



Forum for American Leadership

Recommendations for U.S.-Iran Policy

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Background

- **Nuclear Weapons:** In February 2023, the International Atomic Energy Agency (IAEA) [found](#) 84% enriched uranium in Iran's best-fortified nuclear site at Fordow, close to what is generally considered weapons-grade (90%). While Iran has not repeated that level of enrichment according to publicly available information, it has continued to stockpile uranium enriched to 60%. As a result, as of May, Iran's estimated breakout time to produce enough weapon-grade uranium for a nuclear weapon was just [12 days](#). The U.S. continues to assess Iran is anywhere from three months to two years away from a functioning weapon should it decide to build one. Iran, meanwhile, continues construction on a new underground site more fortified than Fordow while blocking IAEA oversight of its centrifuge manufacturing center. The Biden administration has not taken steps to thwart this dangerous development other than offering Tehran billions of dollars to hold off on crossing the nuclear threshold.
- **Support for International Terror:** Iran has been [designated](#) as a state sponsor of terrorism by the State Department since 1984. The regime [provides](#) hundreds of millions of dollars to Palestinian terrorist organizations, including Hamas and Islamic Jihad. They give [immense financial support](#) to Hezbollah, which is used to threaten the security of Israel and American assets in the Middle East. Though one of Biden's first acts as President was to revoke Foreign Terrorist Organization status from the Houthi rebels in Yemen, the group has [continuously](#) received Iranian weapons, in violation of a UN embargo, and used them to carry out attacks on civilians.
- **Military Aid to Russia:** Iran has [supplied](#) Russia with military advisors and hundreds of drones, some of which have been used to attack and kill civilians in Ukraine. Iran is reportedly helping Russia build a drone factory near Moscow that would largely rule out U.S. strikes against them and reportedly allow Russia to significantly expand its use of drones against Ukraine.
- **Threats to U.S. Citizens:** Iran has publicly threatened to take revenge for the 2020 killing of IRGC General Qassem Soleimani, and several current and former U.S. national security officials live under active assassination threat from the regime. Additionally, the regime's operatives have repeatedly attempted to kidnap or kill Iranian dissidents living in the United States. Iran's proxies in Syria and Iraq regularly attack U.S. forces with little to no response from the Biden administration. Iran periodically takes American citizens hostage as bargaining chips for money and the release of its operatives.
- **Human Rights Violations:** In September 2022, 22-year-old student Mahsa Amini was brutally murdered by Iran's morality police for not wearing a hijab in public. Tehran has

cracked down on protests in the wake of Amini's death, handing out the death penalty to numerous protesters entirely out of proportion to the crimes for which they are charged. The tactic has been effective in the near term in suppressing the protests, though discontent with the regime is undoubtedly stronger than ever. In addition, the regime has [poisoned schoolgirls](#), [tortured political prisoners](#), and prevented internet freedom and freedoms of speech and assembly, among [other human rights abuses](#). The Biden administration remains willing to sell out Iranian protesters as it tries to entice the regime with billions of dollars to re-enter an ineffective nuclear deal.

- **Maritime Threats:** Iran has become increasingly aggressive towards civilian and military vessels in the Strait of Hormuz. This year, the IRGC has seized at least three oil tankers passing through the strait and harassed a fourth in early June before the American and British navies came to the ship's aid. In one [July 2023](#) incident, the U.S. Navy responded to distress calls in the Gulf of Oman as Iran's Navy fired upon and attempted to seize two commercial oil tankers. [Since 2021](#), Iranian forces have sailed dangerously close to or tried to pirate U.S. naval ships and unmanned surface vessels and have assaulted commercial ships outside of Iranian waters. These activities forced the Department of Defense to deploy additional military assets to the region as a belated act of deterrence. At the same time, Iran has cynically proposed cooperative maritime security arrangements with the GCC states and Iraq, and Beijing has offered to host a maritime security conference with regional states.

Biden Administration Approach

- **Negotiations with Iran:** President Biden entered office with the intention of re-entering the JCPOA and then negotiating a "stronger, longer" agreement (itself an implicit admission of the JCPOA's insufficiency). Despite failed efforts to date, Administration officials have recently resumed [negotiations](#), even as Iran continues uranium enrichment and its malign activities. The U.S. and its European partners have reportedly entered into an unwritten [arrangement](#) (which some have [called](#) an interim nuclear agreement) that provides Iran with access to some of its frozen funds in exchange for additional cooperation with the IAEA and avoiding further enrichment above 60 percent purity. However it is framed, this approach amounts to paying Iran to refrain from moving forward. Despite Iran's near-complete disregard of the JCPOA, the Administration and the Europeans have been deterred from restoring international sanctions on Iran, through measures such as exercising the "snapback" provision of the JCPOA.
- **Economic and Military Growth:** Since the start of the Biden administration, Iran's economy has massively rebounded from the severe economic crisis it faced under the Trump administration's maximum pressure campaign. Tehran's foreign exchange reserves rebounded from [under](#) \$10 billion in 2020 to a [projected](#) \$41 billion by the end of 2023, and Iran's economy is [projected](#) to achieve 2–4% annual growth for 2021–2023. Due to Biden's non-enforcement of U.S. sanctions, Iranian oil sales are now at their [highest level since 2018](#), with [China](#) being one of the largest buyers. The Iranian regime has used these funds to supercharge its military and terror spending. In this current budget year, its military spending has [increased](#) by roughly 11%, its internal repression budget [increased](#)

by 14%, including a 30% increase to the Ministry of Intelligence and triple-digit increases to programs dedicated to obtaining safehouses to detain and torture dissidents.

