U.S. POLICY · 1979 – 2026 · A COMPARATIVE RECORD

FORTY-SEVEN YEARS

U.S. Policy Toward the Islamic Republic of Iran

Doctrines, Documents, Laws, and Record



Carter 1979 · Reagan 1981 · Bush 1989 · Clinton 1993 · Bush 2001 · Obama 2009 · Trump 2017 · Biden 2021 · Trump 2025

NINE ADMINISTRATIONS · ONE QUESTION

EBRAHIM ROSHANDEL

FIRST ENGLISH EDITION · 2026

In the name of the Lord of life and wisdom

Forty-Seven Years

U.S. Policy Toward the Islamic Republic of Iran

Doctrines, Documents, Laws, and Record (1979–2026)

Ebrahim Roshandel

First Edition — October 2026 (Mehr 1405)

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Preface

Foreign policy, before it is a science, is memory. A state that forgets its own past repeats its mistakes with ever greater confidence; and a nation that entrusts the narrative of its history to others has also surrendered its future to them. This book was born of that conviction.

During the years I served in Iran's diplomatic apparatus, I saw at close range how major decisions are made: sometimes on the basis of careful calculation, but more often on the strength of assumptions that were never put to the test. In those years, "America" appeared in the official discourse of the Islamic Republic as a monolithic, malevolent, and ever-present entity—an enemy onto whom every domestic failure could be shifted. Few asked how Washington actually makes decisions, why it sometimes hardens its position and sometimes extends its hand, and why the White House and Congress, or the State Department and the Treasury, so often speak in different voices. This failure of understanding has been one of the roots of many of Tehran's miscalculations over the past four decades.

Yet this imperfect understanding was not one-sided. On the other side, American policymakers repeatedly saw the Islamic Republic either as simpler than it was—a regime that would collapse under sufficient pressure—or as more pragmatic than it was—a system that would change its behavior in exchange for the right offer. Experience proved both images wrong. The Islamic Republic was neither so fragile that sanctions would bring it down, nor so flexible that an agreement would transform it. What it actually was—a learning organization operating with two hands, one diplomatic and the other security-driven, that places its own survival above all else—can be understood only through a long-term, comparative lens.

This book is an attempt at precisely that long view. It assesses forty-seven years of U.S. policy toward the Islamic Republic—from the day the embassy was seized to the war of 2026—against a single question: which decisions genuinely weakened the regime, which had no effect, and which inadvertently strengthened it? This is not merely an academic question. Every wrong answer to it carries a cost that the people of Iran ultimately pay: in war, under sanctions, in prison, and in the streets.

In writing this book, I have tried to avoid two traps. The first is the "enemy-centered" narrative, which sees every American policy as a conspiracy against Iran and therefore learns nothing from it. The second is the "salvationist" narrative, which imagines that a foreign power can determine Iran's destiny in place of the Iranian nation. The experience of forty-seven years refutes both. America was neither an absolute Satan nor a savior; it was a power with its own interests, instruments, errors, and successes. And the fate of the Islamic Republic will ultimately be decided not in Washington but in Tehran.

For the Iranian reader, this book can serve as a map of the logic of a power that has played a decisive role in the lives of several generations of Iranians; and for those who are thinking about a transition beyond the status quo, it offers a list of what must not be repeated. For the non-Iranian reader and the policymaker, it is a record of instruments that have already been tested—with the reminder that the power of an instrument is never a substitute for clarity of purpose.

This book was completed in days when Iran and the United States find themselves in the midst of a devastating war, and the future of both—and of the region—is shrouded in uncertainty. Perhaps at such a moment a rereading of the past is more necessary than ever, for what is happening today is the continuation of a path that began forty-seven years ago, on an autumn morning on Taleghani Avenue in Tehran.

I hope this work makes a contribution, however modest, to a more precise understanding of that path; and that a day will come when Iran's foreign policy is formulated not on the basis of slogans and the manufacture of enemies, but on the basis of national interest, rationality, and mutual respect.

Ebrahim Roshandel
October 2026 (*Mehr 1405*)

Introduction

Why This Book?

Many books have been written on Iran–U.S. relations. Most are either historical narratives of a particular period or analyses of a specific file—the nuclear file, hostage-taking, or sanctions. What has received far less attention is a systematic and comparative evaluation of all these policies, across all periods, against a single standard. This book seeks to fill precisely that gap.

The book's central question is simple: have U.S. policies over the past forty-seven years weakened the Islamic Republic? Answering it, however, requires a careful distinction that is seldom observed in common debate. "Weakening" is used in three different senses: a reduction in the regime's material capabilities; a change in its external behavior; and the erosion of its internal cohesion and legitimacy. A policy may succeed on one of these axes and fail on another—or even prove counterproductive. Many of the political disputes over sanctions, the JCPOA, or war stem from conflating these three axes.

Method

Every policy, law, or document in this book is examined according to a fixed template: the date of announcement and implementation, the background to its formation, the content of the policy, its consequences, the behavioral response of the Islamic Republic, and an assessment of its effectiveness. The assessment is made on a five-point scale, from "strategically effective" (5) to "counterproductive" (1). These judgments are analytical rather than definitive; for this reason, the reasoning behind each score is stated explicitly, so that the reader may disagree with it on reasoned grounds.

The responses of the Islamic Republic are likewise classified into six recurring patterns: asymmetric escalation; circumvention and adaptation; hostage-taking as leverage; tactical retreat; negotiation

to buy time; and wedge-driving among rivals. This typology makes it possible to trace the regime's "learning" over time.

Structure of the Book

The book is organized in five parts. Part One (Foundations) examines the analytical framework and the pre-revolutionary legacy. Part Two (Presidential Doctrines) analyzes, in chronological order, the policies of nine U.S. presidential administrations, from Carter to the second Trump term. Part Three (Thematic Files) revisits the same period horizontally, through six files: sanctions, hostage-taking, terrorism, the nuclear file, the proxy network, and human rights. Part Four (Documents and Reports) addresses national security strategies, intelligence estimates, and congressional legislation. Part Five (Synthesis) presents a comparative scorecard of all administrations and instruments and draws lessons for future policymaking.

A Note on Sources

This book draws on primary U.S. government documents (executive orders, statutes, strategies, and declassified documents), reports of the Congressional Research Service, reports of the International Atomic Energy Agency, national and international judicial rulings, reports by human rights organizations, and the memoirs of decision-makers. For the events of 2025 and 2026, whose official documentation has not yet been fully released, the book relies on reputable news sources and research, and the corresponding assessments are designated as "provisional."

A Guide for Readers

Readers interested in a particular period may turn directly to the relevant chapter in Part Two. Readers with a specific question—for example, "Did sanctions work?" or "Why did hostage-taking continue?"—will find the chapters of Part Three more useful. And readers who want a concise answer to the book's central question may begin with Chapter Twenty-One. Each chapter closes with a

scorecard table and strategic lessons that offer a practical summary of the chapter.

Part One: Foundations

Before turning to the record of successive U.S. administrations, two tasks are essential. First, it must be made clear where U.S. policy on the Iran file is made, through what instruments it is implemented, and by what standard a policy can be said to have "succeeded." Second, we must examine what legacy the pre-1979 relationship placed on the shoulders of both sides—a legacy without which neither the responses of the Islamic Republic nor Washington's repeated errors can be explained. Chapter One is devoted to the first task, and Chapter Two to the second.

Chapter One: The Analytical Framework

1.1 The Book's Central Question

This book addresses a simple yet difficult question: from November 1979 (Aban 1358) to the present, which decisions of the United States genuinely weakened the Islamic Republic, which had no effect, and which inadvertently strengthened it? The question is difficult because over these forty-seven years the United States has tested almost every instrument available to a superpower: the severing of diplomatic relations, asset freezes, unilateral and multilateral sanctions, secondary sanctions, covert and overt negotiations, hostage deals, naval confrontation, cyber operations, targeted killing, air strikes on nuclear facilities, and, ultimately, war and naval blockade. And yet the regime has survived. Either the instruments were wrong, the objectives ambiguous, the implementation discontinuous, or the regime possessed adaptive capacities that were underestimated. This book's answer is that all four factors have played a role, in varying proportions in each period.

The second, subsidiary question is how the Islamic Republic responded to each policy. In this book, the regime's behavior is not treated as an independent variable; the regime is a learning actor that has drawn lessons from each round of pressure for the next. The sanctions-evasion networks that took shape in the 1990s evolved, by the 2010s, into the shadow fleet and the exchange-house networks of the UAE and Hong Kong; the 1979 embassy hostage-taking evolved into the pattern of detaining dual nationals in the 2010s. Tracing this learning is one of the constant threads running through every chapter.

1.2 The Institutional Map: Where Is U.S. Policy on Iran Made?

U.S. policy toward Iran is not the product of a single institution; it is the resultant of contestation and cooperation among at least six

centers of power. Iranian readers, accustomed to the centralized structure of decision-making in Tehran, often see "America" as a unitary actor. This analytical error leads to faulty predictions about Washington's behavior.

(a) The President and the National Security Council

The President is Commander-in-Chief and the principal custodian of foreign policy. His main instruments on the Iran file are the executive order and the national security directive. Executive orders are issued under the International Emergency Economic Powers Act (IEEPA, 1977), and the first of them, Executive Order 12170, was signed ten days after the seizure of the embassy. The "national emergency" declared in that order has been renewed every year since November 1979 and is the longest-running national emergency currently in force in American history. National security directives (which bear different names under each administration: PD under Carter, NSDD under Reagan, NSPM under Trump) are usually classified, and only some of them have later been made public. Important public examples are NSPM-11 (May 8, 2018) on withdrawal from the JCPOA and NSPM-2 (February 4, 2025) on the restoration of maximum pressure.

(b) The Department of State

The State Department holds three key instruments: the designation of a country on the list of "State Sponsors of Terrorism" (Iran has been on this list since January 1984); the designation of "Foreign Terrorist Organizations" (FTOs—the Islamic Revolutionary Guard Corps since April 2019); and the publication of annual country reports on terrorism and human rights, which have consistently identified Iran as "the world's leading state sponsor of terrorism." The Office of the Special Representative for Iran has also, in certain periods (Brian Hook, Elliott Abrams, Robert Malley), played a direct role in policy design.

(c) The Department of the Treasury

From the mid-2000s onward, the Treasury became the most effective arm of Iran policy. The Office of Foreign Assets Control

(OFAC) administers the list of Specially Designated Nationals (SDN), and the Office of Terrorism and Financial Intelligence (TFI, established in 2004), under the leadership of Stuart Levey, designed the strategy of "smart sanctions": persuading foreign banks—rather than governments—to cut ties with Iran by demonstrating the financial risk involved. This innovation is examined in detail in Chapters Seven and Twelve, as it marked a turning point in the effectiveness of sanctions.

(d) The Department of Defense and U.S. Central Command (CENTCOM)

CENTCOM, which was born in January 1983 out of the Carter-era Rapid Deployment Force, is itself a direct product of the Iranian revolution and the Soviet invasion of Afghanistan. From the escorting of tankers in 1987 to the operations of 2025 and 2026, American military power in the Persian Gulf has been exercised through this command. The perennial tension between the military's assessments (which have generally been wary of large-scale conflict with Iran) and political pressure for action is one of the recurring themes of this book.

(e) The Intelligence Community

National Intelligence Estimates (NIEs) and the Annual Threat Assessment (ATA), which the Director of National Intelligence presents to Congress, shape the cognitive framework of policymakers. The failure to anticipate the revolution in 1978 and the controversial November 2007 estimate concerning the halt of the weaponization component of Iran's nuclear program in 2003 are two examples of this institution's decisive influence on the course of policy: the first led to strategic surprise, while the second effectively took the military option of the Bush administration off the table.

(f) Congress

On the Iran file, Congress has been more hawkish than any other institution and less polarized along party lines. Iran legislation has usually passed by very large majorities: the Iran and Libya Sanctions Act (ILSA) in 1996 passed the Senate unanimously;

CISADA in 2010 passed with 99 votes in the Senate and 408 in the House of Representatives; and CAATSA in 2017 passed the Senate by 98 votes to 2. Congress's role operates at three levels: legislation, which converts executive sanctions into statute and ties the President's hands with respect to lifting them; oversight through its committees (Foreign Relations, Armed Services, Banking, Intelligence); and control of the budget. The Iran Nuclear Agreement Review Act (INARA, 2015) is a clear example of Congress's effort to participate in executive decision-making.

(g) The Courts

A less visible actor is the judiciary. The 1996 amendment to the Foreign Sovereign Immunities Act (FSIA) allowed victims of terrorism to sue state sponsors of terrorism. In *Peterson v. Islamic Republic of Iran*, the families of the victims of the 1983 bombing of the Marine barracks in Beirut obtained a multibillion-dollar damages judgment, and in 2016 the U.S. Supreme Court (*Bank Markazi v. Peterson*) cleared the way for recovery against the assets of Iran's Central Bank. The total of judgments issued against Iran runs into the tens of billions of dollars. This legal track, independent of political cycles, has built a permanent layer of pressure that cannot easily be dismantled even in the event of a political settlement.

1.3 The Legal Toolkit of Iran Policy

The table below summarizes the principal legal foundations referred to throughout the book.

Instrument	Legal Basis	Year	Function in the Iran File
National emergency and executive orders	IEEPA and the National Emergencies Act (NEA)	1977 / 1976	The basis of almost all executive sanctions since 1979
State Sponsors of Terrorism list	Section 6(j) of the Export Administration Act and subsequent	1979 (Iran designated 1984)	Ban on foreign assistance, restrictions on dual-use exports, removal of sovereign immunity

Instrument	Legal Basis	Year	Function in the Iran File
	statutes		
Foreign Terrorist Organization (FTO)	Section 219 of the Immigration and Nationality Act (as amended 1996)	1996	Criminalization of material support; Hezbollah (1997), IRGC (2019)
Specially Designated Global Terrorist (SDGT)	Executive Order 13224	2001	Sanctions on the Quds Force (2007), banks, and financial networks
Non-proliferation sanctions	Executive Order 13382	2005	Sanctions on the IRGC, banks, and missile and nuclear entities
Secondary sanctions	ILSA/ISA, CISADA, NDAA 2012, IFCA	1996–2012	Penalties on foreign companies and banks transacting with Iran
Terrorism victims' compensation claims	Terrorism exception to the FSIA	1996	Damages judgments and attachment of assets
War powers	War Powers Resolution of 1973 and Article I of the Constitution	1973	Framework and limits on military action without congressional authorization

1.4 The Dynamics of the White House and Congress

A recurring pattern is visible across the past forty-seven years. Whenever a President has moved toward diplomacy or flexibility, Congress has narrowed his room for maneuver with new sanctions legislation. In 1995 Clinton himself tightened sanctions in order to forestall a harsher bill from Senator Alfonse D'Amato, but in 1996 he was compelled to sign that very bill (ILSA). Between 2010 and 2012, Obama faced legislation that the White House considered, in part, premature or excessively harsh; the most important was the Menendez–Kirk amendment to the NDAA 2012, which mandated

sanctions on Iran's Central Bank. These very sanctions later became the leverage that brought Iran to the negotiating table. In this way, the institutional rivalry between the White House and Congress—without ever having been deliberately designed—has at times come to resemble a "good cop, bad cop" division of labor.

Another facet of this dynamic is the "statutory lock." Once a sanction is codified into law, lifting it requires new legislation or the use of limited waivers. This reduces the credibility, in Tehran's eyes, of any promise of sanctions relief; officials of the Islamic Republic argued repeatedly during the JCPOA negotiations that no President could guarantee a commitment to lift statutory sanctions. Trump's withdrawal from the JCPOA in 2018 entrenched this argument in the minds of Tehran's decision-makers. In other words, the very feature that makes U.S. sanctions durable also reduces their negotiability. This structural paradox recurs repeatedly in Chapters Eight through Eleven.

1.5 The Standard of Measurement: What Does "Effective" Mean?

Most of the confusion in evaluating U.S. policy stems from conflating objectives. A sanction may halve Iran's oil revenue and at the same time leave the regime's regional behavior unchanged. Was such a sanction successful? The answer depends on which objective we take as the benchmark. To avoid this confusion, the book measures every policy along three separate axes.

The Three Axes of Assessment

- **Axis A — The regime's material capabilities:** foreign-exchange revenue, access to the financial system, military, nuclear, and missile capabilities, and the capacity to finance the proxy network. The question is whether the policy reduced the regime's resources and capabilities.
- **Axis B — The regime's external behavior:** did the regime halt, limit, or postpone the targeted behavior (enrichment, hostage-

taking, assassination, support for proxies)? Or did it merely change its form?

- **Axis C — Internal cohesion and legitimacy:** did the policy deepen the rift between the regime and society and strengthen opposition forces? Or, conversely, did it enable the regime to consolidate its ranks through the narrative of a "foreign enemy"?

This distinction yields an important conclusion that will recur throughout the book: U.S. policies have achieved their greatest success on Axis A, moderate and unstable success on Axis B, and their weakest—and at times most counterproductive—results on Axis C. Sanctions have made the people poorer, but they have not always distanced the regime from the people; at times they have fattened the class that depends on the sanctions economy (smuggling, sanctions evasion, IRGC monopolies).

The Five-Point Scale

Level	Label	Definition
5	Strategically effective	A durable reduction in the regime's capabilities or a lasting change in the targeted behavior, at an acceptable cost to the United States
4	Effective, limited	A real but temporary achievement, or one confined to a single axis
3	Neutral or indeterminate	No measurable effect, or the evidence is contradictory
2	Ineffective	The objective was not achieved and the regime adapted with ease
1	Counterproductive	The policy strengthened the regime, intensified the targeted behavior, or weakened the position of the United States

Four Rules of Judgment

- **The rule of declared versus actual objective:** every policy is measured first against its own declared objective, and then against the book's overall criterion, namely the weakening of

the regime. A policy designed for "behavior change" should not be deemed a failure merely because it did not topple the regime.

- **The counterfactual rule:** the question is asked what would have happened without the policy. For example, had the JCPOA not been signed, would Iran have reached the weapons threshold in 2016?
- **The rule of time horizon:** some policies have been effective in the short term and counterproductive in the long term (the hostage deals of the Iran-Contra affair), and some the reverse.
- **The rule of intervening variables:** world oil prices, the positions of Europe, Russia, and China, and developments inside Iran have amplified or neutralized the effect of U.S. policy. The contribution of U.S. policy is distinguished from that of these factors.

1.6 A Typology of the Islamic Republic's Responses

A review of forty-seven years shows that the regime's responses to U.S. pressure can be classified into six recurring patterns. This typology is used in the "regime response" column of every entry.

Pattern	Description	Representative Example
Asymmetric escalation	Responding to economic or military pressure through proxy, terrorist, or maritime instruments	Attacks on tankers and on Aramco in 2019, following maximum pressure
Circumvention and adaptation	Building parallel financial, commercial, and shipping networks	The shadow fleet, UAE exchange houses, oil sales to Chinese independent refineries
Hostage-taking as leverage	Detaining American or dual-national citizens to extract concessions	From the embassy (1979) to Lebanon (1980s) and the Evin prisoners (2010s)
Tactical retreat	Accepting a temporary halt to avert an existential cost	Acceptance of Resolution 598 in 1988; suspension of enrichment in 2003

Pattern	Description	Representative Example
Negotiating to buy time	Using the process of talks to advance the program in the background	Expansion of enrichment capacity during the 2005–2013 negotiations
Wedge-driving	Exploiting U.S. differences with Europe, Russia, and China	The "Look East" policy and exploitation of transatlantic differences after 2018

An important analytical point is that the regime usually employs several patterns simultaneously. In 2019 it rejected negotiations, resorted to asymmetric escalation, expanded its evasion network, and—by emphasizing American unreliability—drove a wedge between Washington and Europe. The only pattern that has appeared rarely, and only under conditions of existential threat, is genuine retreat. This observation has direct implications for policymaking: the regime has retreated only when it perceived the continuation of its course as a threat to its own survival.

1.7 Periodization: Seven Eras in U.S.–Islamic Republic Relations

So that a periodization based on presidential terms does not obscure macro-level trends, this book divides the forty-seven years into seven eras. The boundaries of the eras do not always coincide with those of the administrations.

Era	Period	Dominant Characteristics
Rupture	1979–1981	Hostage-taking, severance of relations, the first sanctions, the Algiers Accords
War and terrorism	1981–1989	The Iran–Iraq War, Hezbollah, the Lebanon hostages, Iran-Contra, naval confrontation
Containment	1989–2001	Dual containment, extraterritorial sanctions, the limited opening of the Khatami era
Securitization	2001–2009	The war on terrorism, the nuclear file, UN Security Council resolutions, smart financial sanctions
Pressure	2009–	Crippling sanctions, the secret Oman talks, the JCPOA

Era	Period	Dominant Characteristics
and bargaining	2017	
Maximum pressure	2017–2024	Withdrawal from the JCPOA, sanctions on the IRGC, the killing of Soleimani, failed diplomacy in Vienna, October 7
Direct confrontation	2025–2026	Strikes on nuclear facilities, war, naval blockade, an openly declared regime-change agenda

1.8 Sources and Method

The book relies on four categories of sources: the texts of primary documents (executive orders in the *Federal Register*, statutory texts on congress.gov, declassified documents in the *Foreign Relations of the United States* (FRUS) series, and the National Security Archive at George Washington University); reports of official bodies (the Congressional Research Service, CRS—especially its periodic report "Iran Sanctions"—the Government Accountability Office, GAO, the State Department's annual reports, and the threat assessments of the Director of National Intelligence); reports of the International Atomic Energy Agency; and scholarly works and the memoirs of decision-makers. Wherever the data conflict, both accounts are given. For the most recent periods (2025 and 2026), for which complete documentation has not yet been published, assessments are designated as provisional and conditional.

A further methodological consideration is also necessary. The assessment of effectiveness is the author's analytical judgment, not an established fact. For the sake of transparency, the reasoning behind each score is stated explicitly at the end of each entry, so that the reader may disagree with it on reasoned grounds.

