvent US sanctions. The Iranians are still debating the efficacy of this EU led initiative, as the mechanism would require Iran to deposit its oil revenues in INSTEX- allow Europe to oversee and control Iranian income and thus adversely impact state sovereignty. There is also a belief that the European states are trying to gain leverage with Iran in re-negotiating terms to address the issue of ballistic missiles, alleged Iranian political clout across the Middle East -before the INSTEX is fully implemented.

Amidst the escalating tensions with US, Iran gave Europe a 60-day window to stand by its commitment of safeguarding Iranian economic interests stipulated in the JCPOA. According to prominent assessments, Europe is in a difficult spot, as it may have miscalculated the Iranian response to the escalating sanctions and at the same time it may lack the political capability to negate the US diktats.

Tehran has also recently announced its plan to exponentially enhance uranium enrichment, this is being viewed as an Iranian attempt to retaliate to US unilateral withdrawal and ramp up pressure on the remaining signatories. The EU signatories are expected to announce a multimillion-dollar credit line to Iran in the upcoming days- as means to provide relief to Iranian economic woes.

During the recent UNSC meeting, EU diplomats reiterated their stance that the Iran deal is working and there is no other credible peaceful alternative.

However, in the wake of Iranian claims to once again enhance uranium enrichment levels, would lead to a violation of the United Nations Security Council resolution, 2231, and pave way for a snap back of multilateral economic penalties.

While the EU is trying to take some initiatives to salvage the deal, US has been lobbying to take a tougher line against Iran. It is predicted that EU will face a difficult time in taking a more independent position towards Iran. The difficulty of taking a coherent stance on the developing situation was also manifested recently when the French intelligence services assessed that the US drone had not violated the Iranian airspace.

### Chinese and Russian Responses:

China called for restraint by all parties, the Chinese Foreign Ministry issued a statement expressing contentment over Iranian commitment to the JCPOA. China is also likely to carve out its future actions keeping in view the overall stability of the BRI.

Recently, the US has also revoked the waivers it offered to some countries-including India- to continue business with Iran. Iranian Foreign Minister Zarif visited Pakistan amidst the rising tensions with US and hinted at a possibility of linking Chahbar with CPEC. Turkey has also stated that it will not comply with the sanctions and continue trade with Iran. It needs to be seen what alternate payment mechanisms can be designed to continue economic activities with Iran.

Russia has denounced US actions as unacceptable and irresponsible. Russia's Afghanistan envoy Zamir Kabulov recently expressed his concerns, stating that a possibility of a short-term conflict cannot be ruled out, and that it is essential to abide by conventional political processes to address conflicts. He also called on Gulf Arab states to engage in dialogue with Iran.

## Conclusion:

The threats of regime changes, and the unilateral withdrawal of US from the JCPOA and snapback of economic sanctions threatens Iran. Any violation of the JCPOA is to be reported to the UNSC, who would then take the necessary steps to ensure compliance, so far Iran's commitment to the JCPOA is confirmed by Director General of the IAEA , EU , Russia and China.

On the surface EU has denounced US actions, but an effective European response is yet to emerge, according to the Trump administration, EU benefits from US military protection and slacks off in increasing its military expenditure share- therefore it is compelled to follow US policies. Moreover, owing to the US clout over global economic institutions, it is yet to be seen if the EU efforts can ensure economic activity with Iran.

The current US posture has created a precarious situation in the Middle East. So far, the Iranian responses are reactionary in nature. Iran has announced that it would take a series of small steps to resume its nuclear program- if the US continues its hostile posture and the European countries fail to commit to their promises of ensuring that Iran reaps economic benefits from the deal.

The recent downing of the US drone by Iran has further complicated the situation. The US claims that the aircraft was shot down in international airspace over the Strait of Hormuz while Iran claims that the aircraft entered Iranian territory. Shortly after the attack, President Trump ordered attacks on Iranian installations, but retreated from his statement soon after. The recent incident has also highlighted Iranian air defense capabilities and military preparedness- some believe that this may deter US from engaging in any direct confrontation for a while. However, the US is likely to make use of its global political-economic clout to enhance restrictions on Iran, this was seen in the series of new sanctions imposed on several Iranian officials after the drone incident.

The US is currently giving mixed signals regarding its plans for Iran. On one hand it is using escalating sanctions and assuming offensive postures. On the other hand, some reports indicate that the United States is willing to reopen nuclear negotiations with Iran, as long as the talks were broadened to include possible limits on missile launches and Iran's alleged role in the Middle East conflicts. Reportedly, some US military officials have also warned the White House that its maximum-pressure campaign could backfire. Recently, the former White House Communications Director Anthony Scaramucci stated that "Iran should de-escalate tensions. Trump wants peace with the Iranians. The only thing I would say to people in Iran is I would be very careful with President Trump because he is not the kind of guy that is a politician". It appears that the US does not want to highlight any weakness but is also seeking ways to diffuse tensions on its terms. The 7<sup>th</sup> of July would also unfold the trajectory of the JCPOA and the position of the UNSC and EU signatories, as Iran has indicated to take further steps on July 7 to increase uranium enrichment purity levels over the 3.67 percent limit set in the agreement. It is predicted that – for now-this could be a symbolic increase to 3.68%, as means to show Iranian determination to walk away from the deal if the US and EU partners do not hold up to their promises. The deal also enables Iran to take reversible steps to suspend parts of the deal if another signatory to the deal fails to keep a commitment. It needs to be seen how effectively the EU can bypass the US led economic sanctions. It is expected that the European leaders will use the upcoming G20 summit in Japan to de-escalate the US-Iran tensions. However, France, Germany and Italy are raising concerns about Iran's ballistic missile program, now saying it is capable of delivering a nuclear payload. The EU's efforts to find a balance between US and Iran could be seen as a faltering effort by Iran. Russia and China are expected to call for restraint and encourage all parties to stick to the JCPOA. While a direct military confrontation may be unlikely in the foreseeable days, the Iran deal may be completely ruptured bringing the situation back to square one.

US-China competition also figures in the present Middle East scenario. Gwadar port in Pakistan enables China to dominate the Gulf of Oman as well as monitor the Straits of Hormuz. By remaining fixated on Iran and regime change in alliance with Saudi Arabia and Israel the US is losing sight of the bigger picture. China is not-- as it seeks to draw Iran into the CPEC. Iran has already offered to link its Chahbahar Port with Gwadar. India seeks to use Iran to link with the Central Asian States by-passing Pakistan. Afghan-Pakistan relations are set to improve and if the peace process continues on a positive track then the energy projects from the Central Asian States through Afghanistan and Pakistan would gain momentum and could link with the CPEC. The attacks on the ships in the Gulf and the Iranian shooting down of a US drone indicate the dangers inherent in the US-Iran stand-off. Pakistan is emerging as pivotal state because of its proximity to Iran and Afghanistan, it excellent relations with China and friendship with Saudi Arabia and the reality of the CPEC and Gwadar and the Gulf of Oman.