- **Unfreezing Iranian Assets:** The Biden administration, to dissuade Iran from acquiring nuclear capabilities, has pursued a policy of appeasement. As part of their original negotiations with Tehran, Biden officials agreed to [lift more sanctions](#)—including on terrorists, on Iranian entities that help its government repress its citizens, and on the IRGC—than the 2015 JCPOA. Additionally, the Administration’s failure to update the sanctions program allows targets to develop workarounds, making existing U.S. sanctions less effective over time and reducing pressure on the regime. Recent negotiations with Iran have included offers to provide sanctions relief. In June, the U.S. [authorized](#) the release of \$2.76 billion in frozen Iranian funds held in Iraq to help Tehran pay off its debts. In early July, an Iranian official [announced](#) the regime had received access to \$10 billion previously rendered inaccessible by U.S. sanctions. On July 11, Iraq [announced](#) it would trade its oil for Iranian natural gas—an arrangement that cannot occur without Washington’s approval. On August 10, the Administration [agreed](#) to ransom five Americans wrongfully held by the regime at a cost of \$6 billion in previously frozen Iranian oil revenues.
- **Alienating Regional Partners:** The Biden administration’s push for an agreement with Tehran and its failure to deter Iran’s nuclear program has put Israel under existential threat. Furthermore, under the Biden administration, U.S. relations with Saudi Arabia have deteriorated. Biden’s move away from Saudi Arabia and failure to deter Iran has pushed Riyadh towards [detente with Iran](#) and has opened an opportunity for China to become a major player in the region. While NSA Jake Sullivan’s [recent trip](#) to Saudi Arabia is a positive development, the Administration will need to dramatically change its attitude towards Riyadh, should they wish to see Saudi-Israeli normalization. U.S. partners have already begun hedging their bets on Washington due to perceived American unreliability in the Middle East as well as China’s increasing economic, diplomatic, and security presence in the region.

Recommendations

- **Stand with the People of Iran:** The most immediate victims of Tehran’s repression are Iranian citizens. The Islamic Republic today faces the most serious challenge to its existence since the inception of the theocracy in 1979. This is a rebellion for dignity, freedom, and an accountable government. The protestors are not calling for reform but the extinction of the theocracy. Knowledgeable observers believe that it is not a matter of if but when the regime falls, given its evident lack of popular support. The challenge for the U.S. is not to choose *between* stopping Iran from acquiring nuclear weapons or supporting the Iranian people, but to do both. The U.S. should not merely issue statements of support but should work with tech companies to ensure that Iranians have the tools to evade regime censorship and surveillance and take their future into their own hands.
- **Stop Appeasing, Start Deterring:** There would be no need to pay Iran to refrain from moving forward if it were deterred from doing so. To deter Iran from obtaining nuclear weapons, the United States must work with key allies in the region. The next administration should recognize that negotiating with Iran—a country committed to terror and the

destruction of America, and which has failed to uphold agreements with the West in the past—from a position of desperation or weakness is facially unwise. The United States should not reward Iran for making noncredible, bare-minimum commitments; instead, it should work with Israel and other partners in the region to restore military deterrence.

- **Tighten Sanctions Regime:** The Trump administration’s maximum pressure campaign against Iran relied heavily on the effective use of targeted sanctions. To deter a nuclear Iran, the next administration should enforce more aggressive sanctions against China for their continued imports of Iranian oil. They should also work with UN partners to return full UN sanctions on Iran and prevent the pending expiration of ballistic missile restrictions. The Departments of Commerce and State should tighten and if necessary expand export controls to ensure that US components are not available to the Iranian and Russian drone programs. Finally, the next administration should make clear the U.S. will never pay for the release of U.S. hostages and instead pursue every pressure option to target all individuals involved in the capture and detention of U.S. citizens. Paying for the release of hostages frees up funds for malign activities and incentivizes continued hostage-taking.
- **Strengthen Security Cooperation with Israel:** Israel is America’s strongest, longest-standing ally in the Middle East. The next administration should not stand in Israel’s way should Jerusalem determine that it is in Israel’s national security interest to take action to prevent a nuclear Iran. The next administration should also work with Congress to provide Israel with the armaments it needs to deter aggression by Iran and its proxies, including aerial refueling tankers, precision-guided munitions, combat aircraft and helicopters, and batteries and interceptors for its Iron Dome. The next President should work to continue the progress of the Abraham Accords and promote Israel’s integration in the region.
- **Recommit to Saudi Arabia and the UAE:** The next administration should [stand](#) with our Saudi and Emirati partners by supplying their military with needed armaments, oppose attacks on Saudi Arabia and the UAE from Houthi rebels in Yemen, designate Saudi Arabia a Major Defense Partner, and reach a partnership agreement on the global oil market. This can be done simultaneously with pushing the Saudis towards [further improvements](#) in their human rights record. A close strategic and military relationship with Saudi Arabia and the UAE is key in deterring Iran from marching toward the bomb while also discouraging both countries’ warming ties with China.

This paper is a product of the Forum for American Leadership’s [Middle East and North Africa Working Group](#).

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