1.9 The Standard Format of Entries

Every policy, law, or document in the following chapters is presented according to the following standard format:

- **Profile:** date of announcement, date of implementation, type and number of the document, key actors.
- **Background:** the behavior or event that led to the decision, and domestic pressures within the United States.
- **Content:** what the policy actually prescribed or declared.
- **Consequences:** economic, political, and security.
- **Regime response:** according to the typology of Section 1.6.
- **Assessment:** a score on the three axes and the five-point scale, together with the reasoning.

Chapter Two: The Pre-1979 Legacy

2.1 Why Does Pre-Revolutionary History Matter?

The Islamic Republic built its identity narrative on "anti-Americanism," and this narrative did not arise from a vacuum. Three pre-revolutionary events—the coup of 28 Mordad 1332 (1953), the law granting immunity to American advisers (the "capitulation") in 1343 (1964), and the U.S. military-security alliance with the Shah in the 1350s (1970s)—supplied the raw material for this narrative. At the same time, the military, nuclear, and intelligence structures that the United States built in Iran were inherited by the Islamic Republic after the revolution, becoming both an instrument of its power and a point of vulnerability (dependence on American spare parts). Without an understanding of this legacy, neither the occupation of the embassy, nor the Iran-Contra affair, nor the origins of the nuclear program can be explained.

2.2 The Coup of 28 Mordad (August 19, 1953)

Profile

Date: 28 Mordad 1332 (August 19, 1953). A joint operation of the CIA and British intelligence, code-named TPAJAX (Ajax), under the Eisenhower administration, with the participation of Kermit Roosevelt. In 2013 the CIA formally acknowledged its role through the release of declassified documents, and in 2017 a supplementary FRUS volume covering this period was published.

Background

The nationalization of the oil industry in 1950–1951 (1329–1330) under the leadership of Mohammad Mosaddegh led Britain to impose an oil embargo and an effective blockade of Iranian exports. The Truman administration initially played a mediating role, but the Eisenhower administration, under the dominance of Cold War logic and fear of the influence of the Tudeh Party and the Soviet Union, turned to the option of overthrow.

Consequences

In the short term, the United States replaced Britain as the Shah's principal patron, and the 1954 Consortium Agreement gave American companies a major share of Iranian oil. In the long term, the coup became the "original sin" of the relationship in the Iranian narrative—a narrative shared by nationalists and Islamists alike. The students who occupied the embassy in 1979 (1358) spoke explicitly of fear of a "repeat of 28 Mordad," that is, fear that the Shah's admission to the United States was a prelude to his restoration.

Assessment

On a short-term horizon, this policy achieved its objective (the removal of a government perceived as unaligned and the consolidation of an anti-Soviet ally). Over a twenty-five-year horizon, however, it handed the Shah's opponents a symbolic capital that was turned against the United States in 1978–1979. Madeleine Albright's implicit apology in March 2000 and Obama's reference to the coup in his 2009 Cairo speech showed that Washington, too, had come to recognize its long-term cost. The Islamic Republic, however, left both gestures unreciprocated, because the narrative served a function for its legitimacy.

2.3 Military Ties and Regional Alliance (1955–1961)

In 1955 Iran joined the Baghdad Pact, which, after Iraq's withdrawal in 1959, became the Central Treaty Organization (CENTO). The United States was not a formal member of the pact, but in March 1959 it signed a bilateral defense agreement with Iran. The Eisenhower Doctrine (1957) had likewise proclaimed U.S. support for the countries of the Middle East against the threat of communism. In the same period (1957), the National Intelligence and Security Organization (SAVAK) was established with American—and later Israeli—assistance and training. A consequence of this tie was that, in the minds of the opposition, the Shah's apparatus of domestic repression became identified with the United States—a link that, after the revolution, was invoked

through the "Den of Espionage" documents as evidence to legitimize the occupation of the embassy.

From the American perspective, Iran in this period was a strategic asset: a long border with the Soviet Union, listening stations for monitoring Soviet missile tests, and a commanding position on the northern shore of the Persian Gulf. This very position was lost after the revolution, giving rise to the need to build a new command (CENTCOM).

2.4 Kennedy, Reform, and the White Revolution (1961–1963)

Concerned about instability arising from corruption and inequality, the Kennedy administration encouraged the Shah to undertake reforms. The appointment of Ali Amini as prime minister (1961) was accompanied by American backing, and in 1963 the Shah seized the initiative with the "White Revolution" (land reform, women's suffrage, the Literacy Corps). Opposition from the traditional clergy, led by Ruhollah Khomeini, culminated in the uprising of 15 Khordad 1342 (June 5, 1963). In the narrative of the religious opposition, the reforms were perceived as "American"; hence Khomeini's first appearance on the national stage became intertwined with an anti-American discourse.

The analytical lesson of this period is that American pressure for "modernization from above," without political opening, broadened the social base of the traditional opposition. This pattern acquires renewed importance in later decades in the evaluation of the option of "reforming the regime from within."

2.5 The Capitulation and Khomeini's Exile (1964)

Profile

In Mehr 1343 (October 1964), the National Consultative Assembly (Majlis) approved a bill granting diplomatic immunity to American military advisers and their families. At the same time,

Iran received a $200 million loan from the United States for the purchase of arms.

Consequence

In his famous speech of 4 Aban 1343 (October 26, 1964), Khomeini called this law "the document of the Iranian nation's enslavement" and declared that "our dignity has been trampled underfoot." On 13 Aban 1343 (November 4, 1964) he was exiled to Turkey. A remarkable historical coincidence is that the seizure of the U.S. embassy on 13 Aban 1358 (November 4, 1979) took place precisely on the fifteenth anniversary of that exile.

Assessment

By the standard of this book, the capitulation is a clear example of a decision that traded a small operational benefit (legal protection for a few thousand advisers) for a large political cost (furnishing the future leader of the revolution with a nationalist symbol). It is the same error that would be repeated many times in subsequent decades: ignoring the symbolic weight of decisions in Iranian society.

2.6 The Nixon Doctrine and the "Twin Pillars" Policy (1969–1977)

Profile

The Nixon Doctrine was announced on July 25, 1969, on the island of Guam: the United States expected its regional allies to bear the principal burden of their own defense. With Britain's withdrawal from east of Suez in 1971, the security vacuum in the Persian Gulf was filled by the "Twin Pillars" policy: Iran as the military pillar and Saudi Arabia as the financial pillar. Its foundational document was NSDM 92 (November 1970) on U.S. policy in the Persian Gulf.

The "Blank Check" of May 1972

During their May 1972 visit to Tehran, Nixon and Kissinger permitted the Shah to purchase any conventional weapon he wished from the United States, bypassing the customary

bureaucratic review. With the surge in oil prices after 1973, Iran's arms orders reached tens of billions of dollars, and Iran became the largest purchaser of American weapons in the world. The U.S. Navy's most advanced fighter aircraft, the F-14 Tomcat, was exported to Iran alone. By 1978 the number of American advisers and personnel in Iran had reached the tens of thousands.

Long-Term Consequences

- **Military dependence:** The armed forces of the Islamic Republic entered the war with Iraq equipped with American weapons, and the need for spare parts was one of Tehran's principal motives in the Iran-Contra affair. This legacy persists to this day in Iran's air force.
- **Social dissonance:** The extensive presence of Americans enjoying special privileges, in cities such as Isfahan and Tehran, fueled social discontent.
- **Dangerous interdependence:** America's security strategy in the Persian Gulf came to rest on the stability of an individual rather than an institution. With the fall of the Shah, the entire regional security architecture collapsed.

2.7 The American Roots of Iran's Nuclear Program

Iran's nuclear program was born of Eisenhower's "Atoms for Peace" initiative. The Iran–U.S. agreement on civil nuclear cooperation was signed in March 1957, and the United States supplied the 5-megawatt Tehran Research Reactor, which became operational in 1967—the same reactor that is still in operation. Iran signed the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in 1968 and ratified it in 1970. In 1974, with the founding of the Atomic Energy Organization of Iran, the Shah announced a program to build dozens of power plants by the end of the century and signed the Bushehr contract with the German firm Kraftwerk Union.

A less well-known point is the dispute between the Ford and Carter administrations and the Shah over fuel reprocessing. Washington

was concerned that national control over the fuel cycle would open a path toward weapons, and it proposed conditions such as multinational reprocessing. The Shah regarded these conditions as discriminatory. The very argument of a "right to enrichment" that the Islamic Republic advanced from the 2000s onward has its roots in these negotiations of the 1970s.

2.8 Carter, Human Rights, and Intelligence Failure (1977–1979)

Human Rights and the "Island of Stability"

Carter came to the White House under the banner of human rights, and his pressure on the Shah to curb repression and release political prisoners opened a limited space for the opposition. Yet this pressure was inconsistent. On New Year's Eve 1978, at a banquet in Tehran, Carter called Iran "an island of stability in one of the more troubled areas of the world." Only a week later, the publication of an insulting article about Khomeini in the newspaper *Ettela'at* (17 Dey 1356 / January 7, 1978) led to demonstrations in Qom and set off the chain of fortieth-day mourning commemorations.

The Failure of Prediction

A CIA assessment of August 1978 concluded that Iran "is not in a revolutionary or even a pre-revolutionary situation." In September of the same year, the Defense Intelligence Agency (DIA) predicted that the Shah would remain in power for at least another ten years. This failure had structural causes: reliance on SAVAK for domestic intelligence, limited contact with the religious opposition at the Shah's request, and the taken-for-granted assumption of the regime's stability.

A House Divided in Washington

In the autumn of 1978, the Carter administration split into two camps. Zbigniew Brzezinski, the National Security Advisor, favored firmness and even the "iron fist" option; Cyrus Vance, the Secretary of State, and William Sullivan, the ambassador in Tehran, leaned toward compromise and accommodation with the

opposition. Sullivan's cable of November 9, 1978, titled "Thinking the Unthinkable," raised for the first time the possibility of the Shah's fall. In January 1979, General Robert Huyser was dispatched to Tehran to preserve the cohesion of the army, and the Guadeloupe Conference (January 1979), attended by the leaders of the United States, Britain, France, and West Germany, effectively ended Western support for the Shah's survival. The Shah left Iran on 26 Dey 1357 (January 16, 1979), and on 22 Bahman (February 11) the army declared its neutrality.

From February to November 1979

On February 14, 1979, the U.S. embassy was occupied for the first time for several hours, but forces of the Provisional Government freed it. In the months that followed, Washington sought to establish a working relationship with the Bazargan government. The admission of the Shah to the United States for medical treatment on October 22, 1979, despite warnings from the embassy in Tehran, sparked the second occupation. Brzezinski's meeting with Bazargan in Algiers on November 1 gave the radical faction a pretext to accuse the Provisional Government of collusion with the United States. Three days later the embassy was seized, and Bazargan resigned. This meeting showed that any American contact with the moderate faction could be turned into a weapon against that very faction—a lesson repeated many times in subsequent decades.

2.9 Pre-1979 Chronology

Date	Event	Significance for the Post-Revolutionary Period
August 19, 1953	The 28 Mordad coup	The root of the anti-American narrative
1954	The oil consortium agreement	Entry of American companies into Iranian oil
March 1957	Nuclear cooperation agreement	The beginning of the nuclear program

Date	Event	Significance for the Post-Revolutionary Period
1957	Establishment of SAVAK	Association of domestic repression with the United States in the minds of the opposition
March 1959	Bilateral defense agreement	Formal military alliance
June 5, 1963	The 15 Khordad uprising	Khomeini's national emergence
October–November 1964	The capitulation and Khomeini's exile	The symbol of "national humiliation" in revolutionary discourse
1967	Commissioning of the Tehran Research Reactor	Existing nuclear infrastructure
July 25, 1969	The Nixon Doctrine	Iran as the military pillar of the Persian Gulf
May 1972	The arms "blank check"	The American arsenal of the Iranian army
December 31, 1977	Carter's "island of stability" speech	The symbol of America's perceptual failure
November 9, 1978	The "Thinking the Unthinkable" cable	Belated acknowledgment of the Shah's fall
January 16, 1979	The Shah's departure from Iran	The end of the alliance
February 14, 1979	First occupation of the embassy	An unheeded warning
October 22, 1979	The Shah's admission to the United States	The spark of the hostage-taking

2.10 Five Legacies for the Islamic Republic

This chapter can be summarized in five legacies that have operated throughout the forty-seven years that followed:

- **The psychological legacy:** The coup and the capitulation enabled the regime to present anti-Americanism as "national independence" and to interpret every policy of pressure within

the frame of a "repeat of 28 Mordad." Any American policy that reinforces this frame works in the regime's favor on Axis C (internal cohesion).

- **The military legacy:** Iran's American arsenal both supplied the regime's war-fighting capacity in the 1980s and became its point of vulnerability (spare parts). The U.S. arms embargo exploited precisely this vulnerability.
- **The nuclear legacy:** The knowledge, the infrastructure, and the discourse of a right to the fuel cycle all took shape before the revolution and with Western assistance.
- **The intelligence legacy:** The failure to anticipate events in 1978 cast a shadow for decades over the analytical culture of the U.S. intelligence community regarding Iran—both as caution in predicting collapse and as a shortage of human sources inside Iran.
- **The institutional legacy:** The loss of Iran as a security pillar led to the creation of CENTCOM, the Carter Doctrine, and the direct military presence of the United States in the Persian Gulf —a presence that itself became the principal target of the Islamic Republic's military strategy.

Against this background, Chapter Three turns to the first U.S. policies toward the Islamic Republic: Executive Order 12170, the severance of relations, Operation Eagle Claw, the Carter Doctrine, and the Algiers Accords.

Part Two: Presidential Doctrines

This part examines the policy of each U.S. administration from November 1979 to the present, in chronological order and according to the standard entry format. Each chapter opens with an overview of that administration's doctrine, then analyzes its principal decisions and documents one by one, and closes with a scorecard table and a strategic synthesis.

Chapter Three: Carter (November 1979 – January 1981) — Rupture and Hostages

3.1 Overview: An Administration Defined by Hostages

After the revolution, the administration of Jimmy Carter confronted a problem for which none of the established models of American diplomacy had an answer: a state that openly trampled the fundamental norm of diplomatic immunity and turned that violation into official policy. The 444 days of the hostage crisis reduced Carter's Iran policy almost entirely to a single objective: the safe release of the hostages. Every other instrument—sanctions, international legal pressure, the severing of relations, and even military operations—was placed in the service of that single objective.

This focus had a structural consequence that has received little attention. In this period the United States essentially had no policy for Iran's new "regime"; it had a policy for a "crisis." The strategic questions—what the nature of the Islamic Republic was, which of its factions could be engaged, and how the United States should stand against the project of exporting the revolution—were pushed to the margins. The sole exception was the Carter Doctrine, which was designed not with regard to Iran but with regard to the security vacuum created by the fall of the Shah and the Soviet invasion of Afghanistan, and which became this administration's most enduring legacy.

By the criteria of this book, the most important fact of this period is that the hostage crisis was, above all, an instrument of "domestic politics" in Iran. The clerical-radical faction used it to sideline the Provisional Government, to secure the adoption of a constitution based on *velayat-e faqih* (guardianship of the jurist), to purge liberals and nationalists, and ultimately to remove Banisadr. Every American action in this period must be measured against the question: did it assist or hinder this process of consolidating power?

3.2 The Seizure of the Embassy (13 Aban 1358 / November 4, 1979)

Profile

On November 4, 1979, a group of students known as the "Muslim Student Followers of the Imam's Line" seized the U.S. embassy in Tehran and took 66 Americans hostage. Three other diplomats, including the chargé d'affaires, Bruce Laingen, were held at the Iranian Foreign Ministry. On November 19 and 20, thirteen hostages (women and African Americans) were released, and in July 1980 another hostage was released on account of illness. The remaining 52 were held captive for 444 days.

Background

The immediate trigger was the admission of the Shah to the United States for cancer treatment on October 22, 1979. Carter had resisted pressure from Henry Kissinger, David Rockefeller, and Brzezinski for months, and the embassy in Tehran had warned explicitly that admitting the Shah might lead to an attack on the embassy. The final decision was taken on the basis of humanitarian considerations and commitment to a former ally, but its risks were never seriously assessed. The deeper trigger was the internal rivalry within the revolution: the radical faction used Brzezinski's meeting with Bazargan in Algiers (November 1) as evidence of the Provisional Government's "collusion."

Response Within the Regime

Ayatollah Khomeini was initially cautious about the students' action, but on seeing the public enthusiasm, he called it "a second revolution, greater than the first," and named America "the Great Satan." Mehdi Bazargan resigned two days later (November 6), and the Revolutionary Council took over the administration of the country. The embassy documents—painstakingly reconstructed by the students from shredded paper and published as the "Den of Espionage Documents"—became a weapon for eliminating opponents, including the arrest of Abbas Amir-Entezam, the spokesman of the Provisional Government, in December 1979 on

charges of espionage. The referendum on the *velayat-e faqih* constitution was held on 11 and 12 Azar 1358 (December 2–3, 1979), at the height of the fervor of the crisis.

3.3 The First Responses: The Oil Embargo and the Asset Freeze (November 1979)

(a) Halting Imports of Iranian Oil — November 12, 1979

With Proclamation 4702, Carter halted imports of Iranian crude oil into the United States. The measure was largely symbolic: Iran's share of U.S. imports was limited, and Iran easily sold its oil on the world market, which at the time was tight because of the revolution and supply shortages. In fact, Tehran had preempted the move by announcing that it would itself cut off oil sales to the United States.

(b) Executive Order 12170 — November 14, 1979

Background: On the morning of November 14, Abolhassan Banisadr, who was then acting minister of foreign affairs and of economic affairs, announced that Iran would withdraw its deposits from American banks. The White House responded within hours.

Content: Invoking IEEPA, Carter for the first time declared a "national emergency" with respect to Iran and froze all assets of the Iranian government and the Central Bank in the United States and in the foreign branches of American banks. The value of these assets was estimated at about $12 billion. An important legal point was the extension of the order to branches of American banks in Europe —an extraterritorial measure that provoked objections from some allies but multiplied the volume of frozen assets.

Consequences: In the short term, this order had no appreciable effect on Iran's behavior, because at that stage the revolutionary leadership did not place economic motives above political ones. In the long term, however, it became America's most important lever: the final Algiers settlement was concluded on the basis of precisely these assets. The order was also the legal cornerstone of all subsequent sanctions; the emergency it declared has been renewed every year to this day.

Regime response: Iran called the measure "economic piracy" and exploited it in its propaganda as proof of American hostility. Until the war with Iraq, the regime showed no sign of readiness to exchange the hostages for the assets.

(c) Measures Against Iranian Students — November 1979

On November 10, Carter ordered a review of the residency status of Iranian students in the United States. Tens of thousands of students were required to report to immigration offices, and several hundred who lacked legal status were deported. This measure was more a response to the anger of American public opinion than an instrument of pressure on Tehran, and it had no effect on the regime; its cost was borne by ordinary, largely apolitical Iranians.

3.4 The International Legal Track (December 1979 – May 1980)

Profile

- **UN Security Council Resolution 457 (December 4, 1979):** called for the immediate release of the hostages; adopted unanimously.
- **Provisional measures order of the International Court of Justice (December 15, 1979):** required Iran to release the hostages and return the embassy.
- **Resolution 461 (December 31, 1979):** threatened consideration of "effective measures" should Iran fail to comply.
- **Soviet veto (January 13, 1980):** two weeks after the Soviet invasion of Afghanistan, the Soviet Union vetoed a draft resolution imposing economic sanctions on Iran.
- **Judgment on the merits of the International Court of Justice (May 24, 1980):** in the case concerning *United States Diplomatic and Consular Staff in Tehran*, the Court found Iran in breach of its international obligations and ordered it to pay reparations.

Analysis

This track provided full legal legitimacy for the American position and placed Iran in diplomatic isolation. But it had two fundamental limitations. First, the regime attached no value to international legitimacy and openly rejected the Court's jurisdiction. Second, the Soviet veto showed that in the Cold War climate no effective multilateral sanction would pass the Security Council. This obstacle persisted until Resolution 1737 in 2006; that is, it took twenty-six years for the Security Council to adopt binding sanctions against the Islamic Republic.

The European Community also announced limited sanctions in May 1980, under American pressure, but these sanctions exempted existing contracts and had little economic effect in practice. This was the first instance of a pattern that would be repeated many times later: the gap between what the United States demanded and Europe's readiness to bear the cost of sanctions.

3.5 The Carter Doctrine (January 23, 1980)

Profile

In his annual State of the Union address to Congress on January 23, 1980, Carter declared: "An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force." The declaration had been drafted by Zbigniew Brzezinski.

Background

Two successive blows—the fall of the Shah as the "military pillar" of the Persian Gulf and the Soviet invasion of Afghanistan on December 24, 1979—brought down the security architecture of the Nixon Doctrine. Washington feared that the Soviet Union would exploit the chaos in Iran to gain access to warm waters and to the oil of the Persian Gulf.

Content and Implementation

The Carter Doctrine was a break with the Nixon Doctrine: instead of relying on a regional ally, the United States itself committed to a direct presence. To implement it, the Rapid Deployment Joint Task Force (RDJTF) was established in March 1980—a force that was upgraded in January 1983 to Central Command (CENTCOM). Base-access agreements were signed with Oman, Kenya, Somalia, and Egypt, and Diego Garcia in the Indian Ocean was expanded. In the final days of his administration, Carter signed directive PD/NSC-63 (January 15, 1981), titled "Persian Gulf Security Framework," which turned this commitment into an institutional strategy.

Consequences for the Islamic Republic

Although the Carter Doctrine was formally addressed to the Soviet Union, in practice it produced the architecture that the Islamic Republic confronted over the following four decades. The defense of freedom of navigation in 1987–1988, the permanent presence of the Fifth Fleet in Bahrain, the bases in Qatar and the UAE, and ultimately the naval blockade of 2026 all rest on the foundation of this doctrine. At the same time, this direct presence became the principal target of the military and proxy strategy of the Islamic Republic; the slogan of "expelling America from the region" is aimed precisely at the legacy of the Carter Doctrine.

3.6 Secret Channels and Mediation (January–March 1980)

In the winter of 1980, Hamilton Jordan, Carter's chief of staff, opened a secret channel through two lawyers, one French and one Argentine (Christian Bourguet and Héctor Villalón), who were in contact with Foreign Minister Sadegh Ghotbzadeh. The agreed scenario involved the formation of a UN commission of inquiry to examine Iran's grievances against the Shah's regime and the United States, in exchange for which the hostages would be transferred to the custody of the Iranian government and then released. The commission traveled to Tehran in February, but on March 10

Ayatollah Khomeini announced that the decision on the hostages rested with the future Majlis, and the plan collapsed.

This failure was the first great lesson about the structure of decision-making in the Islamic Republic: the formal officials of the state (President Banisadr and Foreign Minister Ghotbzadeh) had no real authority, and any agreement with them could be vetoed by the Leader and the forces of the Imam's Line. In the decades that followed, the United States repeatedly faced the same problem: negotiating with governments that did not hold final authority.

The "Canadian Caper"

In the same period, six American diplomats who had escaped from the consular building on the day the embassy was seized and taken refuge in the homes of Canadian diplomats left Iran on January 27 and 28, 1980, using Canadian passports and the cover of a fictitious film crew devised by the CIA. Canada closed its embassy. This operation, successful though small, showed that intelligence cooperation with allies could yield results; but it also made the security of the remaining hostages a matter of serious concern.

3.7 The Severance of Relations and the Trade Embargo (April 7 and 17, 1980)

Profile

After the collapse of the secret channel, Carter formally severed diplomatic relations with Iran on April 7, 1980, ordered Iranian diplomats to leave the United States, and with Executive Order 12205 banned exports of goods to Iran, except for food and medicine. On April 17, Executive Order 12211 also banned imports from Iran and financial transactions related to travel to Iran. Carter further announced that the government would register Americans' claims against Iran and prepare for their payment from the frozen assets.

Consequences

The economic effect of these sanctions was limited. Trade between the two countries had already come to a near standstill because of the revolution and the crisis, and Iran readily obtained the goods it needed from Europe, Japan, and through neighboring countries. Its diplomatic consequence, however, proved enduring: the diplomatic relationship between the two countries severed on that day has not been restored to this day. Since then, U.S. interests in Tehran have been represented by the Embassy of Switzerland, and Iran's interests in Washington first by Algeria and later by Pakistan.

3.8 Operation Eagle Claw (April 24–25, 1980)

Profile

The hostage rescue operation, code-named Eagle Claw, with the participation of the newly created Delta Force, began on the night of April 24, 1980. The plan had two phases: the landing of aircraft and helicopters at a site in Iran's central desert (known as "Desert One," near Tabas), followed by the transfer of the force to the vicinity of Tehran and an assault on the embassy the following night.

Execution and Failure

Of the eight helicopters that took off from the aircraft carrier USS *Nimitz*, one suffered a mechanical failure en route, another became lost in a sandstorm and turned back, and a third developed a hydraulic failure at Desert One. With fewer than the minimum of six helicopters required, the commanders aborted the operation. During the withdrawal, a helicopter collided with a C-130 transport aircraft, and eight American servicemen were killed. The remaining helicopters were abandoned at the site, along with classified documents.

Consequences

- **In the United States:** Secretary of State Cyrus Vance, who had opposed the operation, resigned. A commission of inquiry (the Holloway Commission) exposed structural deficiencies in interservice coordination. These deficiencies later led to the

Goldwater–Nichols Act (1986) and the creation of Special Operations Command (SOCOM, 1987).

- **In Iran:** The hostages were dispersed to several cities, rendering any further rescue operation impossible. Ayatollah Khomeini called the failure a "divine miracle" and a sign of God's assistance. This narrative added to the regime's religious legitimacy and its sense of invulnerability. The bodies of the American dead were put on display.
- **In the power structure:** The failure of the operation strengthened the position of the radicals vis-à-vis Banisadr and silenced every moderate voice seeking a resolution of the crisis.

3.9 The Death of the Shah, the Iraq War, and the Shift in Tehran's Calculations (July–November 1980)

Three developments in the second half of 1980 altered Tehran's calculations. First, the Shah—who had left the United States in December 1979 for Panama and later Egypt—died in Cairo on July 27, 1980, removing the official pretext for the hostage-taking, namely the Shah's extradition. Second, the clerical faction, with the formation of the first Majlis and the dominance of the Islamic Republican Party, had effectively eliminated its liberal rivals, and the domestic function of the crisis had come to an end. Third, and most important, Iraq's invasion of Iran on September 22, 1980, highlighted the regime's urgent need for financial resources and for spare parts for its American weapons.

On September 12, 1980, ten days before the Iraqi invasion, Ayatollah Khomeini announced four conditions for the release of the hostages: the return of the Shah's wealth, the cancellation of all American claims against Iran, the release of the frozen assets, and an American commitment not to interfere in Iran's affairs. On November 2, 1980, the Majlis approved these same conditions, and the mediation was entrusted to Algeria. Two days later, on the first anniversary of the seizure of the embassy, Carter lost the presidential election to Ronald Reagan.

The "October Surprise" Allegation

It has been alleged that the Reagan campaign was in contact with Iranian officials in order to delay the release of the hostages until after the election. A special task force of the U.S. House of Representatives found no credible evidence for this allegation in 1993, although some later accounts reopened the debate. This book regards the matter as unresolved and contested; what is certain is that the regime timed the release of the hostages so that Carter could derive no political benefit from it.

3.10 The Algiers Accords (January 19, 1981)

Profile

The Algiers Accords, comprising the "General Declaration" and the "Claims Settlement Declaration," were finalized on January 19, 1981, through Algerian mediation. The United States and Iran never negotiated directly; each side made its commitments separately to Algeria. On the same day Carter issued ten executive orders (12276 through 12285) to implement the agreement. The hostages were released on January 20, a few minutes after Reagan took the oath of office.

Principal Content

Provision	U.S. Commitment	What Iran Gained or Lost
Principle of non-intervention	A commitment not to intervene, politically or militarily, directly or indirectly, in Iran's internal affairs	Iran invokes this provision to this day in objecting to U.S. policies
Assets	Release of about $7.9 billion of the frozen assets	Most of it was used to settle loans owed to American banks; only about $2.9 billion reached Iran directly
Security Account	$1 billion in a security account for the payment of awards against Iran	Iran undertook to replenish this account
Claims Tribunal	Establishment of the Iran–United States Claims Tribunal in The Hague	Settlement of thousands of cases over decades

Provision	U.S. Commitment	What Iran Gained or Lost
Hostage claims	Barring claims by the hostages and by American citizens against Iran in U.S. courts in connection with the hostage-taking	The hostages were denied compensation for decades
The Shah's wealth	A commitment to cooperate in identifying and freezing the assets of the Pahlavi family	Yielded no practical gain for Iran

Consequences

Financially, Iran failed to obtain most of its four conditions: the Shah's wealth was not returned, and most of the assets went to paying off debts. Behzad Nabavi, Iran's chief negotiator, later described this as the best agreement possible under wartime conditions. Legally, the Hague Tribunal became one of the most successful mechanisms of international dispute resolution, and in *Dames & Moore v. Regan* (1981), the U.S. Supreme Court upheld the President's authority to transfer claims to the Tribunal.

The deeper problem, however, was the precedent this agreement left behind. No Iranian official was punished for the hostage-taking; on the contrary, many of the students of the Imam's Line later became senior officials of the Islamic Republic. Only in 2015 did Congress, by establishing the "U.S. Victims of State Sponsored Terrorism Fund," open a path to compensating the embassy hostages. The message of this outcome to the regime was clear: hostage-taking carries no existential cost and can be used to extract concessions. The same pattern was repeated in Lebanon in the 1980s and with dual-national hostages from the 2000s onward.

Regime Response

The Islamic Republic proclaimed the agreement a victory and made the principle of non-intervention the centerpiece of its legal discourse against the United States. At the same time, the hostage crisis was inscribed in the regime's institutional memory as a successful model of "resistance."

3.11 Chapter Chronology

Date	Event	Type of Action
October 22, 1979	Admission of the Shah to the United States	Political decision
November 4, 1979	Seizure of the embassy	Iranian action
November 6, 1979	Resignation of Bazargan	Domestic consequence
November 12, 1979	Halt to imports of Iranian oil	Proclamation 4702
November 14, 1979	Asset freeze	Executive Order 12170
December 4, 1979	Resolution 457	UN Security Council
December 15, 1979	Provisional measures order of the International Court of Justice	International law
December 24, 1979	Soviet invasion of Afghanistan	International development
January 13, 1980	Soviet veto of the sanctions resolution	UN Security Council
January 23, 1980	The Carter Doctrine	State of the Union address
January 27–28, 1980	Exfiltration of six diplomats with Canadian assistance	Intelligence operation
April 7, 1980	Severance of relations and export embargo	Executive Order 12205
April 17, 1980	Import and travel ban	Executive Order 12211
April 24–25, 1980	Operation Eagle Claw	Military action
May 24, 1980	Judgment on the merits of the International Court of Justice	International law
July 27, 1980	Death of the Shah in Cairo	Development
September 12, 1980	Khomeini announces four conditions	Iranian action
September 22, 1980	Iraqi invasion of Iran	Regional development
November 2, 1980	Majlis approves the conditions	Iranian action
January 15, 1981	PD/NSC-63, Persian Gulf Security Framework	National security directive

Date	Event	Type of Action
January 19, 1981	The Algiers Accords	International agreement
January 20, 1981	Release of the 52 hostages	End of the crisis

3.12 Scorecard of the Carter Administration

Policy	Score	Brief Judgment
Executive Order 12170 (asset freeze)	4	A durable lever; its effect emerged over time
Measures against students	2	No effect on the regime; costly for ordinary Iranians
International legal track	3	Legitimacy without behavior change; blocked by the Soviet veto
The Carter Doctrine	4	The most enduring legacy; the foundation of four decades of military architecture
Secret channels	2	Negotiating with those who lacked authority
Severance of relations and trade embargo	2	Negligible economic effect; an instrument spent
Operation Eagle Claw	1	Counterproductive; reinforced the narrative of "divine assistance"
The Algiers Accords	4 short-term, 2 long-term	Successful in the short term; set a negative precedent in the long term

3.13 Strategic Synthesis: Five Lessons from the Carter Years

- **Lesson one — External crisis as an instrument of domestic consolidation:** The fledgling regime used its confrontation with the United States to eliminate its domestic rivals. Every American policy that made the confrontation more dramatic (such as Eagle Claw) assisted this process. The same pattern was seen in 2009, 2020, and 2025.

- **Lesson two — Financial instruments are slow but effective:** The asset freeze seemed ineffective in its first months, but when conditions changed (the Iraq war), it became the principal lever. Sanctions must be measured on the right time horizon.
- **Lesson three — Identify the real center of decision:** The failure of the secret channels showed that the formal officials of the Islamic Republic did not hold final authority. Any negotiation that bypasses the Leader and the revolutionary institutions is fragile.
- **Lesson four — External conditions, not pressure alone, compel the regime to bargain:** What brought Iran to the Algiers settlement was the combination of American pressure, the Iraq war, and the end of the crisis's domestic function. American pressure was a necessary condition, not a sufficient one.
- **Lesson five — A deal without punishment creates a pattern:** The release of the hostages without personal cost to the perpetrators taught the regime that hostage-taking is an effective instrument. This lesson is examined in detail in Chapter Thirteen (Hostage-Taking as an Instrument of State).

The Reagan administration entered the White House with this legacy: a consolidated regime, embroiled in a war of attrition with Iraq, and on the threshold of building its most important proxy instrument, Lebanese Hezbollah. Chapter Four turns to this period.

Chapter Four: Reagan (January 1981 – January 1989) — War, Terrorism, and Scandal

4.1 Overview: A Doctrine with Two Faces

Ronald Reagan came to the White House promising firmness against terrorism after the humiliations of the Carter years. His administration's official motto was clear: "We will not negotiate with terrorists, and we will not make concessions to them." Yet Reagan's actual record on the Iran file is one of the most contradictory chapters in American foreign policy. The very administration that placed Iran on the list of state sponsors of terrorism and called on its allies to halt arms sales to Tehran secretly sold Iran more than two thousand anti-tank missiles and spare parts for anti-aircraft missiles in order to free American hostages in Lebanon.

To understand this period, three simultaneous layers must be distinguished. The first was the Iran–Iraq War, which shaped America's strategic objective: preventing an Iranian victory without allowing Iraq to become the dominant power in the region. The second was terrorism and hostage-taking in Lebanon, which—with the founding of Hezbollah and the role of the Revolutionary Guards in the Beqaa Valley—became the first serious test of "exporting the revolution." The third was factional rivalry in Washington: Secretary of State George Shultz and Secretary of Defense Caspar Weinberger against the advisers of the National Security Council (Robert McFarlane, John Poindexter, and Oliver North), who believed in a secret opening to Iranian "moderates."

The resultant of these three layers can be summarized as follows: on the military layer, Reagan was the most successful American president against the Islamic Republic, and on the layer of terrorism and hostage-taking, one of the least successful. The only direct military confrontation that compelled the regime to an open retreat took place in 1988; and the largest reward the regime had received

up to that point in exchange for hostage-taking was paid in 1985 and 1986.

4.2 The "Tilt Toward Iraq" (1982–1988)

Profile

This policy was not announced in a single document but took shape through a series of decisions: the removal of Iraq from the list of state sponsors of terrorism (February 1982); the provision of agricultural credits through the Commodity Credit Corporation (CCC); the visit of Donald Rumsfeld, Reagan's special envoy, to Baghdad and his meeting with Saddam Hussein (December 1983); directive NSDD 114 (November 26, 1983) on U.S. policy in the Iran–Iraq War; directive NSDD 139 (April 1984) on preventing Iraq's collapse; the restoration of diplomatic relations with Baghdad (November 1984); and, from 1986 onward, the sharing of satellite intelligence with Iraq.

Background

Operation Beit ol-Moqaddas and the liberation of Khorramshahr in May 1982 turned the tide of the war. Iran decided to carry the war onto Iraqi soil and raised the slogan "The road to Jerusalem passes through Karbala." Washington and the Arab capitals of the Persian Gulf were alarmed at the prospect of Iraq's collapse and the spread of the Islamic revolution to the Arabian Peninsula.

Consequences

This policy was effective in its immediate objective—preventing an Iranian victory; Iraq was saved from collapse, and the war ground into a stalemate of attrition. But it carried three heavy costs. First, the United States showed no serious response to Iraq's extensive use of chemical weapons against Iranian forces and later against Kurdish civilians in Halabja (March 1988). Second, it strengthened a regime that invaded Kuwait two years after the end of the war. Third, and most important from the perspective of this book, it gave the Islamic Republic an enduring narrative: "America stood alongside Saddam and his chemical weapons." This narrative,

much of which is documented, shaped the generation of war veterans—the very generation that later took command of the Revolutionary Guards—with a deep hostility toward the United States.

Regime Response

The regime exploited this policy for domestic mobilization and to legitimize the continuation of the war. At the same time, the need for weapons against an Iraq that enjoyed the backing of the superpowers intensified the regime's drive to buy arms covertly from any source, including Israel and the United States itself. The experience of chemical weapons was also, according to many scholars, one of the roots of the regime's inclination to build an independent strategic deterrent, including the missile program and, subsequently, the nuclear program.

4.3 Beirut: The First Test of Proxy Terrorism (1983–1984)

Profile of Events

- **April 18, 1983:** A car bomb exploded at the U.S. embassy in Beirut, killing 63 people, including 17 Americans and Robert Ames, the CIA's senior Middle East analyst. An organization calling itself "Islamic Jihad" claimed responsibility.
- **October 23, 1983:** Two simultaneous suicide bombings struck the headquarters of the U.S. Marines and of French paratroopers; 241 American and 58 French servicemen were killed. This was the deadliest day for the U.S. Marine Corps since the Battle of Iwo Jima in the Second World War.
- **December 12, 1983:** Coordinated bombings in Kuwait, including at the American and French embassies, whose perpetrators were linked to Iraq's Da'wa Party and to Iran-affiliated networks. The arrest of the perpetrators (known as the "Kuwait 17") became one of the motives for subsequent hostage-taking in Lebanon.

- **September 20, 1984:** A bombing at the U.S. embassy annex in East Beirut.

Background

After Israel's invasion of Lebanon in June 1982, the Revolutionary Guards sent some fifteen hundred troops through Syria to the Beqaa Valley and played a central role in organizing the Shi'a militias that would later be called Hezbollah. The Iranian embassy in Damascus, under Ali-Akbar Mohtashamipour, was the coordinating center of this network. The multinational force (the United States, France, Italy) that had entered Beirut to oversee the withdrawal of the Palestinians gradually came to be perceived as a party to the Lebanese civil war.

U.S. Response and Consequences

The American military response was limited and incoherent. The battleship USS *New Jersey* shelled positions in the Chouf Mountains, and an air strike in December 1983 ended with two American aircraft shot down. A plan to attack the Sheikh Abdullah barracks in Baalbek, the headquarters of the Revolutionary Guards in Lebanon, was not carried out because of Weinberger's opposition. In February 1984 Reagan ordered the withdrawal of the Marines.

Iran's legal responsibility was later established in U.S. courts. In 2003, Judge Royce Lamberth concluded in *Peterson v. Islamic Republic of Iran*—relying on evidence including an intercepted message from Iran's Ministry of Intelligence—that the attack had been carried out with Iran's approval and support. Subsequent damages awards reached billions of dollars.

Regime Response

The regime denied responsibility but hailed the withdrawal of Western forces from Lebanon as a victory for "Islamic resistance." More importantly, these events consolidated the operational model of the Revolutionary Guards: action through proxy forces, deniability, and a focus on human casualties to break the political will of the adversary.

4.4 The Designation of Iran as a State Sponsor of Terrorism (January 19, 1984)

Profile

In January 1984, Secretary of State George Shultz formally placed Iran on the list of "State Sponsors of Terrorism." Iran has remained on this list without interruption ever since and has the longest tenure of any country currently on it.

Legal Consequences

- A ban on U.S. foreign assistance and a requirement that the United States oppose World Bank and International Monetary Fund loans to Iran.
- Severe restrictions on exports of dual-use goods and arms.
- Subsequently (from 1996), the removal of Iran's sovereign immunity in U.S. courts for claims by victims of terrorism.
- A basis for many later secondary sanctions and congressional reporting requirements.

Assessment

The immediate effect of this measure was limited, because at the time Iran neither received American aid nor conducted significant trade with the United States. Over the long term, however, this label became one of the most durable layers of the architecture of pressure. Removal from the list requires a presidential certification to Congress, and no administration—even during the JCPOA period—came close to it. The label also blocked Iran's access to loans from international financial institutions during the years of postwar reconstruction.

4.5 Operation Staunch (1983–1986)

Profile

Beginning in the spring of 1983, the U.S. State Department launched a diplomatic campaign called "Staunch," directed by Richard Fairbanks, to prevent allies and third countries from selling arms

and spare parts to Iran. The campaign was intensified after Iran's designation as a state sponsor of terrorism in 1984.

Consequences

This operation appreciably raised the cost of arms procurement for Iran. Iran was forced to buy on the black market at prices several times higher and to turn to suppliers such as China, North Korea, Libya, and Syria. The American-built air fleet of the Iranian military, especially the F-14s, also lost much of its operational readiness because of shortages of spare parts.

Regime Response

The regime responded with three strategies: building complex procurement networks through intermediaries (a model later reproduced to circumvent nuclear and missile sanctions); investing in domestic defense industries, which laid the infrastructure of the missile industry; and, most important, using the hostages in Lebanon as leverage to obtain American weapons. In fact, the pressure of Staunch was one of the direct motives of the Iran-Contra deal.

4.6 The Lebanon Hostages (1984–1991)

From 1982 to 1992, about one hundred foreign hostages were kidnapped in Lebanon, seventeen of whom were Americans. The most important cases were:

Hostage	Date of Abduction	Fate
William Buckley (CIA Beirut station chief)	March 16, 1984	Died in captivity under torture (1985)
Reverend Benjamin Weir	May 1984	Released in September 1985 (coinciding with an arms shipment)
Father Lawrence Jenco	January 1985	Released in July 1986 (after a shipment of HAWK parts)
Terry Anderson	March 1985	Released in December 1991, after

Hostage	Date of Abduction	Fate
(Associated Press correspondent)		2,454 days
David Jacobsen	May 1985	Released in November 1986 (after a TOW shipment)
Colonel William Higgins (UN observer)	February 1988	Killed

In June 1985, the hijacking of TWA Flight 847 by Hezbollah operatives, which resulted in the killing of Robert Stethem, a U.S. Navy diver, brought Imad Mughniyeh to prominence as Hezbollah's commander of external operations. By pressing Israel to release Shi'a prisoners, the United States in effect took part in an indirect bargain.

The central analytical point is that, from Tehran's perspective, the Lebanon hostages were an "asset": an instrument for obtaining weapons, securing the release of allied prisoners (the Kuwait 17), and pressuring American and French policy—without any direct state responsibility being acknowledged. Whenever a hostage was released, a new one was taken; in September and October 1986, precisely at the height of the Iran-Contra transactions, three more Americans (Frank Reed, Joseph Cicippio, and Edward Tracy) were abducted.

4.7 The Iran-Contra Affair (1985–1987)

Profile

- **May 1985:** A memorandum by Graham Fuller, the CIA's national intelligence officer, argued that to prevent Soviet influence in post-Khomeini Iran, the United States should open contacts with "moderates." A draft NSDD was prepared on this basis, which Shultz and Weinberger strongly opposed.
- **August–November 1985:** With American consent, Israel delivered first 96 and then 408 TOW anti-tank missiles to Iran.

Reverend Weir was released on September 15. A shipment of HAWK missiles was returned in November after Iran objected that the model was unsuitable.

- **January 17, 1986:** Reagan signed a secret "Finding" authorizing direct arms sales by the United States and exempting the operation from notification to Congress.
- **February–October 1986:** Direct delivery of another 1,500 TOW missiles and HAWK spare parts. In total, more than two thousand TOW missiles reached Iran.
- **May 1986:** McFarlane, the former National Security Advisor, traveled secretly to Tehran on an Irish passport. The Iranian side declined to arrange meetings with senior officials, and the trip ended without result.
- **November 3, 1986:** The Lebanese magazine *Ash-Shiraa* exposed the affair. The leak was attributed to the faction of Mehdi Hashemi, a close associate of Ayatollah Montazeri.
- **November 25, 1986:** The U.S. Attorney General announced that part of the proceeds of the arms sales had been diverted, in violation of a congressional ban (the Boland Amendment), to the Contra rebels in Nicaragua. Poindexter resigned and North was dismissed.

Investigations

Three official inquiries were conducted: the report of the Tower Commission (February 26, 1987), which found Reagan's management style at fault; the report of the joint congressional committees (November 1987), which spoke of "a culture of secrecy and deception"; and the final report of Independent Counsel Lawrence Walsh (1994). Fourteen people were charged and eleven convicted, but some convictions were overturned on appeal, and in December 1992 George H. W. Bush pardoned six individuals, including Weinberger. In his speech of March 4, 1987, Reagan acknowledged that what had begun as a strategic opening had in practice deteriorated into trading arms for hostages.

Consequences for the Islamic Republic

Militarily, the TOW missiles and HAWK parts appreciably, though modestly, increased Iran's defensive capability against Iraqi armor and aircraft. Politically, the domestic consequences of the affair in Iran were perhaps more significant. Mehdi Hashemi, held responsible for the leak, was executed in September 1987, and this event was one of the links in the chain that led to Montazeri's removal as designated successor to the Leader in 1989 (1368). Akbar Hashemi Rafsanjani, who had played a central role in the deal, adroitly presented it as a "humiliation of America" and consolidated his own power.

Regime Response

The leadership of the Islamic Republic turned the exposure of the affair into a display of American weakness: the "Great Satan," which claimed to be enforcing an embargo, had been secretly selling arms to Iran. Two lessons from the affair were inscribed in the regime's institutional memory. First, hostage-taking can break even an American arms embargo. Second, secret contact with the United States carries, for any faction that takes part in it, the risk of exposure and elimination—a lesson that later made Iranian negotiators cautious.

4.8 Executive Order 12613: The Import Ban (October 29, 1987)

Profile

After the Algiers settlement, American companies had resumed purchasing Iranian oil, and the United States had become one of Iran's important oil customers. On October 29, 1987, Reagan, by Executive Order 12613, banned the import into the United States of any goods and services of Iranian origin. Its legal basis was not IEEPA but the International Security and Development Cooperation Act of 1985, which permitted bans on imports from countries supporting terrorism.

Background

The decision was taken at the height of the "Tanker War" and after Iran's missile attack on the U.S.-flagged tanker *Sea Isle City*. Congressional pressure to link trade to Iran's terrorist behavior had also increased.

Consequences and Response

The economic effect was limited, because Iranian oil was substitutable on the world market and Iran sold it to other buyers. But the order had two lasting effects: first, it removed American companies from the market for Iranian oil; and second, it replaced the model of "hostage-based sanctions" with that of "terrorism-based sanctions." Nevertheless, American companies could still purchase Iranian oil outside the United States and sell it to third countries—a loophole that remained open until 1995.

4.9 The Tanker War: Operations Earnest Will and Praying Mantis (1987–1988)

Background

From 1984 onward, Iraq attacked tankers and the Kharg terminal in order to strangle Iran's oil exports, and in response Iran targeted the tankers of countries supporting Iraq, especially Kuwait. In late 1986 Kuwait requested protection from the United States and the Soviet Union. The Soviet offer to lease tankers to Kuwait spurred Washington to act: eleven Kuwaiti tankers were reflagged under the American flag.

Operation Earnest Will (from July 1987)

The largest naval escort operation since the Second World War began in July 1987. In the first convoy, the tanker *Bridgeton* struck an Iranian mine on July 24. On May 17, 1987, the USS *Stark* had been hit by an Exocet missile fired by an Iraqi aircraft, killing 37 American sailors; the United States accepted this as an Iraqi error but at the same time shifted its focus onto Iran.

Key Events

Date	Event	Significance
September 21, 1987	Seizure of the *Iran Ajr* while laying mines	Documentary evidence of Iranian mine-laying; several Iranian crew members killed
October 8, 1987	Clash with IRGC boats near Farsi Island	Beginning of direct confrontation with the IRGC Navy
October 16, 1987	Iranian missile attack on the *Sea Isle City* in Kuwaiti waters	First attack on a U.S.-flagged tanker
October 19, 1987	Operation Nimble Archer: destruction of the Rostam platforms	A proportionate American response
April 14, 1988	USS *Samuel B. Roberts* strikes a mine	Ten wounded; severe damage to the ship
April 18, 1988	Operation Praying Mantis	The largest U.S. naval battle since the Second World War

Operation Praying Mantis (April 18, 1988)

In response to the mining, the United States in a single day destroyed the Sassan and Nasr oil platforms, which were being used as IRGC bases, sank the frigate *Sahand* and the missile fast-attack craft *Joshan*, and severely damaged the frigate *Sabalan*. The navy of Iran's regular armed forces lost about half of its operational capability in a single day. The United States lost one helicopter and its two crew members. On the same day, Iraq dealt Iran a heavy blow by recapturing Faw.

Legal Assessment

In the *Oil Platforms* case (2003), the International Court of Justice rejected both Iran's claim and the American counterclaim, but held that the attacks on the platforms could not be justified as self-defense. Legally, this ruling was a partial victory for Iran, but it had no practical consequence.

Regime Response

After Praying Mantis, the regime appreciably reduced its mine-laying and avoided direct confrontation with the U.S. Navy. In the institutional memory of the Revolutionary Guards, this defeat became a foundational lesson: symmetric confrontation with the U.S. Navy is impossible. The IRGC's answer was to build an "asymmetric naval warfare" capability—fast boats, smart mines, coastal missiles, and drones—which in subsequent decades became the backbone of the IRGC's naval strategy in the Strait of Hormuz.

4.10 Resolution 598 and the "Cup of Poison" (1987–1988)

Profile

UN Security Council Resolution 598, in whose drafting the United States played the leading role, was adopted unanimously on July 20, 1987. It called for an immediate ceasefire, withdrawal to international borders, and an exchange of prisoners. One of its provisions, at Iran's request, provided for an impartial body to determine "responsibility for the conflict."

Consequence

Iran delayed accepting the resolution for a year. But a combination of factors in the spring and summer of 1988—successive military defeats (Faw, Shalamcheh, Majnoon), Iraqi missile attacks on Tehran in the "War of the Cities," fear of large-scale chemical attacks, the destruction of the navy in Praying Mantis, economic collapse, and finally the downing of Flight 655—compelled the leadership to accept it. Iran accepted the resolution on July 18, 1988, and on July 20 Ayatollah Khomeini likened this decision to "drinking the cup of poison."

4.11 The Downing of Iran Air Flight 655 (July 3, 1988)

Profile

During an engagement with IRGC boats in the Strait of Hormuz, the USS *Vincennes* shot down Iran Air Flight 655, an Airbus on the Bandar Abbas–Dubai route, with two missiles. All 290 people on

board, including 66 children, were killed. The ship's crew had mistaken the aircraft for an F-14 fighter.

Responses

The Reagan administration expressed regret but issued no formal apology. Vice President George Bush defended the ship's action at the Security Council. The U.S. military investigation attributed the incident to human error under the stress of combat, and no one was punished; the ship's commander later received a decoration. Iran filed a case with the International Court of Justice in 1989, and in 1996 the case was resolved by a settlement under which the United States, without accepting legal liability, paid about $131.8 million, of which $61.8 million was allocated to the families of the victims.

Consequences for the Regime

From the perspective of Iran's leadership, the downing of the aircraft was perceived as a sign of American readiness to enter the war directly, and many analysts regard it as one of the factors behind the acceptance of Resolution 598 two weeks later. At the level of narrative, however, the event became one of the pillars of the regime's anti-American propaganda and is commemorated every year to this day. Some speculation has linked the bombing of Pan Am Flight 103 over Lockerbie (December 1988) to Iranian revenge, but the official investigations and the court identified Libyan intelligence as the perpetrator, and this link has never been proven.

4.12 Silence in the Face of the Massacre of Political Prisoners (Summer 1988)

In the months following the acceptance of the resolution, the regime killed thousands of political prisoners—mostly supporters of the People's Mojahedin Organization and of leftist groups—in mass executions. The response of the Reagan administration, then in its final months, and of the West in general, was extremely limited. Although this silence was not an active "policy," it is part of the record of this period: the absence of any cost for a mass domestic

crime taught the regime that internal repression has no effect on its external relations. Chapter Seventeen examines the gradual evolution of human rights into one of the instruments of U.S. policy.

4.13 Chapter Chronology

Date	Event	Type of Action
February 1982	Removal of Iraq from the list of state sponsors of terrorism	Tilt toward Iraq
June 1982	Entry of the IRGC into the Beqaa Valley	Iranian action
Spring 1983	Launch of Operation Staunch	Diplomacy
April 18, 1983	Bombing of the U.S. embassy in Beirut	Proxy action
October 23, 1983	Bombing of the Marine barracks in Beirut	Proxy action
November 26, 1983	NSDD 114	National security directive
December 12, 1983	The Kuwait bombings	Proxy action
January 19, 1984	Designation of Iran as a state sponsor of terrorism	Legal action
February 1984	Withdrawal of the Marines from Lebanon	Retreat
March 16, 1984	Abduction of William Buckley	Proxy action
November 1984	Restoration of relations with Iraq	Diplomacy
June 1985	Hijacking of TWA Flight 847	Proxy action
August 1985	First TOW shipment from Israel	Iran-Contra
January 17, 1986	Reagan's secret "Finding"	Iran-Contra
May 1986	McFarlane's trip to Tehran	Iran-Contra
November 3, 1986	Exposure of the affair in *Ash-Shiraa*	Iran-Contra
February 26, 1987	Report of the Tower Commission	Investigation
July 20, 1987	Resolution 598	UN Security

Date	Event	Type of Action
		Council
July 1987	Launch of Operation Earnest Will	Military action
October 29, 1987	Executive Order 12613	Sanctions
April 18, 1988	Operation Praying Mantis	Military action
July 3, 1988	Downing of Flight 655	Military incident
July 18, 1988	Iran's acceptance of Resolution 598	End of the war

4.14 Scorecard of the Reagan Administration

Policy	Score	Brief Judgment
Tilt toward Iraq	3	Prevented an Iranian victory, at a narrative cost and by strengthening Saddam
Response to the Beirut bombings	1	Withdrawal after casualties; a reward for suicide terrorism
Designation as a state sponsor of terrorism	4	A durable legal foundation
Operation Staunch	3	Raised the cost of arms; credibility destroyed by Iran-Contra
Iran-Contra	1	Failure; the largest direct reward for hostage-taking
Executive Order 12613	3	A link in the chain of sanctions; limited effect
Earnest Will and Praying Mantis	5	The only instance of clear behavior change through proportionate military action
Resolution 598 diplomacy	4	Successful in combination with battlefield pressure
Downing of Flight 655	1	A human tragedy and a pillar of the regime's propaganda

4.15 Strategic Synthesis: Six Lessons from the Reagan Years

- **Lesson one — Inconsistency between word and deed is lethal:** The Reagan administration simultaneously pursued an arms embargo and covert arms sales. The cost of this inconsistency was not merely the failure of one initiative; it destroyed the credibility of American policy as a whole, both among allies and in Tehran.
- **Lesson two — The assumption of "moderates" within the regime must be tested, not believed:** The hypothesis of Fuller and North was that an opening to the "moderates" could shape Iran's future. In practice, those perceived as moderates (Rafsanjani) were the most skillful managers of the regime's interests, not agents of its transformation. This error was repeated many times in the decades that followed.
- **Lesson three — Retreat after casualties encourages terrorism:** The withdrawal from Lebanon in 1984 created a model that the IRGC tested again in Iraq (2003–2011) and in attacks on U.S. bases in Syria and Iraq (2019–2024).
- **Lesson four — Proportionate and decisive military power changes behavior:** Operation Praying Mantis showed that a rapid, proportionate response, confined to a specific behavior (mine-laying) and without escalation into wider war, can compel the regime to retreat.
- **Lesson five — The regime retreats only in the face of an existential threat:** The acceptance of Resolution 598 was the result of accumulated military, economic, diplomatic, and psychological pressures, not of a single instrument.
- **Lesson six — Every human tragedy is the regime's narrative capital:** The downing of Flight 655 and the silence in the face of Iraq's chemical weapons made the regime's narrative credible to ordinary Iranians. A policy whose aim is to weaken the

> regime must, in practice, respect the boundary between the regime and the people of Iran.

George H. W. Bush, who as Vice President had been present at all these decisions, began his administration with the promise that "goodwill begets goodwill." Chapter Five shows how this promise was tested against the release of the Lebanon hostages and the assassinations in Europe.

Chapter Five: George H. W. Bush (January 1989 – January 1993) — Unanswered Goodwill

5.1 Overview: A Window That Opened and Stayed Shut

The administration of George H. W. Bush began its work at one of the most exceptional moments in the history of the Islamic Republic. Within less than six months, the eight-year war had ended, Ayatollah Khomeini had died (14 Khordad 1368 / June 3, 1989), Ali Khamenei had become Leader, and Akbar Hashemi Rafsanjani had become President on the promise of "reconstruction." At the same time, the Cold War came to an end, the Soviet Union collapsed, and the United States became the world's sole superpower. This combination created a rare opportunity to redefine the relationship.

In his inaugural address (January 20, 1989), referring to the American hostages in Lebanon, Bush uttered a sentence that became the emblem of his doctrine toward Iran: "Goodwill begets goodwill." The message was clear: if Iran helped secure the release of the hostages, the United States would respond. Iran helped; the last American hostage was released in December 1991. But the United States, for reasons examined in this chapter, offered no meaningful reciprocal response.

This chapter is of particular importance to the book's central question, because it is the only period in which the Islamic Republic, under the leadership of a pragmatic faction, carried out the behavior the United States desired on a specific file, and in which the United States had the opportunity to reward that behavior. In the same period, the security apparatus of that very regime carried out a wave of assassinations of opponents in Europe. Both facts are simultaneously true, and grasping this duality is the key to understanding the nature of the regime in the Rafsanjani era.

5.2 The "Goodwill Begets Goodwill" Doctrine and NSD-26

Profile

The inaugural address (January 20, 1989), followed by National Security Directive NSD-26 (October 2, 1989), titled "U.S. Policy Toward the Persian Gulf." This directive, which is known chiefly for its section on engagement with Iraq, was also explicit about Iran: normal relations between the United States and Iran, on the basis of the principle of non-interference in internal affairs, are in the interest of the United States; but the condition for any improvement is Iran's assistance in freeing the hostages and an end to its support for terrorism and subversion in the region.

Background

Two assessments in Washington supported this approach. First, the intelligence community believed that Rafsanjani and his faction were "pragmatists" who gave priority to rebuilding the economy devastated by the war, which required Western capital and technology. Second, Bush was personally sensitive to the hostage file; he had been Vice President during Iran-Contra and wanted to close this file without repeating the arms-for-hostages deal.

The Doctrine's Inherent Limitation

This doctrine had a structural weakness: America's reciprocal "goodwill" was never defined. Tehran expected that in exchange for helping to free the hostages, the frozen assets would be released, sanctions would be eased, and Iran would be given a place in the regional order after the Persian Gulf War. Washington, however, regarded an end to support for terrorism and acceptance of the Arab–Israeli peace process as preconditions for any real opening. This gap in expectations made the bargain fragile from the outset.

5.3 The Release of the Last Lebanon Hostages (1990–1991)

Process

From April 1990, with the mediation of Giandomenico Picco, the UN Assistant Secretary-General, a gradual process of releasing the hostages began. Robert Polhill (April 1990) and Frank Reed (April 1990) were the first to be freed. After the Persian Gulf War and the release of the "Kuwait 17" prisoners, who had escaped from prison during the Iraqi invasion of Kuwait, the principal obstacle was removed. In the autumn of 1991 the releases accelerated: Thomas Sutherland (November), Joseph Cicippio, Alann Steen, and finally Terry Anderson (December 4, 1991), who had been held captive for 2,454 days.

Iran's Role

Tehran—especially Rafsanjani and the Foreign Ministry under Ali Akbar Velayati—played a real role in pressuring Hezbollah. Picco recounts in his memoirs that Iranian officials explicitly advanced the release of the hostages in exchange for the promise of American "goodwill," and that he conveyed messages from the Secretary-General that Iran perceived as commitments.

The U.S. Response

The most important tangible American step was taken in November 1991: within the framework of the Hague Claims Tribunal, the United States paid Iran about $278 million for military equipment purchased by the Shah's government that had never been delivered. Washington regarded this as the settlement of a legal claim, not as a political reward. Beyond this, no meaningful step was taken—no easing of sanctions, no direct diplomatic contact, no invitation into the regional order. The killing of Colonel Higgins and William Buckley in captivity, and the deaths of two other hostages, had made the American domestic political climate extremely unfavorable to "rewarding" Tehran.

Regime Response

In the narrative of the Islamic Republic, this period became the principal evidence of "the untrustworthiness of America": "We helped, and they did not respond." This narrative was later used repeatedly, including in opposition to nuclear negotiations. Indeed, the experience of 1991 is one of the roots of Khamenei's doctrine of "neither war nor negotiation."

5.4 The Persian Gulf War and Iran's "Active Neutrality" (1990–1991)

Background and Iran's Behavior

Iraq's invasion of Kuwait on August 2, 1990, was a strategic gift to Iran. Its enemy of eight years now faced a global coalition led by the United States. Iran condemned the invasion, adhered to the Security Council's sanctions resolutions, and declared "neutrality" in the war. At the same time, in order to secure Iran's neutrality, Saddam agreed in August 1990 to return to the borders of the 1975 Algiers Agreement and to release prisoners of war; that is, Iran attained its principal war aims without firing a single shot.

Iraq's Aircraft

During Operation Desert Storm (January and February 1991), more than one hundred Iraqi military and civilian aircraft flew to Iran to escape the bombing. Iran never returned them and added some to its own fleet or used them for spare parts. For Iran's sanctions-stricken air force, this was a considerable windfall.

The Uprising of Iraq's Shi'a (March 1991)

After Iraq's defeat, the Shi'a of the south and the Kurds of the north rose in revolt. Iran supported the Supreme Council for the Islamic Revolution in Iraq and its military wing, the Badr Corps. Bush, who had earlier encouraged the Iraqi people to rise against Saddam, allowed Saddam's regime to suppress the uprising with helicopters. One of the principal reasons for this decision was fear of Iraq's collapse and of the Shi'a-majority south becoming an

Iranian sphere of influence. In this sense, "fear of Iran" was one of the factors behind Saddam's survival in 1991.

Assessment

The aim of U.S. policy in the Persian Gulf War was not Iran, but its consequences for Iran were considerable. On the one hand, the conventional military power of Iraq—the only regional counterweight to Iran—was neutralized for a decade, which was to Iran's advantage. On the other hand, the permanent American military presence in Saudi Arabia, Kuwait, and the other Persian Gulf states was consolidated, which represented a direct threat to Iran. The United States sought, by preserving Saddam, both to weaken Iraq and to retain it as a buffer against Iran—a logic that two years later became "dual containment."

5.5 The Madrid Conference and Iran's Exclusion from the Regional Order (October 1991)

Profile

The Madrid Peace Conference (October 30, 1991), co-sponsored by the United States and the Soviet Union, for the first time brought Israel, its neighboring Arab states, and Palestinian representatives to the same table. Iran was not invited. At the same time, in October 1991, Tehran hosted the "International Conference in Support of the Islamic Revolution of Palestine," attended by groups opposed to the peace process.

Consequences

According to some scholars, Iran's exclusion from the postwar order—a combination of the Arab–Israeli peace process and Persian Gulf security arrangements built around the American presence—was a turning point in the Islamic Republic's regional strategy. Having no place in the new order, Iran chose the role of its "spoiler": support for Hamas and Palestinian Islamic Jihad intensified, the relationship with Hezbollah deepened, and the "Axis of Resistance" took shape as the ideological and operational alternative to that order. The bombing of the Israeli embassy in Buenos Aires (March

17, 1992), which was attributed to Hezbollah and Iran and left 29 dead, was the first sign that this confrontation was being exported to another continent.

Analysis

The counterfactual question is difficult: would including Iran in Madrid have changed its behavior? The regime's anti-Israeli ideology was part of its identity, and Iran would probably have stayed outside any peace process or sabotaged it. But explicit exclusion reduced the cost of opposition for Tehran to zero and gave it a motive to prove that no regional order could be stable without Iran.

5.6 Assassinations of Dissidents in Europe (1989–1992)

Profile of Events

Date	Victim	Location	Judicial Outcome
July 13, 1989	Abdul Rahman Ghassemlou, leader of the Kurdistan Democratic Party of Iran	Vienna (at a negotiating session with Iranian envoys)	Suspects effectively allowed to leave under diplomatic immunity
April 24, 1990	Kazem Rajavi, representative of the National Council of Resistance	Geneva	Arrest warrants issued for Iranian agents; no trial held
July 1991	Hitoshi Igarashi, Japanese translator of *The Satanic Verses*	Japan	Case closed without a defendant
August 6, 1991	Shapour Bakhtiar, the last pre-revolutionary prime minister, and his secretary	Suresnes, near Paris	Ali Vakili Rad convicted in 1994; released and returned to Iran in 2010
September 17, 1992	Sadegh Sharafkandi and three companions	Mykonos restaurant, Berlin	The Berlin court ruling (1997) held Iran's top leadership responsible

Context

These assassinations were carried out in the very years when Rafsanjani was speaking of "détente" with the West and the Foreign Ministry was helping to free the hostages. The principal agent was the Ministry of Intelligence under Ali Fallahian. Ayatollah Khomeini's fatwa against Salman Rushdie (February 14, 1989) also extended this wave beyond Iranian political dissidents to Western writers and publishers.

U.S. Response

The American response to these assassinations was almost entirely declaratory. The victims were not American citizens and the theater of operations was Europe, and consequently Washington largely left the matter to European governments. Europe, for its part, instead of applying pressure, opted at the Edinburgh summit in December 1992 for a policy of "critical dialogue" with Iran—a policy that continued until the Mykonos verdict in April 1997. The United States did not seriously challenge this policy.

Regime Response

The practical lesson for the regime was that the extraterritorial repression of dissidents on European soil carried no serious diplomatic or economic cost. Only when the Berlin court in 1997 held Iran's leadership responsible and the European countries recalled their ambassadors did the wave of assassinations in Europe appreciably subside. This is one of the few cases in which an independent judicial action changed the regime's behavior.

5.7 The Rushdie Fatwa and the Western Response (February 1989)

Ayatollah Khomeini's fatwa against Salman Rushdie, author of *The Satanic Verses*, was issued on February 14, 1989, a few days before the start of the Bush administration. The countries of the European Community recalled their ambassadors from Tehran, and Britain severed relations. The Bush administration condemned the fatwa and called it incitement to murder, but took no separate practical

action. The regime never formally revoked the fatwa; a state-affiliated foundation set a bounty for Rushdie's killing, and the bounty was increased in subsequent years. Thirty-three years later, in August 2022, Rushdie was attacked with a knife in New York and lost the sight of one eye.

5.8 The Iran–Iraq Arms Non-Proliferation Act (1992)

Profile

The Iran–Iraq Arms Non-Proliferation Act, part of the National Defense Authorization Act for Fiscal Year 1993, was signed by Bush on October 23, 1992. Its principal sponsors in Congress were Senator John McCain and Senator Al Gore.

Content

The law provided that any foreign person or government transferring goods or technology to Iran or Iraq that contributed to their acquisition of weapons of mass destruction or of "destabilizing" quantities of advanced conventional weapons would be subject to sanctions such as a ban on U.S. government contracts and export restrictions. This law was Congress's first step toward "secondary sanctions" on the Iran file.

Background

After the war, Iran had launched an extensive program of military modernization: the purchase of MiG-29 and Su-24 fighters from the Soviet Union (1989–1990), the order of Kilo-class submarines from Russia (the first delivered in 1992), and missile cooperation with North Korea and China. Congress was concerned that Iran would use its oil revenues to rebuild its military power rapidly.

5.9 The Diplomacy of Nuclear Technology Denial (1989–1992)

In the postwar period, Iran sought to revive the unfinished nuclear program of the Shah's era. Germany had refused to complete the Bushehr plant, and Iran was looking for alternative partners: Argentina (for conversion and fuel fabrication), China (for

research reactors and uranium conversion technology), India, and Pakistan. The Bush administration launched a quiet but effective diplomatic campaign to deny these technologies. In 1992, under American pressure, Argentina halted the delivery of equipment, and China suspended some contracts in the following years. At the same time, the network of the Pakistani A. Q. Khan—of which the United States was then unaware, or which it underestimated—had transferred centrifuge designs and components to Iran.

5.10 The Three Islands: The First Test of the Postwar Order (1992)

In 1992, Iran tightened its control over the Arab-populated part of the island of Abu Musa, which it had administered jointly with Sharjah under a 1971 memorandum of understanding, and restricted the entry of some foreign personnel. The United Arab Emirates and the Gulf Cooperation Council protested, and the United States supported the Emirati request for a peaceful settlement or referral to the International Court of Justice. This dispute, which to this day forms part of every GCC statement, became an instrument for linking Persian Gulf security to the American presence, and an instrument for the regime's territorial-nationalist mobilization.

5.11 Chapter Chronology

Date	Event	Type of Action
January 20, 1989	"Goodwill begets goodwill" address	Declaration of doctrine
February 14, 1989	The Rushdie fatwa	Iranian action
June 3, 1989	Death of Khomeini; Khamenei becomes Leader	Domestic development in Iran
July 13, 1989	Assassination of Ghassemlou in Vienna	Iranian action
August 1989	Rafsanjani's presidency	Domestic development in Iran

Date	Event	Type of Action
October 2, 1989	NSD-26	National security directive
April 1990	Release of Polhill and Reed	Hostages
April 24, 1990	Assassination of Kazem Rajavi in Geneva	Iranian action
August 2, 1990	Iraqi invasion of Kuwait	Regional development
January–February 1991	Desert Storm; flight of Iraqi aircraft to Iran	War
March 1991	Suppression of the Iraqi Shi'a uprising	Regional development
August 6, 1991	Assassination of Shapour Bakhtiar	Iranian action
October 30, 1991	Madrid Peace Conference without Iran	Diplomacy
November 1991	Payment of $278 million at The Hague Tribunal	Legal settlement
December 4, 1991	Release of Terry Anderson, the last American hostage	End of the file
March 17, 1992	Bombing of the Israeli embassy in Buenos Aires	Proxy action
September 17, 1992	The Mykonos assassinations	Iranian action
October 23, 1992	Iran–Iraq Arms Non-Proliferation Act	Act of Congress
December 1992	"Critical dialogue"	European policy

5.12 Scorecard of the George H. W. Bush Administration

Policy	Score	Brief Judgment
The goodwill doctrine and NSD-26	3	The hostages were freed, but the relationship did not change and a narrative of "mistrust" was built
Management of the Persian Gulf War (effect on Iran)	3	Removal of Iran's rival, coupled with consolidation of the American presence

Policy	Score	Brief Judgment
Exclusion from the Madrid Conference	2	Intensified support for groups opposed to peace
Response to the assassinations in Europe	1	Extraterritorial repression went unpunished
Response to the Rushdie fatwa	3	Condemnation without enforcement instruments
Arms Non-Proliferation Act of 1992	4	The foundation of secondary sanctions
Nuclear technology denial diplomacy	4	Delayed the nuclear program; overlooked the Khan network
The three islands	3	Diplomatic support without behavior change

5.13 Strategic Synthesis: Five Lessons from the George H. W. Bush Years

- **Lesson one — The regime has two hands:** While the Foreign Ministry was helping to free the hostages, the Ministry of Intelligence was assassinating dissidents in Europe. A policy that deals only with the regime's "diplomatic hand" remains blind to its "security hand." This duality was seen again under Khatami (the serial murders) and under Rouhani (the taking of dual-national hostages at the same time as the JCPOA).
- **Lesson two — A vague promise is worse than no promise:** "Goodwill begets goodwill," without a definition of the content of reciprocal goodwill, gave Tehran an expectation that went unmet and strengthened the narrative of "American deception." Every conditional offer must be precise, measurable, and enforceable.
- **Lesson three — Fear of Iran shaped U.S. policy in Iraq:** The decision to keep Saddam in power in 1991 was taken in part to prevent Iranian influence. Twelve years later, the removal of Saddam handed that very influence to Iran as a gift. This shows

that the Iran problem cannot be managed in isolation from the regional architecture.

- **Lesson four — Exclusion from the regional order produces a spoiler:** An Iran sidelined at Madrid intensified its investment in the "Axis of Resistance." Exclusion must be accompanied by operational containment; otherwise it leads to an escalation of behavior.
- **Lesson five — Technology denial is effective, but never complete:** The campaign against Iran's nuclear suppliers bought several years, but covert networks (the Khan network) neutralized this achievement. Technology denial must be accompanied by effective intelligence on black markets.

Bill Clinton came to the White House with the inheritance of this period: a regime whose regional rival had been defeated, which had been excluded from the regional order, and which had recently extended its reach to other continents through its proxy networks. Clinton's answer was "dual containment"—the doctrine to which Chapter Six turns.

Chapter Six: Clinton (January 1993 – January 2001) — From Dual Containment to an Outstretched Hand

6.1 Overview: Two Administrations in One

In terms of Iran policy, Bill Clinton's two presidential terms amounted to two different administrations. The first term (1993–1997) was the era of "containment": for the first time, the United States formulated a coherent, written doctrine toward Iran, imposed a comprehensive trade embargo, and Congress passed the first comprehensive secondary-sanctions law. The second term (1997–2001) was the era of "testing an opening": with the election of Mohammad Khatami, Washington sought to engage the reformists, placed the People's Mojahedin on the terrorist list, lifted sanctions on certain goods, and its Secretary of State acknowledged the American role in the 1953 coup. The leadership of the Islamic Republic frustrated both approaches, in different ways.

Between these two periods, two terrorist events defined the relationship: the bombing of the AMIA building in Buenos Aires (1994) and the bombing of the Khobar Towers in Saudi Arabia (1996), which killed 19 American servicemen. The American response to Khobar—and especially what it did not do—is one of the central questions of this chapter.

By the criteria of this book, the Clinton era was a laboratory for two competing hypotheses. The first hypothesis: broad economic pressure compels the regime to change its behavior. The second hypothesis: strengthening the reformist faction through engagement changes the regime from within. Neither was confirmed in this period; but each failed for a different reason, and their lessons remain valid to this day.

6.2 The Doctrine of Dual Containment (May 1993)

Profile

On May 18, 1993, Martin Indyk, Senior Director for Near East Affairs at the National Security Council, announced the doctrine of "dual containment" in a speech at the Washington Institute for Near East Policy. Anthony Lake, the National Security Advisor, turned it into a broader theoretical framework in an article in the March–April 1994 issue of *Foreign Affairs*, "Confronting Backlash States," which labeled Iran, Iraq, Libya, Cuba, and North Korea "backlash states."

Content

The logic of dual containment was simple: the United States would no longer rely on a balance of power between Iran and Iraq—a policy that in the 1980s had led to the strengthening of Saddam—but would instead contain both simultaneously through its own direct military presence in the Persian Gulf and cooperation with the states of the Gulf Cooperation Council. With respect to Iran, Indyk listed five problematic behaviors: support for terrorism, opposition to the Arab–Israeli peace process, efforts to acquire weapons of mass destruction, threats against its neighbors, and violations of human rights. The United States declared that it was not opposed to the "regime" but to its "behavior"—a formula repeated many times in subsequent decades.

Background

Victory in the Persian Gulf War, the launch of the Oslo peace process (September 1993), and the collapse of the Soviet Union had placed Washington in a position where it no longer needed either of the two powers on the northern shore of the Persian Gulf. Critics argued that the doctrine was overly ambitious: containing two mutually hostile powers without exploiting their rivalry required resources and the cooperation of allies that the United States did not possess.

Regime Response

Tehran perceived the doctrine as a "declaration of war." Its practical response was to diversify along three paths: deepening military and nuclear cooperation with Russia and China; expanding the proxy network (with a focus on opposing the Oslo process through Hamas, Islamic Jihad, and Hezbollah); and exploiting commercial rivalry among European and Asian states to neutralize American economic pressure.

6.3 The Comprehensive Trade Embargo: Executive Orders 12957, 12959, and 13059 (1995–1997)

(a) Executive Order 12957 (March 15, 1995)

Background: In March 1995, the American company Conoco signed an agreement worth about $1 billion with the National Iranian Oil Company to develop the Sirri oil fields in the Persian Gulf—the first major Iranian oil contract with a foreign company since the revolution, deliberately awarded to an American company. Tehran perceived it as a conciliatory message to Washington. In Washington, however, the contract was seen as incompatible with the doctrine of containment, and pressure from Congress and pro-Israel groups to block it reached its peak.

Content: Invoking IEEPA, Clinton prohibited American persons from participating in the development of Iran's petroleum resources. Conoco was forced out of the contract, and a few months later (July 1995) the French company Total took its place.

(b) Executive Order 12959 (May 6, 1995)

On April 30, 1995, in a speech to the World Jewish Congress, Clinton announced that he was expanding the sanctions on Iran into a comprehensive trade and investment embargo. Executive Order 12959 was issued on May 6 and prohibited exports to Iran, investment in Iran, and—most important—purchases of Iranian oil by American companies outside the United States (the loophole that had remained open since 1987). Until then, American

companies had been among the largest buyers of Iranian oil on the world market.

(c) Executive Order 13059 (August 19, 1997)

This order consolidated and clarified the sanctions and, in particular, prohibited the re-export of American goods to Iran through third countries.

Consequences

Iran suffered limited immediate damage: oil that American companies no longer bought was sold to other buyers, and the Conoco contract went to Total. But three long-term effects were significant. First, American companies—which possessed the most advanced oil and gas technology—were entirely removed from the Iranian market, and Iran's oil industry was deprived of access to this technology for decades. Second, to compensate, Iran turned to "buy-back" contracts, which held limited appeal for foreign companies and slowed upstream investment. Third, the pattern of "the American company withdraws and a European or Asian rival takes its place" was precisely what pushed Congress toward secondary sanctions.

Regime Response

Rafsanjani's pragmatic faction, which had designed the Conoco contract as a signal of reconciliation, was weakened, and the argument of the hardline faction—that America is the enemy in any case—was strengthened. At the same time, Iran redirected its trade toward Europe, Japan, and gradually China and the UAE (as a re-export hub).

6.4 The "Gingrich" Covert Action Budget (1995)

In late 1995, Newt Gingrich, Speaker of the House of Representatives, insisted on including $18 million in the intelligence authorization bill for covert operations aimed at "changing the behavior"—or, in his own words, "changing"—the Iranian regime. The Clinton administration restricted the objective

to "behavior change," but the public debate over it, accompanied by Gingrich's explicit statements, had already done its work. In response, the Iranian Majlis approved $20 million to "counter American conspiracies," and Iran filed a complaint with the Hague Claims Tribunal, arguing that the budget violated the non-intervention principle of the Algiers Accords.

6.5 The AMIA Bombing (July 18, 1994)

Profile

A car bomb detonated in front of the building of the Argentine Israelite Mutual Association (AMIA) in Buenos Aires killed 85 people and wounded more than 300—the deadliest terrorist attack in Argentina's history.

Judicial Outcome

For years the Argentine investigation was marred by corruption and deviation. In 2006, prosecutor Alberto Nisman charged senior Iranian officials, including Ali Fallahian (Minister of Intelligence), Ali Akbar Velayati, Mohsen Rezaei, Ahmad Vahidi (then commander of the Quds Force), and Mohsen Rabbani (Iran's cultural attaché in Buenos Aires). In 2007 Interpol issued red notices for several of them. In January 2015, Nisman was found dead in his home one day before he was due to present a report to the Argentine Congress. In 2024, Argentina's highest criminal appeals court held Iran responsible and called the attack a "crime against humanity."

The American Role

The United States provided intelligence support to the Argentine investigation but did not place the case at the center of its Iran policy. During the Clinton years, no direct punitive measure was taken against Iran on account of AMIA.

6.6 The Iran and Libya Sanctions Act — ILSA (August 5, 1996)

Profile

The Iran and Libya Sanctions Act, sponsored by Senator Alfonse D'Amato (Republican, New York), passed the Senate unanimously and the House of Representatives by 415 votes to none, and Clinton signed it on August 5, 1996. In 2006, after Libya's removal, it was renamed the Iran Sanctions Act (ISA) and was extended many times.

Content

This law was the first comprehensive "secondary sanctions" statute against Iran: any foreign company that invested more than $40 million in a year (and after one year, $20 million) in Iran's oil and gas sector would be subject to at least two penalties from a list of six (including a ban on loans from the U.S. Export–Import Bank, a ban on government contracts, and restrictions on imports into the United States). The President could grant waivers by invoking the "national interest."

Background

Total's replacement of Conoco convinced Congress that unilateral sanctions, without penalties on foreign competitors, harmed only American companies. The Khobar bombing in June 1996, one month before final passage, also sharply hardened the climate.

Consequences and the Transatlantic Crisis

The European Union regarded ILSA as a violation of sovereignty and of the rules of international trade. In November 1996 it adopted a "blocking regulation" prohibiting European companies from complying with the law, and it filed a complaint with the World Trade Organization. In September 1997, Total, together with Russia's Gazprom and Malaysia's Petronas, signed a $2 billion contract to develop phases 2 and 3 of South Pars—an open test of ILSA. On May 18, 1998, in exchange for a European commitment to greater cooperation on non-proliferation and counterterrorism,

Clinton waived sanctions on this contract. In practice, no foreign company was sanctioned under this law until 2010.

Deterrent Effect

Nevertheless, the law was not without effect. Research shows that a number of companies—especially those with significant interests in the United States—refrained from entering the Iranian market or reduced the volume of their investment. Foreign investment in Iran's oil sector in the years after 1996 fell far short of the targets of Iran's development plans.

6.7 The Khobar Towers Bombing (June 25, 1996)

Profile

A tanker truck packed with explosives was detonated beside the Khobar Towers complex in Dhahran, Saudi Arabia, which housed U.S. Air Force personnel. Nineteen American servicemen were killed and about 500 people were wounded.

Investigation and Responsibility

The FBI investigation, which was hampered by limited and belated Saudi cooperation, concluded that the attack had been carried out by "Hezbollah al-Hejaz" (the Saudi branch of Hezbollah) with the support, training, and direction of Iranian officials, especially the Revolutionary Guards. In June 2001, U.S. prosecutors indicted 14 individuals, and the indictment referred to the role of "elements of the Iranian government." In 2006, a U.S. federal court held Iran responsible and ordered it to pay damages.

The U.S. Response

The question of why Clinton did not retaliate militarily is contested. Conclusive evidence of Iran's role was not complete until 1998 and 1999, by which time Khatami had become President, and the administration did not want to lose the opportunity for engagement. According to Richard Clarke, the counterterrorism coordinator, the United States conducted a covert operation during this period to identify and expose Iranian intelligence officers in

several countries, which carried a deterrent message. In 1999, Clinton sent a letter to Khatami through Oman raising Iran's role in Khobar and demanding accountability; Iran's response was to deny the accusation.

Consequences for Saudi Arabia and Iran

Another incongruity was also at work: Saudi Arabia, which in this period had itself turned to détente with Iran (under Rafsanjani and Khatami), was reluctant to see the case lead to confrontation. This is an example of how the interests of regional allies constrain the scope of the American response.

6.8 The Mykonos Verdict and the End of "Critical Dialogue" (April 10, 1997)

On April 10, 1997, after three and a half years of proceedings, the Berlin Superior Court convicted four defendants (one Iranian and three Lebanese) for the assassination of the leaders of the Kurdistan Democratic Party at the Mykonos restaurant. But the historic significance of the verdict lay in the court's explicit finding that the order for the assassination had been issued by the "Committee for Special Operations" at the highest level of the Iranian state—comprising the Leader, the President, the Minister of Intelligence, and the Minister of Foreign Affairs. All the countries of the European Union (except Greece) recalled their ambassadors, and "critical dialogue" was suspended.

This was not an American action, but it is important for evaluating U.S. policy: it showed that an independent, well-documented judicial action that holds the leadership directly responsible can impose a real political cost on the regime. After Mykonos, the regime's assassinations in Europe declined appreciably for about two decades, until they resumed around 2015.

6.9 Khatami and the Test of Engagement (1997–2000)

Background

The unexpected election of Mohammad Khatami on 2 Khordad 1376 (May 23, 1997), with about 70 percent of the vote, took the Clinton administration by surprise. In an interview with Christiane Amanpour on CNN (January 7, 1998), Khatami spoke of a "dialogue among civilizations," respect for the American people, and the need to break down the "wall of mistrust," and he expressed regret over the hostage-taking; but he rejected formal government-to-government negotiations and proposed cultural and people-to-people exchanges.

U.S. Steps

Date	Step	Content
October 1997	Designation of the People's Mojahedin on the list of Foreign Terrorist Organizations	Coincided with the publication of the first FTO list; seen in Tehran as a goodwill signal
February 1998	American wrestlers travel to Tehran	"Wrestling diplomacy," in response to the proposal for people-to-people exchanges
June 17, 1998	Albright's speech at the Asia Society	Proposal of a "road map" for normalizing relations on the basis of equality
April 1999	Permission for sales of food and medicine to Iran (case by case)	Humanitarian exception to sanctions
April 1999	Clinton's remarks	Acknowledgment that Iran had in the past been "the subject of quite a lot of abuse" by Western countries
March 17, 2000	Albright's speech to the American–Iranian Council	Acknowledgment of the American role in the 1953 coup; regret over support for Iraq; lifting of the import ban on carpets, pistachios, and caviar
September 2000	Clinton's attendance at Khatami's speech at the United Nations	A symbolic gesture

Regime Response

The leadership's response was generally negative. A few days after Albright's speech in March 2000, Ayatollah Khamenei called the American acknowledgment "belated and useless" and pointed out that in the same speech Albright had criticized the "unelected" institutions of government in Iran. Indeed, Albright's reference to the distinction between elected and unelected institutions gave the conservative faction the opportunity to portray engagement with the United States as an attempt to drive a wedge within the system. Khatami, himself under severe domestic pressure, could not take a step without the Leader's backing.

Iran's Domestic Context

At the same time as this opening, the regime's security apparatus carried out a wave of political murders in the autumn of 1998 (1377), including those of Dariush and Parvaneh Forouhar, Mohammad Mokhtari, and Mohammad-Jafar Pouyandeh, which the Ministry of Intelligence later attributed to "rogue elements." On 18 Tir 1378 (July 1999), an attack by plainclothes forces on the Tehran University dormitory led to the largest student protests since the revolution, which ended in repression. The American response to both events was limited and cautious; the Clinton administration did not want, through open support, to expose the students to the accusation of "dependence on America" or to weaken Khatami.

6.10 Efforts to Contain Russian Military Cooperation (1995–2000)

The Gore–Chernomyrdin Agreement (June 30, 1995)

In January 1995 Russia signed a contract with Iran to complete the Bushehr power plant, and it was continuing its sales of conventional arms. In June 1995, Vice President Al Gore and Russian Prime Minister Viktor Chernomyrdin signed a confidential agreement under which Russia undertook to complete its existing arms contracts with Iran by the end of 1999 and to sign no new ones; in return, the United States exempted these contracts from

sanctions. The agreement was exposed in 2000, and in November 2000 the Putin government formally withdrew from it.

The Iran Nonproliferation Act (March 14, 2000)

The Iran Nonproliferation Act, which passed both chambers by overwhelming majorities and was signed by Clinton, required the President to report to Congress every six months on foreign persons that had transferred weapons-of-mass-destruction or missile technology to Iran, and to sanction them. A special provision also made NASA payments to the Russian space agency for the International Space Station contingent on certification that Russia was not cooperating with Iran's programs. This law was later expanded into the Iran, North Korea, and Syria Nonproliferation Act (INKSNA) and became the principal instrument for sanctioning Chinese and Russian companies.

6.11 A Note on Afghanistan: Parallel Interests (1996–2001)

The rise of the Taliban in Afghanistan (the capture of Kabul in 1996) and the killing of eight Iranian diplomats and a journalist at the Iranian consulate in Mazar-i-Sharif (August 1998) brought Iran to the brink of war with the Taliban. Within the framework of the "Six plus Two" group at the United Nations, Iran and the United States sat in the same room on a regular basis for the first time since the revolution. These parallel interests laid the groundwork for the limited, short-lived cooperation after September 11 that is examined in Chapter Seven.

6.12 Chapter Chronology

Date	Event	Type of Action
May 18, 1993	Announcement of dual containment (Indyk)	Declaration of doctrine
March 1994	"Backlash States" article (Lake)	Theoretical framework
July 18, 1994	The AMIA bombing	Proxy action

Date	Event	Type of Action
January 1995	Bushehr contract with Russia	Iranian action
March 15, 1995	Executive Order 12957 (cancellation of the Conoco contract)	Sanctions
May 6, 1995	Executive Order 12959 (comprehensive trade embargo)	Sanctions
June 30, 1995	The Gore–Chernomyrdin agreement	Non-proliferation diplomacy
December 1995	Covert action budget	Congress
June 25, 1996	The Khobar bombing	Proxy action
August 5, 1996	Signing of ILSA	Act of Congress
April 10, 1997	The Mykonos verdict	European judicial action
May 23, 1997	Election of Khatami	Domestic development in Iran
August 19, 1997	Executive Order 13059	Sanctions
September 1997	Total's South Pars contract	Test of ILSA
October 1997	Designation of the People's Mojahedin and Hezbollah as FTOs	Legal action
January 7, 1998	Khatami's CNN interview	Iranian signal
May 18, 1998	Waiver of the South Pars contract from ILSA	Compromise with Europe
June 17, 1998	Albright's "road map" speech	Diplomacy
July 1998	Test of the Shahab-3 missile	Iranian action
November–December 1998	The serial murders	Domestic repression
July 1999	The 18 Tir protests	Domestic development in Iran
March 14, 2000	Iran Nonproliferation Act	Act of Congress
March 17, 2000	Albright's speech and lifting of sanctions on carpets and pistachios	Diplomacy
November 2000	Russia's withdrawal from the Gore–Chernomyrdin agreement	Development

6.13 Scorecard of the Clinton Administration

Policy	Score	Brief Judgment
Doctrine of dual containment	3	A coherent framework; objectives not achieved
Executive Orders 12957, 12959, and 13059	3	Long-term technology deprivation; weakened the pragmatic faction
Covert action budget	1	A noisy announcement; counterproductive effect
Response to AMIA	2	Terrorism left unanswered; only judicial documentation
ILSA	3	Limited deterrence; not enforced; rift with Europe
Response to Khobar	2	The killing of American servicemen left unanswered
Engagement with Khatami	2	Improved America's image, without changing the regime's behavior
Containing Russian cooperation and the 2000 Act	4	Slowed arms transfers; a durable instrument

6.14 Strategic Synthesis: Six Lessons from the Clinton Years

- **Lesson one — Unilateral sanctions without allies shift the cost rather than impose it:** The 1995 trade embargo pushed American companies aside and gave their place to competitors. Real economic pressure took shape only when (after 2010) secondary sanctions were enforced and allies came on board.
- **Lesson two — Secondary sanctions that are not enforced lose their credibility:** The 1998 waiver of the South Pars contract taught companies that ILSA was an empty threat.

- **Lesson three — Unanswered terrorism repeats itself:** Khobar and AMIA, following Beirut, entrenched for the IRGC the model of "attack through proxy forces without cost."
- **Lesson four — Judicial attribution of responsibility to the leadership is effective:** The Mykonos verdict changed the regime's terrorist behavior in Europe more than all the sanctions of that decade.
- **Lesson five — Engaging the President is not engaging the regime:** The opening to Khatami, like the channels of the 1980s, negotiated with someone who did not hold final authority. Any offer that does not pass the Leader's filter stops at that very stage.
- **Lesson six — A public declaration of "regime change" without instruments is a gift to the regime:** Gingrich's $18 million budget branded every civil-society activist a "mercenary," without building any real capacity for the opposition.

George W. Bush came to the White House with the inheritance of this period: a regime whose reformist faction had been weakened, a covert nuclear program that would be exposed only a few months later, and a proxy network ready to exploit any regional turmoil. September 11 transformed this equation from its foundations. Chapter Seven turns to this period.

Chapter Seven: George W. Bush (January 2001 – January 2009) — Full Securitization

7.1 Overview: The Most Powerful America, the Most Profitable Decade for the Regime

The George W. Bush administration's record on the Iran file is defined by a great paradox. In this period the United States was at the peak of its military power: within eighteen months it overthrew two regimes on Iran's borders—the Taliban to the east and Saddam Hussein to the west—and stationed more than 150,000 troops on both sides of Iran's frontiers. The President placed Iran on the "Axis of Evil" and proclaimed the doctrine of "preemptive attack." And yet the Islamic Republic was stronger at the end of this period than at its beginning: its regional enemies had been removed, Iraq had become its sphere of influence, Hezbollah had emerged from the 2006 war with its head held high, and the enrichment program had grown from a few dozen centrifuges to more than five thousand.

This paradox cannot be explained solely by the error of one or several decisions. The Bush administration pursued two incompatible approaches simultaneously. On the one hand, the "neoconservatives" and the faction of Vice President Dick Cheney regarded any engagement as conferring legitimacy on the regime and hoped for "regime change" through pressure and the democratic model in Iraq. On the other hand, the State Department (first Colin Powell and Richard Armitage, later Condoleezza Rice and Nicholas Burns) believed in multilateral diplomacy and the building of international consensus. The result was a policy that was neither decisive enough to make the regime fear for its survival nor flexible enough to draw it into a bargain.

Nevertheless, this period also produced two enduring innovations that shaped the course of Iran policy over the following two decades: the internationalization of the nuclear file in the Security Council, and the invention of "smart financial sanctions" at the

Treasury. Both innovations were seeds that came to fruition under Obama.

7.2 After September 11: Cooperation in Afghanistan and the Bonn Conference (2001–2002)

Profile

After the attacks of September 11, 2001, Iran—itself an enemy of the Taliban—sent a message of condolence, and spontaneous public candlelight vigils were held in Tehran. American and Iranian diplomats cooperated within the "Six plus Two" group and later in Geneva, in a channel that became known as the "Geneva channel." Iran provided intelligence on Taliban positions, permitted the transit of humanitarian shipments, and, through its influence over the "Northern Alliance," played a part in the ground advance against the Taliban.

The Bonn Conference (December 2001)

At the Bonn Conference, which formed Afghanistan's interim government, James Dobbins, the American special envoy, and Mohammad Javad Zarif, Iran's deputy foreign minister, worked closely together. According to Dobbins, it was Zarif who, on the final night, persuaded the representative of the Northern Alliance to scale back his demand for ministerial posts, paving the way for the formation of Hamid Karzai's government. The Iranian delegation also proposed that the final document refer to Afghanistan's commitment to democracy and the fight against terrorism.

Assessment

This period showed that practical cooperation between the two countries is possible under conditions in which common interests are clear. But it simultaneously made clear that for the regime this cooperation was a tactical instrument, not a strategic turn: in the very same months, Iran gave shelter to certain al-Qaeda figures, including members of bin Laden's family and Saif al-Adel, and sent the *Karine A* arms shipment to the Palestinian Authority.

7.3 The *Karine A* Affair and the "Axis of Evil" (January 2002)

The Karine A (January 3, 2002)

The Israeli navy seized the ship *Karine A* in the Red Sea, carrying about 50 tons of weapons—including Katyusha rockets, mortars, and explosives—from Iran to the Palestinian Authority. The evidence indicated that the cargo had been loaded at Kish Island and that the IRGC and Hezbollah had been involved. In Washington, this affair discredited the claim of a "change in Iran's behavior" after September 11.

The "Axis of Evil" (January 29, 2002)

In his annual State of the Union address, Bush called Iran, Iraq, and North Korea an "axis of evil" and declared that Iran "aggressively pursues these weapons and exports terror, while an unelected few repress the Iranian people's hope for freedom." This phrase became emblematic of the Bush administration's approach.

Consequences and Regime Response

In Iran, the speech was widely interpreted as a "slap in the face" to the reformists. Khatami and Zarif, who had paid the political cost of cooperation in Afghanistan, were now left defenseless before the hardline faction; their argument had been that cooperation with the United States would be rewarded, and the speech confirmed the argument of their opponents. Ayatollah Khamenei used it to emphasize "America's intrinsic enmity." At the same time, a large part of Iranian society, especially the young, viewed positively the speech's distinction between the "regime" and the "people."

7.4 The Exposure of Natanz and Arak (August 14, 2002)

On August 14, 2002, at a press conference in Washington, the National Council of Resistance of Iran revealed the existence of two undeclared nuclear facilities: the Natanz enrichment facility and the Arak heavy-water facility. The United States had satellite imagery to confirm this information and shared it with the

International Atomic Energy Agency. Mohamed ElBaradei, the IAEA Director General, visited Natanz in February 2003, and the scale of the program—which included centrifuge cascades based on a Pakistani design—became apparent.

This revelation, which was not an action of the U.S. government, marked the beginning of a nuclear crisis that for more than two decades became the central axis of American policy toward Iran. The regime, which had concealed its enrichment program from the IAEA for eighteen years, was compelled to accept inspections.

7.5 The "Grand Bargain" Proposal and the Opportunity of May 2003

Profile

On May 4, 2003, three weeks after the fall of Baghdad, Tim Guldimann, the Swiss ambassador in Tehran (representing U.S. interests), sent the State Department a one-page document which, he said, was a proposal from senior Iranian officials for a "grand bargain." In this document, Iran declared its readiness to discuss full nuclear transparency, an end to material support for armed Palestinian groups, assistance in transforming Hezbollah into a purely political party, and tacit acceptance of the Arab peace initiative (the two-state solution); in return, it sought an end to sanctions, recognition of Iran's security interests, and action against the People's Mojahedin in Iraq.

The U.S. Response and the Controversy

The Bush administration did not respond to the document and even reprimanded Guldimann for exceeding his authority. The origin and credibility of the document remain contested to this day: some regard it as a serious proposal endorsed by the leadership (including Flynt and Hillary Leverett, who were then serving in the U.S. government); others regard it as a personal initiative of Sadegh Kharrazi, Iran's ambassador to France, and of Guldimann, who may have presented Iran's demands more optimistically than was

warranted. Senior American officials of the time, including Rice, have said they never received such a proposal as an official offer.

A few days later, on May 12, 2003, the Riyadh bombings carried out by al-Qaeda left dozens dead, and the United States had evidence that al-Qaeda commanders based in Iran had been involved. The Geneva channel was cut off.

7.6 The Invasion of Iraq: The Greatest Strategic Gift to the Islamic Republic (2003)

Profile

The American invasion of Iraq began on March 20, 2003, and Baghdad fell on April 9. This action was not aimed at Iran, but its consequences for the Islamic Republic were so profound that the Iran policy of the following two decades cannot be understood without examining it.

Consequences

- **Removal of the principal enemy:** The regime that had fought Iran for eight years, and that was the only military counterweight to it in the region, was eliminated.
- **The empowerment of Iran's allies:** The Iraqi Shi'a parties that had taken refuge in Iran for decades—the Supreme Council, the Badr Corps, and the Da'wa Party—came to power through elections. Nouri al-Maliki, who had lived for years in Iran and Syria, became prime minister in 2006.
- **Short-term fear and nuclear suspension:** In the first months, the regime's fear that "Iran is next" played a direct role in the decision to halt the weaponization component of the nuclear program (according to the 2007 NIE, in the autumn of 2003) and in the acceptance of a suspension of enrichment with the Europeans (October 2003).
- **Long-term opportunity:** As Iraq descended into turmoil and the United States became mired in insurgency, the regime's fear subsided and gave way to a sense of opportunity. The Quds

Force, under the leadership of Qasem Soleimani, organized a network of Shi'a militias that both fought against American forces and served as instruments of Iranian influence within the Iraqi state.

7.7 European Nuclear Diplomacy and the Suspension of Enrichment (2003–2005)

Profile

- **October 21, 2003 — The Tehran Declaration:** The foreign ministers of Britain, France, and Germany (the E3) reached an agreement with Hassan Rouhani, Secretary of the Supreme National Security Council. Iran voluntarily suspended enrichment and signed the Additional Protocol (December 2003).
- **November 15, 2004 — The Paris Agreement:** A broader suspension, including uranium conversion and centrifuge manufacturing, in exchange for the promise of negotiations on economic and security cooperation.
- **August 2005:** After the election of Mahmoud Ahmadinejad (June 2005), Iran resumed operations at the Isfahan conversion facility.
- **January 2006:** Iran broke the IAEA seals at Natanz and resumed enrichment.

The American Role

The Bush administration initially viewed European diplomacy with skepticism and declined to participate directly. In March 2005, the United States agreed to limited support for the European package (including not opposing Iran's membership in the World Trade Organization and sales of civilian aircraft parts). On May 31, 2006, Rice announced that the United States was ready to join multilateral negotiations, on condition that Iran suspend enrichment—a precondition that remained unchanged until 2009.

Analysis

Rouhani later revealed in his memoirs and speeches that the period of suspension had given Iran the opportunity to complete the Isfahan facility; this is a clear example of the pattern of "negotiating to buy time." On the other hand, two years of genuine suspension did delay the program's timeline. The end of the suspension was, above all, the product of developments inside Iran (the rise of the hardliners and Ahmadinejad) and of the regime's perception of a diminished American military threat.

7.8 The Security Council Resolutions (2006–2008)

With the referral of the file from the IAEA Board of Governors to the Security Council in February 2006, American diplomacy achieved what had been unattainable for twenty-six years: the agreement of Russia and China to binding resolutions against the Islamic Republic.

Resolution	Date	Principal Content
1696	July 31, 2006	Requirement to suspend enrichment and reprocessing; no sanctions
1737	December 23, 2006	The first sanctions: ban on the transfer of nuclear and missile technology; freezing of the assets of associated persons and entities
1747	March 24, 2007	Ban on arms exports from Iran; sanctions on Bank Sepah and IRGC entities
1803	March 3, 2008	Expanded travel bans; call for vigilance regarding Bank Melli and Bank Saderat; cargo inspections
1835	September 27, 2008	Reaffirmation of previous resolutions without new sanctions

Consequences

The direct sanctions of these resolutions were limited and targeted. But their real significance lay in two things: first, the Iran file was transformed from a "U.S.–Iran dispute" into a "problem for the

international community"; second, the resolutions became the legal basis for the far broader European Union sanctions of 2010 to 2012. Resolution 1929 (June 2010), examined in Chapter Eight, was built on this foundation.

Regime Response

Ahmadinejad called the resolutions "scraps of paper," and in response to each resolution Iran reduced its cooperation with the IAEA and increased its enrichment capacity. The number of centrifuges installed at Natanz rose from a few hundred in early 2007 to about five thousand by the end of 2008. This is an example of "symmetric escalation": by increasing its capacity, the regime was building its future negotiating leverage.

7.9 Smart Financial Sanctions: The Treasury's Quiet Revolution (2004–2008)

Instruments

- **Executive Order 13224 (September 23, 2001):** Issued after September 11 to sanction the financial supporters of terrorism, and later used against Iranian entities linked to Hezbollah and the Quds Force.
- **Executive Order 13382 (June 28, 2005):** Made it possible to sanction proliferators of weapons of mass destruction and their supporters, and became the principal instrument for sanctioning the IRGC, banks, and Iran's missile entities.
- **The Office of Terrorism and Financial Intelligence (TFI):** Established in 2004 under the leadership of Stuart Levey.

Strategy

Levey's innovation was that, instead of persuading governments, he met directly with the executives of the world's major banks and provided them with information on the "deceptive" conduct of Iranian banks—concealment in transactions, links to nuclear and missile programs, and the financing of terrorism. The message was simple: dealing with Iran poses reputational and legal risks to your

access to the American financial system. Many European and Asian banks, without any legal obligation, reduced or severed their relations with Iran.

Key Measures

Date	Measure	Significance
September 2006	Cutting off Bank Saderat's access to the U.S. financial system	On account of transfers of funds to Hezbollah
January 2007	Sanctions on Bank Sepah	The first sanction on a major Iranian state bank
October 25, 2007	Sanctions on the IRGC (under 13382) and the Quds Force (under 13224); Bank Melli, Bank Mellat, and Bank Saderat	The first designation of a state's official military force as a supporter of terrorism
November 2008	Revocation of the authorization for "U-turn" transactions	Closing of the last indirect dollar channel for Iranian banks

Consequences and Response

Iran was gradually pushed out of the international banking system, and the cost of its foreign trade rose. The regime responded by shifting its financial operations to Dubai, Turkey, and Malaysia and by using exchange houses and front companies; these networks later became the backbone of the IRGC's sanctions economy.

7.10 Iran in Iraq: A Proxy War Against American Forces (2004–2008)

Evidence

From 2004 onward, American forces in Iraq encountered a new type of roadside bomb: "explosively formed penetrators" (EFPs), capable of piercing the armor of military vehicles. The U.S. military attributed the origin of these weapons and the training in their use to the Quds Force and Hezbollah. In 2019, the State Department announced that Iran-backed militias had been responsible for the deaths of at least 603 American servicemen in Iraq between 2003 and 2011—about 17 percent of all American fatalities in that war.

U.S. Measures

- **The Erbil operation (January 2007):** American forces detained five Iranians at Iran's liaison office in Erbil, identifying them as Quds Force operatives.
- **The Karbala attack (January 20, 2007):** Five American soldiers were killed in a sophisticated attack by the group Asa'ib Ahl al-Haq, led by Qais al-Khazali. Investigations revealed the role of the Quds Force and Hezbollah in planning it.
- **The Crocker–Kazemi Qomi talks (May–August 2007):** Three rounds of direct talks on Iraqi security between Ryan Crocker, the U.S. ambassador, and Hassan Kazemi Qomi, Iran's ambassador in Baghdad (himself a former Quds Force commander). These talks produced no result.
- **The Battle of Basra (March 2008):** The Maliki government, with American support, attacked the Mahdi Army militia. The final ceasefire was brokered by Qasem Soleimani—a demonstration of his real influence over the Iraqi scene. In the same period, Soleimani sent a message to General David Petraeus to the effect that he controlled Iran's policy in Iraq, Lebanon, Gaza, and Afghanistan.

Strategic Response

The Bush administration never responded directly on Iranian soil to these actions; concern that the war might spread to Iran while the U.S. military was tied down in Iraq and Afghanistan was the principal constraint. The response was limited to hunting down Quds Force networks inside Iraq and to diplomatic pressure. The troop surge of 2007 and 2008 reduced casualties, but the structure of Iranian influence remained intact.

7.11 The "Democracy Promotion" Program (2006–2008)

In February 2006, Rice requested from Congress $75 million in supplemental funding for "promoting democracy in Iran": Persian-language media (Radio Farda, which had been operating since

2002, and the expansion of Voice of America's Persian television), support for civil society, and cultural exchanges. The Iran Freedom Support Act, which Bush signed on September 30, 2006, extended ILSA under the name ISA and gave this assistance statutory form.

Regime Response

Iran's security apparatus used this program as evidence for its theory of "soft overthrow" or a "velvet revolution." In 2007, Iranian-American scholars including Haleh Esfandiari and Kian Tajbakhsh were arrested and accused of attempting a velvet revolution. Many civil-society activists inside Iran publicly declared that they did not want this funding, because it exposed them to accusations.

7.12 The National Intelligence Estimate (NIE) of November 2007

Profile

On December 3, 2007, the Director of National Intelligence declassified the key judgments of a National Intelligence Estimate titled "Iran: Nuclear Intentions and Capabilities." Its first sentence, which quickly reverberated around the world, was that the intelligence community judged "with high confidence" that in the autumn of 2003 Iran had halted its nuclear weapons program.

Consequences

This estimate had an immediate and decisive political consequence: the military option against Iran was effectively taken off the table for the remainder of the Bush administration. Bush wrote in his memoirs that the estimate "tied my hands." International pressure for further sanctions also diminished, and Russia and China found a new argument for opposition.

But a point lost in the public reaction was that the same estimate had emphasized that Iran was continuing enrichment (the component necessary for a weapon) and had kept "at a minimum the option" of building a weapon open. The 2003 halt covered the "weapon design" component, not the enrichment program. The

documents of Iran's nuclear archive, which Israel removed from Tehran in 2018, showed that Iran had preserved and organized its weapons-design knowledge.

Regime Response

Ahmadinejad called the estimate "a great victory for the Iranian nation." The regime perceived it as confirmation of its claim that its program was peaceful, and accelerated the pace of enrichment.

7.13 Operation "Olympic Games" (Stuxnet, from 2006–2008)

According to extensive media reporting (especially by David Sanger in the *New York Times*) that has never been officially confirmed, in its final years the Bush administration launched a joint cyber program with Israel, code-named "Olympic Games," whose aim was to sabotage the centrifuges at Natanz. The program continued under the Obama administration, and its malware—later named "Stuxnet"—disabled about one thousand centrifuges in 2009 and 2010. At the same time, in 2008 Bush rejected Israel's request for bunker-busting bombs and for permission to overfly Iraqi airspace to attack Iran, and instead expanded covert operations.

7.14 The 2006 Lebanon War and a Note on the "Axis of Resistance"

The thirty-four-day war between Israel and Hezbollah in July and August 2006, which began with the abduction of two Israeli soldiers, was the first full-scale war between one of Iran's proxy forces and Israel. With Iranian rockets and anti-tank weapons, Hezbollah halted the Israeli army and, after Resolution 1701, declared itself victorious. The Bush administration supported Israel and delayed a ceasefire in the hope of a decisive blow against Hezbollah; this hope was not realized. The consequence for Iran: the prestige of the "Axis of Resistance" in Arab public opinion reached its peak, and Hezbollah, rebuilt extensively with Iranian money, multiplied its missile arsenal several times over between 2006 and 2024.

7.15 Chapter Chronology

Date	Event	Type of Action
September 23, 2001	Executive Order 13224	Terrorism sanctions instrument
December 2001	The Bonn Conference	Diplomatic cooperation
January 3, 2002	Seizure of the *Karine A*	Iranian action
January 29, 2002	The "Axis of Evil" speech	Declaration of doctrine
August 14, 2002	Exposure of Natanz and Arak	Nuclear development
March 20, 2003	U.S. invasion of Iraq	Regional development
May 4, 2003	The "Grand Bargain" document via Switzerland	Iranian proposal (contested)
May 12, 2003	The Riyadh bombings; Geneva channel cut off	Development
October 21, 2003	Tehran Declaration; suspension of enrichment	European diplomacy
November 15, 2004	The Paris Agreement	European diplomacy
June 28, 2005	Executive Order 13382	Non-proliferation sanctions instrument
June 2005	Election of Ahmadinejad	Domestic development in Iran
January 2006	Resumption of enrichment at Natanz	Iranian action
February 2006	Referral to the Security Council	Multilateral diplomacy
May 31, 2006	U.S. announces readiness for conditional negotiations	Diplomacy
July–August 2006	The Lebanon war	Proxy action
September 2006	Sanctions on Bank Saderat; Iran Freedom Support Act	Sanctions and legislation
December 23, 2006	Resolution 1737	UN Security Council
January 2007	The Erbil operation and the Karbala attack	Developments in Iraq
March 24, 2007	Resolution 1747	UN Security Council

Date	Event	Type of Action
May–August 2007	The Crocker–Kazemi Qomi talks	Diplomacy
October 25, 2007	Sanctions on the IRGC and the Quds Force	Sanctions
December 3, 2007	Release of the NIE	Intelligence report
March 3, 2008	Resolution 1803	UN Security Council
July 19, 2008	William Burns attends the Geneva talks	Diplomacy
November 2008	Revocation of U-turn transactions	Financial sanctions

7.16 Scorecard of the George W. Bush Administration

Policy	Score	Brief Judgment
Cooperation in Afghanistan	4	Successful in its immediate objective; no effect on the regime's overall behavior
The Axis of Evil	2	Weakened the reformist faction without changing behavior
Disregard of the 2003 proposal	2	An opportunity for testing at the peak of leverage was lost
The invasion of Iraq (effect on Iran)	1	The greatest strategic gift to the Islamic Republic
Support for European diplomacy	4	Two years of delay; not durable
Security Council resolutions	4	Built consensus and the legal foundation
Smart financial sanctions	4	The most important policy innovation; strategic effect in the following period
Response to Iran's role in Iraq	2	Hundreds of American dead, without cost to the regime
Democracy promotion	1 to 4	Media: effective; overt assistance to civil society: counterproductive
Manner of releasing the 2007 NIE	2	Weakened diplomatic leverage

Policy	Score	Brief Judgment
Olympic Games	4	Delay without war; the start of a cyber rivalry

7.17 Strategic Synthesis: Six Lessons from the George W. Bush Years

- **Lesson one — Military power without political strategy benefits the rival:** The removal of the Taliban and Saddam eliminated two enemies of the Islamic Republic. Without a plan to fill the vacuum, Iran inherited these vacuums.
- **Lesson two — The regime's fear is a fleeting asset:** In the spring of 2003 the regime was at the peak of its fear, and the suspension of enrichment and the probable halt of the weaponization component were the result. This moment was lost as the United States became mired in Iraq. The leverage of fear must be converted quickly into an agreement.
- **Lesson three — International consensus is slow but durable:** The Security Council resolutions and the agreement of Europe, Russia, and China built a foundation without which the crippling sanctions of 2010 to 2012 would not have been possible.
- **Lesson four — The financial system is America's most effective lever:** The Treasury's innovation, which rested on reputation and risk rather than on coercing governments, damaged the regime's material capabilities more than any military instrument.
- **Lesson five — Tolerating proxy attacks encourages them:** After Beirut and Khobar, Iraq was the third arena in which the IRGC learned that it could kill American servicemen without cost.
- **Lesson six — The precondition of suspension was both a lever and an obstacle:** The American insistence on suspension

before any negotiation, while Iran added centrifuges every day, meant that when real negotiations began in 2013, Iran had nearly twenty thousand centrifuges instead of a few hundred.

Barack Obama came to the White House promising an "outstretched hand" to Iran; but this very legacy—the legal foundation of the Security Council, the Treasury's instruments, and the cyber program—enabled him to pursue a "dual-track" approach of pressure and engagement with unprecedented strength. Chapter Eight turns to this period.

Chapter Eight: Obama (January 2009 – January 2017) — Crippling Pressure and a Limited Bargain

8.1 Overview: The Dual-Track Approach

Barack Obama was the first American president since the revolution to make direct dialogue with the leadership of the Islamic Republic, without preconditions, an explicit goal of his policy. In his inaugural address (January 20, 2009), addressing governments such as Iran's, he said that the United States "will extend a hand if you are willing to unclench your fist." Yet this same administration designed and implemented the harshest economic sanctions in history against Iran—sanctions that cut Iran's oil exports by more than half, collapsed the rial, and severed Iran's Central Bank from the global financial system.

These two approaches were not contradictory; they were parts of a "dual-track" strategy whose logic ran as follows: the United States would first, through a sincere offer of engagement, place responsibility for the failure of diplomacy on Tehran; then, relying on the legitimacy thus gained, it would build an unprecedented international consensus for pressure; and finally it would turn that pressure into leverage for negotiating a limited nuclear agreement. This strategy succeeded in its defined objective—limiting the nuclear program without war. The question of this book, however, is broader: did this strategy weaken the regime? This chapter's answer is complex and two-sided.

Two further features distinguish this period. First, the Obama administration deliberately separated the nuclear file from the other files—terrorism, missiles, regional influence, human rights—arguing that a nuclear Iran was the most dangerous threat and had to be resolved separately. Second, the period coincided with two major domestic and regional upheavals: the Green Movement in 2009, and the Arab Spring and the Syrian war from 2011. The

manner of America's response to these two upheavals defines this administration's record as much as the nuclear agreement does.

8.2 The "Outstretched Hand" (January–June 2009)

Profile

- **January 20, 2009:** The inaugural address and the promise of an "outstretched hand."
- **March 20, 2009:** A Nowruz video message addressed to "the people and leaders of the Islamic Republic of Iran"—the first time an American president had used the regime's official name, which was perceived as tacit acceptance of its legitimacy.
- **May 2009:** Obama's private letter to Ayatollah Khamenei calling for dialogue. According to reports, Khamenei replied in general terms, accompanied by a list of grievances.
- **June 4, 2009:** The Cairo speech, acknowledging the American role in the 1953 coup and recognizing Iran's right to peaceful nuclear energy.

Regime Response

Responding to the Nowruz message in a speech in Mashhad (March 21, 2009), Ayatollah Khamenei said that if America hid its "iron hand" inside a "velvet glove," Iran would not be deceived, and that a change in American behavior had to be proven "in practice." This response—neither outright rejection nor acceptance—was the pattern the leadership maintained throughout this period: it did not rule out dialogue, but it made every step conditional on prior concessions.

8.3 The Green Movement and Washington's Cautious Response (June 2009 – 2010)

Events

After the announcement of the results of the election of 22 Khordad 1388 (June 12, 2009) and the declared victory of Ahmadinejad, millions of Iranians took to the streets under the slogan "Where is

my vote?" These were the largest protests since the revolution of 1979. Through the killing of Neda Agha-Soltan (June 20), the slaughter in the streets, mass arrests, torture at the Kahrizak detention center, and show trials, the regime suppressed the movement.

The U.S. Response

Obama's initial reaction was extremely cautious. He said he did not want the United States to be seen as "meddling" and that the difference between Ahmadinejad and Mousavi in foreign policy "may not be as great as has been advertised." Only after the violence spread did he, on June 23, condemn the crackdown "strongly." In practice, the State Department asked Twitter to postpone its scheduled maintenance so that the protesters' communications would not be interrupted. No direct assistance was given to the movement. In September 2010, by Executive Order 13553, Obama imposed the first human rights sanctions against Iranian officials responsible for the crackdown.

Arguments

The administration's defense of this approach rested on two pillars: overt American support would expose the protesters to the charge of being "foreign agents" and would aid the regime's narrative; and the leaders of the Green Movement themselves emphasized their distance from the United States and their loyalty to the principles of the system. Critics argue that this caution lost a historic opportunity and, most important, sent the protesters a message that the world was not on their side. Obama himself acknowledged in 2022, amid the "Woman, Life, Freedom" protests, that in hindsight this approach had been a mistake.

Regime Response

Despite American caution, the regime called the movement a "sedition" designed by America and Britain and, in show trials, accused the defendants of a "velvet revolution." This shows that American caution did not change the regime's narrative.

8.4 The Exposure of Fordow and the Fuel-Swap Proposal (September 2009 – May 2010)

Fordow (September 25, 2009)

On the sidelines of the G-20 summit in Pittsburgh, Obama, Nicolas Sarkozy, and Gordon Brown revealed the existence of the secret Fordow enrichment facility, built into a mountain near Qom. A few days earlier, aware that the facility had been discovered, Iran had declared its existence to the IAEA. This revelation was fresh evidence of Iranian concealment and, in particular, pushed Russia toward going along with greater pressure.

The Fuel-Swap Proposal (October 2009)

On October 1, 2009, William Burns and Saeed Jalili met in Geneva—the highest level of direct dialogue between the two countries at that time. A preliminary agreement was reached: Iran would send about 1,200 kilograms of its low-enriched uranium (about two-thirds of its stockpile) abroad and, in exchange, receive 20 percent fuel for the Tehran Research Reactor (used to produce medical radioisotopes). This agreement would have brought Iran's uranium stockpile below the threshold needed for a single weapon. But in Tehran, opposition arose from all factions—including the leaders of the Green Movement, who did not want the Ahmadinejad government to secure an achievement—and Iran effectively backed away from the agreement.

The Tehran Declaration (May 17, 2010)

Brazil and Turkey signed a similar agreement with Iran: the transfer of 1,200 kilograms to Turkey. But in the interim Iran's stockpile had grown and Iran had begun enriching to 20 percent; consequently, 1,200 kilograms was no longer two-thirds of the stockpile. The United States called the agreement insufficient and, the next day, introduced the draft of Resolution 1929 with the support of Russia and China.

8.5 Security Council Resolution 1929 (June 9, 2010)

Resolution 1929 was adopted with 12 votes in favor, two against (Brazil and Turkey), and one abstention (Lebanon). It was the most comprehensive sanctions resolution against Iran: a total ban on sales of heavy conventional weapons to Iran, a prohibition on any Iranian activity related to ballistic missiles capable of delivering nuclear warheads, authorization to inspect suspicious cargoes, and —most important—language on the links between Iran's energy sector and banking system and its proliferation programs. This language became the legal basis for far broader national sanctions by the European Union, Canada, Australia, Japan, and South Korea. In September 2010 Russia also canceled its contract to sell the S-300 air defense system to Iran.

8.6 The Architecture of Crippling Sanctions (2010–2013)

Over three years, Congress and the administration—in cooperation, and at times in contention—built a layered sanctions architecture whose aim was to cut the vital arteries of Iran's economy: oil revenue, access to foreign exchange, and fuel supply.

Instrument	Date	Key Content	Initiators
CISADA	July 1, 2010	Sanctions on sales of gasoline and refined products to Iran; denial of access to the U.S. financial system for foreign banks dealing with the IRGC	Berman and Dodd; Senate 99–0
Executive Order 13553	September 28, 2010	The first human rights sanctions	Administration
NDAA 2012, Section 1245	December 31, 2011	Sanctions on foreign financial institutions dealing with Iran's Central Bank, except for countries that "significantly" reduce their oil purchases	Menendez and Kirk; Senate 100–0
Executive Order 13599	February 5, 2012	Full blocking of the property of the Government of Iran and the Central Bank	Administration

Instrument	Date	Key Content	Initiators
European oil embargo	Decision of January 23, 2012; in force July 1, 2012	Ban on purchasing, shipping, and insuring Iranian oil	European Union
SWIFT disconnection	March 17, 2012	Severing Iranian banks' access to the international financial messaging network	European Union (Belgium)
ITRSHRA	August 10, 2012	Extension of sanctions to shipping, insurance, and cooperation in oil fields outside Iran	Congress
IFCA (in NDAA 2013)	January 2, 2013	Sanctions on the energy, shipping, and shipbuilding sectors and ports; closing the "gold for gas" channel with Turkey; oil payments held in restricted accounts in purchasing countries	Menendez and Kirk

The key innovation — "restricted accounts": Section 1245 and subsequent laws built a smart mechanism: countries that purchased Iranian oil (China, India, Japan, South Korea, Turkey) were exempted if they reduced their purchases every 180 days, and from 2013 onward oil revenues were held in accounts in the purchasing country that Iran could use only to buy goods from that same country. In this way, Iran sold oil but did not receive dollars.

Consequences

Indicator	Before sanctions (2011)	After sanctions (2013)
Crude oil exports	About 2.5 million barrels per day	About 1.1 million barrels per day
Value of the rial on the open market	About 10,000–12,000 rials to the dollar	More than 30,000 rials (the collapse of Mehr 1391 / October 2012)
Official inflation	About 20 percent	More than 35–40 percent
Economic growth	Positive	Significant contraction in 2012 and 2013

Indicator	Before sanctions (2011)	After sanctions (2013)
Access to foreign-exchange reserves	Normal	Much of it held in restricted foreign accounts

Regime Response

The regime first responded with denial and the "resistance economy"—a concept that Ayatollah Khamenei raised from 2010 and formally promulgated in 2014. In practice, it employed three strategies: sanctions-evasion networks (including the major corruption case of Babak Zanjani and Reza Zarrab's gold network via Turkey); threats to close the Strait of Hormuz (December 2011); and, ultimately, a tactical change at the top of the government. The election of Hassan Rouhani in Khordad 1392 (June 2013), with the Leader's tacit permission, and Khamenei's proclamation of "heroic flexibility" in September 2013, were clear signs that economic pressure had brought the regime to the negotiating table.

8.7 The Plot to Assassinate the Saudi Ambassador and Cyberattacks (2011–2013)

On October 11, 2011, the U.S. Department of Justice announced the discovery of a plot to assassinate Adel al-Jubeir, the Saudi ambassador in Washington, by bombing a restaurant. Mansour Arbabsiar, an Iranian-American citizen, had contacted an agent he believed to be a member of a Mexican cartel (but who was in fact a source of the Drug Enforcement Administration), and money had been transferred through associates of the Quds Force. Arbabsiar was sentenced in 2013 to 25 years in prison. The American response was to sanction several Quds Force officials and a UN General Assembly resolution condemning the plot.

At the same time, in response to Stuxnet and the assassination of nuclear scientists (2010–2012, attributed to Israel), Iran launched extensive cyberattacks: in August 2012 the "Shamoon" malware disabled some 30,000 computers at Saudi Aramco, and "denial-of-

service" attacks were carried out against the largest American banks in 2012 and 2013. In March 2016, U.S. prosecutors indicted seven Iranians linked to the IRGC for these attacks.

8.8 The Oman Channel and the Joint Plan of Action (2012–2014)

The Secret Channel

From late 2011 and through 2012, Sultan Qaboos and his adviser Salem al-Ismaili mediated the initial contacts. From March 2013, before Rouhani's election, William Burns (Deputy Secretary of State) and Jake Sullivan (National Security Advisor to the Vice President) met secretly with an Iranian delegation in Muscat. After Rouhani and Zarif came to office, the channel gathered pace. On September 27, 2013, Obama and Rouhani spoke by telephone—the first direct contact between the heads of the two states since 1979.

The Joint Plan of Action (November 24, 2013)

The interim Geneva agreement, implemented from January 20, 2014, "froze" Iran's nuclear program for the first time: a halt to 20 percent enrichment and the dilution or conversion of the existing stockpile, a halt to the installation of new centrifuges, a halt to progress on the Arak reactor, and daily inspections at Natanz and Fordow. In return, Iran received about $700 million per month from its frozen oil revenues, and some ancillary sanctions (gold, petrochemicals, automobiles) were suspended. The main body of sanctions remained intact.

A Strategic Turning Point

The most important concession of this agreement, stated explicitly in its text, was the acceptance that a "comprehensive solution" would include a "mutually defined enrichment program" for Iran. This meant abandoning the goal of "zero enrichment" that all the Security Council resolutions since 2006 had insisted upon.

8.9 The JCPOA — The Joint Comprehensive Plan of Action (July 14, 2015)

Profile

After twenty months of negotiation and the Lausanne framework (April 2, 2015), Iran and the P5+1 (the United States, Britain, France, Russia, China, and Germany), together with the European Union, finalized the JCPOA in Vienna on July 14, 2015. The Security Council endorsed it on July 20 with Resolution 2231. "Implementation Day" arrived on January 16, 2016, after the IAEA verified that Iran had fulfilled its initial commitments.

Principal Nuclear Content

Area	Restriction	Duration
Enrichment level	Maximum 3.67 percent	15 years
Stockpile of enriched uranium	Maximum 300 kilograms (a reduction of about 98 percent)	15 years
Operating centrifuges	5,060 first-generation machines at Natanz (out of about 19,000 installed)	10 years
Fordow	Ban on enrichment; conversion into a research center	15 years
Arak reactor	Redesigned to produce negligible plutonium; spent fuel removed	Permanent
Inspections	Implementation of the Additional Protocol; monitoring of the entire supply chain; access to suspect sites through a mechanism of up to 24 days	Permanent, or up to 25 years (depending on the component)
Breakout time	Increased from 2–3 months to about one year	At least 10 years
UN arms embargo	Continued	5 years (until October 2020)
UN missile restrictions	A "call" (not a requirement) to refrain from activity	8 years (until October 2023)
Snapback mechanism	Automatic restoration of UN sanctions in the event of violation, without the possibility of a veto	10 years

What Iran Received

The lifting of UN and EU nuclear sanctions, and the suspension of U.S. secondary sanctions on the oil, banking, shipping, and automotive sectors. America's primary sanctions (the ban on American companies trading with Iran) and sanctions related to terrorism, human rights, and missiles remained in place. Iran's access to its frozen assets abroad was restored; estimates of the usable amount vary widely: the U.S. Treasury put the accessible amount at about $50 billion, while critics cited much higher figures. Iran's oil exports returned to about 2 million barrels per day in 2016 and 2017.

The Iran Nuclear Agreement Review Act — INARA (May 22, 2015)

Concerned that the administration would finalize the agreement without its input, Congress passed a law sponsored by Senator Bob Corker and Senator Ben Cardin that gave Congress 60 days to review any nuclear agreement with Iran and required the President to certify Iran's compliance every 90 days. A resolution of disapproval of the JCPOA in the Senate in September 2015 failed to reach a final vote because of Democratic opposition to ending debate (a filibuster) (58 votes to 42, short of the 60 required). The JCPOA was therefore never approved by Congress—a weakness that became apparent in 2018.

The Regime's Response and Behavior After the JCPOA

- **On the nuclear file:** Until 2019, Iran adhered to the principal restrictions, and the IAEA confirmed this in successive reports.
- **On the missile file:** Iran continued its missile tests (October 2015 and March 2016), arguing that Resolution 2231 contained only a "call." On January 17, 2016, one day after Implementation Day, the United States sanctioned missile entities.
- **On the regional file:** The Quds Force expanded its presence in Syria, Iraq, and Yemen. The leadership repeatedly emphasized

that the JCPOA was an "exception" and that negotiation on other issues was forbidden.

- **On the hostage file:** Immediately after the JCPOA, Siamak Namazi (October 2015) and his father, Baquer Namazi (February 2016), were arrested.
- **Domestically:** On January 12, 2016, four days before Implementation Day, the IRGC detained ten American sailors who had mistakenly entered Iranian waters and published humiliating images of them—a message that the IRGC defined its behavior independently of the agreement.

Two Readings of the JCPOA

The defenders' reading: The JCPOA succeeded in its defined objective. It extended breakout time from two or three months to one year, established the most rigorous inspection regime in the world, and achieved all this without war and with international consensus. The other files had to be pursued separately; tying all the issues together would have made any agreement impossible.

The critics' reading: The JCPOA did not solve the nuclear problem; it postponed it. The "sunset clauses" lifted the principal restrictions after ten to fifteen years and would have placed Iran on the threshold of a weapon with a legal, industrial-scale program. The acceptance of a right to enrichment set a precedent for other countries. The release of financial resources enabled the regime—precisely at a time when containing Iran in the region was vital—to finance the Syrian war and the expansion of its proxy network. And separating the nuclear file sent the regime the message that its regional behavior carried no cost.

8.10 The Prisoner Exchange and the $1.7 Billion Payment (January 2016)

On January 16 and 17, 2016, coinciding with JCPOA Implementation Day, Iran released four American dual nationals—Jason Rezaian (*Washington Post* correspondent), Amir Hekmati (a

former Marine), Saeed Abedini (a pastor), and Nosratollah Khosravi. The United States pardoned or released seven Iranians who had been charged with or convicted of sanctions violations, and withdrew extradition requests for fourteen others.

At the same time, the United States settled a thirty-five-year-old claim at the Hague Claims Tribunal concerning the funds of the Shah-era Foreign Military Sales trust fund by paying $400 million in principal and $1.3 billion in interest. A $400 million shipment of foreign-currency banknotes arrived in Tehran by aircraft, and the administration confirmed that its delivery had been held back until the release of the prisoners in order to preserve "leverage." Critics called it "ransom"; the administration regarded it as a legal settlement that would otherwise have ended to America's detriment, since the Tribunal might have awarded more interest.

8.11 Syria, ISIS, and Yemen: The Regional Vacuum (2011–2016)

Syria

With the outbreak of the Syrian civil war in 2011, the Islamic Republic rose with all its might to the defense of Bashar al-Assad: the Quds Force, Hezbollah, Iraqi, Afghan (Fatemiyoun), and Pakistani (Zeinabiyoun) Shi'a militias, and multibillion-dollar credit lines. In August 2012 Obama declared the use of chemical weapons a "red line," but after the chemical attack in Ghouta in August 2013 he accepted, instead of a military strike, a Russian agreement for the chemical disarmament of Syria. Many analysts—including some officials of his own administration—regard this decision as partly connected to preserving the climate of the nuclear talks; the administration denied this link. Russia's entry into the war in September 2015, for which Soleimani had personally lobbied in Moscow, guaranteed Assad's survival.

ISIS and Iraq

The rise of ISIS and the fall of Mosul (June 2014) effectively placed the United States and Iran on the same front. Ayatollah Sistani's

fatwa led to the formation of the Popular Mobilization Forces (al-Hashd al-Sha'bi), powerful components of which were under the command of Iran-aligned groups. While the United States bombed from the air, Iran institutionalized its influence on the ground: in 2016 the Hashd became a legal institution within the structure of the Iraqi state.

Yemen

The capture of Sana'a by the Houthis in September 2014 and the start of the Saudi-led coalition's war in March 2015 opened another arena of rivalry. The Obama administration provided logistical and intelligence support to the Saudi coalition, while Iran, at little cost, through transfers of missiles and drone technology, turned the Houthis into a strategic threat to Saudi Arabia and, later, to Red Sea shipping.

8.12 Chapter Chronology

Date	Event	Type of Action
January 20, 2009	"Outstretched hand" address	Declaration of doctrine
March 20, 2009	Nowruz message	Public diplomacy
June 12, 2009	Election and start of the Green Movement	Domestic development in Iran
September 25, 2009	Exposure of Fordow	Intelligence–diplomatic action
October 1, 2009	Burns–Jalili meeting; fuel-swap proposal	Negotiation
May 17, 2010	The Tehran Declaration (Brazil–Turkey)	Third-party diplomacy
June 9, 2010	Resolution 1929	UN Security Council
June 2010	Discovery of Stuxnet	Cyber operation
July 1, 2010	CISADA	Act of Congress
September 28, 2010	Executive Order 13553	Human rights sanctions
October 11, 2011	Discovery of the plot to assassinate the Saudi ambassador	Iranian action

Date	Event	Type of Action
December 31, 2011	NDAA 2012, Section 1245	Act of Congress
January 23, 2012	European oil embargo decision	European Union
February 5, 2012	Executive Order 13599	Sanctions
March 17, 2012	SWIFT disconnection	European Union
August 2012	ITRSHRA; Shamoon attack on Aramco	Legislation and Iranian action
January 2, 2013	IFCA	Act of Congress
March 2013	Start of the secret Muscat meetings	Diplomacy
June 14, 2013	Election of Rouhani	Domestic development in Iran
August–September 2013	Ghouta chemical attack; decision not to strike Syria	Regional development
September 27, 2013	Obama–Rouhani telephone call	Diplomacy
November 24, 2013	Joint Plan of Action	Interim agreement
June 2014	Fall of Mosul; formation of the Popular Mobilization Forces	Regional development
April 2, 2015	The Lausanne framework	Negotiation
May 22, 2015	INARA	Act of Congress
July 14, 2015	The JCPOA	Agreement
July 20, 2015	Resolution 2231	UN Security Council
September 2015	Failure of the Senate disapproval resolution; Russian entry into Syria	Congress and regional development
January 12, 2016	Detention of ten American sailors	Iranian action
January 16, 2016	JCPOA Implementation Day; prisoner exchange	Implementation
January 17, 2016	Payment of $400 million; sanctions on missile entities	Legal settlement and sanctions

8.13 Scorecard of the Obama Administration

Policy	Score	Brief Judgment
The outstretched hand	2	Unanswered, but built legitimacy for later pressure
Response to the Green Movement	2	Fruitless caution; the regime applied its labels regardless
Fordow and the fuel-swap proposal	3	A creative solution, a casualty of Iran's domestic deadlock
Resolution 1929	4	The peak of international consensus
The architecture of crippling sanctions	5	The most successful pressure policy in forty-seven years
Response to the assassination plot and cyberattacks	2	Operations on American soil left without cost
The Oman channel and the Joint Plan of Action	4	A freeze of the program; acceptance of the principle of enrichment
The JCPOA	4 nuclear; 2 overall	A real nuclear constraint; strengthened the regime financially and regionally
INARA	3	Congressional oversight, without converting the agreement into law
Prisoner exchange and cash payment	2	Reinforced the hostage-taking model
Syria and regional policy	1	The peak of the Islamic Republic's regional influence

8.14 Strategic Synthesis: Six Lessons from the Obama Years

- **Lesson one — Real pressure is possible, provided there is consensus:** The sanctions of 2010 to 2013 showed that the combination of enforced secondary sanctions, European participation, and a graduated mechanism for Asian buyers can compel the regime to negotiate. This is the only instance in

forty-seven years in which economic pressure led to a clear change of behavior.

- **Lesson two — Do not spend leverage at its peak except for the greatest achievement:** Critics argue that in 2013, when the regime was at its weakest economically, the United States settled for a limited and temporary agreement. Defenders reply that international consensus was fragile and would have collapsed without an agreement. Both arguments contain part of the truth.
- **Lesson three — Separating the files has a cost:** Separating the nuclear issue from the regional one made the agreement possible; but it allowed the regime to spend the released resources on expanding an influence that was then at its peak.
- **Lesson four — An agreement without legal backing is fragile:** The JCPOA was finalized as a "political agreement," not a treaty, without the approval of Congress; the next President withdrew from it with a single signature.
- **Lesson five — Restraint in supporting a popular movement does not stop the regime from applying its labels:** The regime called the Green Movement an "American sedition," even though the United States had offered the least support possible. Restraint did not reduce the cost it had been meant to avoid.
- **Lesson six — Hostage-taking continues as long as it pays:** From 1981 to 2016, every hostage-release deal accompanied by financial concessions or prisoner releases led to new hostage-taking.

Donald Trump came to the White House promising to withdraw from "the worst deal in history." Chapter Nine shows how he turned the sanctions architecture of the Obama era—without the international consensus that had made it possible—into "maximum pressure," and how the regime responded.

Chapter Nine: Trump, First Term (January 2017 – January 2021) — Maximum Pressure

9.1 Overview: Unprecedented Pressure, Without Consensus

Donald Trump came to the White House convinced that the JCPOA was "the worst deal in history": an agreement that gave the regime money, ignored the missile and regional problems, and, through its "sunset clauses," merely postponed the nuclear issue. His strategy, which became known as "maximum pressure," rested on a simple hypothesis: if all the regime's sources of revenue were cut off, the regime would either submit to a comprehensive agreement (nuclear, missile, regional, and human rights) or fall apart under internal pressure. The administration did not formally declare "regime change" as its goal, but some of its key figures—especially John Bolton, the National Security Advisor—had earlier openly supported it.

In economic terms, maximum pressure was, in its direct objective, the most successful sanctions campaign in history: Iran's official oil exports fell from about 2.5 million barrels to a few hundred thousand barrels per day, the rial lost about eighty percent of its value, and the Central Bank's accessible foreign-exchange reserves fell to their lowest level. But unlike in the Obama years, this pressure was applied without international consensus—indeed, in confrontation with Europe, Russia, and China. And this time the regime turned not to the negotiating table but to "active resistance": the step-by-step expansion of the nuclear program, attacks on tankers and Saudi oil facilities, and proxy pressure on American forces in Iraq.

The culmination of this period was the killing of Qasem Soleimani in January 2020—a decision that, for the first time in four decades, broke the unwritten rule of "attack through proxies without cost." The central question of this chapter is whether the combination of

maximum economic pressure and this military action weakened the regime, or merely pushed it toward greater radicalization.

9.2 The First Year: From the Immigration Order to CAATSA (2017)

First Steps

On January 27, 2017, by Executive Order 13769, Trump restricted the entry into the United States of citizens of seven countries, including Iran. After several revisions, this order became a lasting "travel ban" that targeted Iranians directly, as distinct from the regime. On February 1, 2017, after an Iranian missile test, National Security Advisor Michael Flynn declared that Iran was "officially on notice," and new sanctions were imposed on missile entities.

The CAATSA Act (August 2, 2017)

The Countering America's Adversaries Through Sanctions Act (CAATSA), which passed the Senate by 98 votes to 2 and the House by 419 to 3, targeted three countries: Iran, Russia, and North Korea. Its first title, devoted to Iran, required the President to apply the terrorism sanctions of Executive Order 13224 to the entire Revolutionary Guard Corps, to sanction any person contributing to Iran's ballistic missile program, and to tighten enforcement of the arms embargo. This law locked the non-nuclear sanctions into a statutory layer that would tie the hands of the next President even in the event of a return to the JCPOA.

Decertification of the JCPOA (October 13, 2017)

In a speech on October 13, 2017, Trump declined to certify Iran's compliance under INARA—not because of any violation by Iran (which the IAEA had not found), but because, in his words, sanctions relief was not "proportionate" to Iran's commitments. At the same time, the Treasury sanctioned the entire IRGC under Executive Order 13224. This step asked Congress to reimpose sanctions, which Congress did not do; in practice it was a prelude to withdrawal.

9.3 The Dey 1396 Protests and the U.S. Response (December 2017 – January 2018)

On 7 Dey 1396 (December 28, 2017), protests that began in Mashhad with economic slogans rapidly spread to more than one hundred cities, and for the first time slogans against the entire system, including against the Leader, were chanted widely. An important feature of these protests was their social base: small towns and lower classes that had previously been regarded as the regime's traditional base. Unlike Obama in 2009, Trump openly supported the protesters in a series of tweets, saying "the time for change" had come. The State Department asked social media platforms to maintain Iranians' access, and the United States called for an emergency session of the Security Council on Iran.

9.4 Withdrawal from the JCPOA (May 8, 2018)

Profile

On May 8, 2018, Trump announced the withdrawal of the United States from the JCPOA and, by signing National Security Presidential Memorandum NSPM-11, ordered the reimposition of all suspended sanctions. Two wind-down periods were set: 90 days (until August 7, 2018) for sanctions on automobiles, metals, dollars, and aircraft, and 180 days (until November 5, 2018) for sanctions on oil, shipping, insurance, and the Central Bank.

Background

Three factors shaped this decision: Trump's personal conviction that the JCPOA was flawed; the replacement of Rex Tillerson by Mike Pompeo at the State Department and of H. R. McMaster by John Bolton at the National Security Council (March and April 2018), which removed internal opponents of withdrawal; and Benjamin Netanyahu's presentation of Iran's "nuclear archive" on April 30, 2018, which showed that Iran had preserved the documentation of its pre-2003 weapons program. European efforts (Macron, Merkel, Johnson) to add supplementary agreements to the JCPOA were fruitless.

Pompeo's Twelve Conditions (May 21, 2018)

In a speech at the Heritage Foundation, Pompeo announced twelve conditions for a "new deal," which in summary were: a full declaration of the past military dimensions of the nuclear program; a complete and permanent halt to enrichment and the closure of the heavy-water reactor; unrestricted IAEA access to all sites; an end to the proliferation of ballistic missiles and the development of nuclear-capable missiles; the release of all American and allied citizens; an end to support for Hezbollah, Hamas, and Islamic Jihad; respect for Iraq's sovereignty and the disarmament of the Shi'a militias; an end to military support for the Houthis; the withdrawal of all forces under Iranian command from Syria; an end to support for the Taliban and al-Qaeda; an end to the Quds Force's support for terrorism; and an end to threats against neighbors and international shipping.

In practice, this list demanded that the regime abandon every pillar of its regional and security strategy—what critics called a "list of surrender." Its defenders regarded it as an explicit statement of all the behaviors that the international community ought to demand of the regime.

Regime Response

In the first year, the regime chose a strategy of "strategic patience": it remained in the JCPOA and asked Europe to compensate for the losses caused by the American withdrawal. Europe designed the INSTEX financial mechanism (January 2019), which carried out only a single small medical transaction and was in practice nonfunctional. Major European companies (Total, Siemens, Peugeot, Renault, Airbus) left Iran without any government compulsion, out of fear of secondary sanctions. After one year, on May 8, 2019, the regime announced that it would reduce its JCPOA commitments step by step. In July 2019 it exceeded the 300-kilogram cap and the 3.67 percent level, in November 2019 it resumed enrichment at Fordow, and on January 5, 2020 (after the

killing of Soleimani) it announced that it no longer accepted any operational restrictions.

9.5 The Architecture of "Maximum Pressure" (2018–2020)

After the reimposition of sanctions, the Trump administration launched an unprecedented campaign to extend sanctions to every sector of the Iranian economy. The number of Iranian persons and entities sanctioned in this period exceeded fifteen hundred.

Instrument	Date	Target
Reimposition of the first round of sanctions	August 7, 2018	Automobiles, metals, dollars, aircraft
Reimposition of the second round of sanctions	November 5, 2018	Oil, shipping, insurance, Central Bank; 180-day waivers for eight purchasing countries
End of oil waivers	May 2, 2019 (announced April 22)	The goal of "zeroing out" Iran's oil exports
Executive Order 13871	May 8, 2019	Iron, steel, aluminum, and copper sectors
Executive Order 13876	June 24, 2019	The Office of the Leader and persons appointed by him
Sanctions on Zarif	July 31, 2019	The foreign minister
Sanctions on the Central Bank under terrorism authorities	September 20, 2019	Complete severance; humanitarian waivers made more difficult
Executive Order 13902	January 10, 2020	Construction, mining, manufacturing, and textiles
Sanctions on the entire financial sector	October 2020	The remaining 18 banks

Consequences

Indicator	April 2018	End of 2020
Official crude oil	About 2.5 million	A few hundred thousand barrels

Indicator	April 2018	End of 2020
exports	barrels per day	per day (with gradually increasing covert exports to China)
Rial exchange rate on the open market	About 60,000 rials to the dollar	More than 250,000 rials
Inflation	About 10 percent	More than 40 percent
Economic growth	Positive	Severe contraction in two consecutive years
Accessible foreign-exchange reserves (IMF estimate)	More than $100 billion (total reserves)	Sharp decline; estimates pointed to a few billion dollars accessible

Regime Response: The "Shadow Fleet" and the Hidden Economy

The regime responded by extensively expanding its evasion networks: ships with their tracking systems switched off, ship-to-ship transfers in Malaysian waters, relabeling Iranian oil as Malaysian or Omani oil, and sales to small independent Chinese refineries (known as "teapots") that had no connection to the U.S. financial system. From late 2020, covert exports gradually increased. This hidden economy, which was largely under the control of the IRGC and its affiliated institutions, shifted the structure of economic power within the regime in favor of the security institutions.

9.6 The Terrorist Designation of the Revolutionary Guards (April 8, 2019)

Profile

On April 8, 2019, Trump announced that the State Department would place the Islamic Revolutionary Guard Corps, including the Quds Force, on the list of "Foreign Terrorist Organizations" (FTOs). This was the first time in history that the United States had designated part of the official armed forces of a state as a foreign terrorist organization. The designation took effect on April 15.

Consequences

The principal legal consequence was the criminalization of "material support" to the IRGC: any person who knowingly provided services or resources to the IRGC became subject to criminal prosecution in the United States. Given the IRGC's extensive presence in the Iranian economy, this sharply increased the risk to foreign companies of any transaction with the Iranian economy. Members of the IRGC, including conscripts, also became subject to immigration bans—an issue that affected tens of thousands of Iranians who had performed their military service in the IRGC.

Regime Response

On the same day, Iran's Supreme National Security Council declared U.S. Central Command (CENTCOM) a "terrorist organization" and the U.S. government a "state sponsor of terrorism." The Majlis passed a similar law. In practice, this reciprocal measure had no consequence beyond the symbolic.

9.7 Summer 2019: A Test of Deterrence in the Persian Gulf

Chain of Events

Date	Event	U.S. Response
May 12, 2019	Sabotage of four tankers at the port of Fujairah (UAE)	Deployment of an aircraft carrier and bombers; attribution to Iran
June 13, 2019	Attacks on two tankers in the Gulf of Oman	Release of a video showing an IRGC boat removing an unexploded mine
June 20, 2019	Downing of an American Global Hawk drone	Trump canceled a retaliatory strike ten minutes before execution; a cyberattack instead
July 19, 2019	Seizure of the British tanker *Stena Impero*	Response to the seizure of an Iranian tanker at Gibraltar
September 14, 2019	Drone and missile attack on Aramco facilities at Abqaiq and Khurais	Sanctions on the Central Bank; deployment of additional forces to Saudi Arabia; no military response

The Abqaiq Attack

The September 14 attack, for which the Houthis claimed responsibility but which the evidence showed had been launched from Iranian or Iraqi territory, temporarily halted about half of Saudi Arabia's oil production—some five percent of global supply. It was the largest attack on the world's energy infrastructure in decades. Trump said the United States was "locked and loaded," but deferred military action to Saudi Arabia's decision and ultimately did not respond militarily.

Analysis

From the regime's perspective, the summer of 2019 was a successful test: through gradual and calculated escalation, the regime probed the limits of the American response and found that the United States, at least in the absence of American casualties, avoided military confrontation. The message to the Arab states of the Persian Gulf was also clear: America's security umbrella is not unconditional. This perception drove Saudi Arabia and the UAE, in subsequent years, toward direct détente with Tehran.

9.8 The Aban 1398 Protests (November 2019)

The sudden increase in the price of gasoline on 24 Aban 1398 (November 15, 2019) led to protests in more than one hundred cities. The regime responded with a near-total internet shutdown for about a week and with unprecedented violence. Amnesty International documented at least 304 deaths; Reuters, citing sources inside Iran's Interior Ministry, reported about 1,500 deaths. The regime never published comprehensive official figures.

The American response consisted of condemnation, sanctions on the Minister of Communications (Mohammad-Javad Azari Jahromi) for the internet shutdown, and Pompeo's request that Iranians send videos and evidence of the crackdown. This response was verbal and symbolic; in practice it did nothing to help the protesters or preserve internet access.

9.9 The Killing of Qasem Soleimani (January 3, 2020)

Background

On December 27, 2019, a rocket attack by Kata'ib Hezbollah on the K-1 base in Kirkuk killed an American contractor—the first American death in this group's series of attacks. On December 29, the United States bombed five Kata'ib Hezbollah sites in Iraq and Syria, killing about 25 people. On December 31, militiamen of the Popular Mobilization Forces attacked the U.S. embassy in Baghdad and set part of it on fire—images that in Washington recalled Tehran in 1979 and Benghazi in 2012.

Profile

In the early hours of January 3, 2020, an American drone struck the vehicle carrying Qasem Soleimani, commander of the Quds Force, and Abu Mahdi al-Muhandis, deputy commander of the Popular Mobilization Forces and leader of Kata'ib Hezbollah, near Baghdad airport. Both were killed. The Pentagon announced that the strike had been carried out on the President's orders to "deter future attack plans."

Regime Response

- **Missile attack on Ain al-Asad (January 8, 2020):** The IRGC fired more than ten ballistic missiles at the Ain al-Asad base and at Erbil. Iran had given advance warning through the Iraqi government. No Americans were killed, but more than 100 servicemembers suffered traumatic brain injuries. Trump decided not to respond militarily.
- **Downing of Ukraine International Airlines Flight 752 (January 8, 2020):** A few hours after the missile attack, IRGC air defenses shot down the Ukrainian airliner with two missiles, killing all 176 people on board, most of them Iranians. The regime denied the truth for three days and finally, on January 11, under the weight of evidence, admitted it.
- **Student protests:** The admission that the airliner had been shot down set off widespread protests; students refused to step on

the American and Israeli flags that the regime had painted on the ground.

- **Nuclear step:** On January 5, 2020, the announcement of the end of all of the JCPOA's operational restrictions.
- **Iraq:** On January 5 the Iraqi parliament passed a non-binding resolution calling for the withdrawal of foreign forces.

Analysis

This decision was the first direct American attack on a senior military commander of the Islamic Republic. On Axis B, the killing of Soleimani broke the forty-year rule of "attack through proxies without cost" and showed the regime that the United States would hold Iranian commanders directly responsible for proxy actions. The regime's calculated and pre-warned response at Ain al-Asad showed that the regime avoids direct confrontation with the United States. The Quds Force lost its architect, coordinator, and charismatic figure, and his successor, Esmail Qaani, was never able to exercise the same influence over the proxy networks.

On the other hand, the regime exploited the event in the short term for emotional mobilization, and Soleimani's funeral was attended by vast crowds. But this solidarity lasted only a few days: the downing of Flight 752 and three days of lies turned it into a wave of anger against the regime.

9.10 The Snapback Attempt and America's Isolation (2020)

Under Resolution 2231, the UN arms embargo on Iran was due to expire on October 18, 2020. On August 14, 2020, the United States put forward a draft to extend it indefinitely, which received only two votes in favor (the United States and the Dominican Republic); Russia and China voted against, and the other eleven members, including Britain, France, and Germany, abstained. On August 20, Pompeo initiated the "snapback mechanism," arguing that the United States was still a "participant" in Resolution 2231. Thirteen

of the fifteen Council members regarded this action as legally invalid, because the United States had withdrawn from the JCPOA. On September 19 the United States unilaterally announced the restoration of UN sanctions and, by Executive Order 13949 (September 21), imposed national arms sanctions; but no other country recognized this.

9.11 The Abraham Accords and a New Regional Architecture (2020)

In August and September 2020, through American mediation, the United Arab Emirates and Bahrain normalized their relations with Israel; Morocco and Sudan joined in the following months. These "Abraham Accords," part of whose motivation was a shared concern about Iran, opened the prospect of regional security cooperation. The transfer of Israel from the area of responsibility of European Command to CENTCOM (January 2021) institutionalized this link and built an integrated missile-defense infrastructure that proved its worth against Iran's direct attacks on Israel in April and October 2024.

9.12 Hostages and the Assassination of Fakhrizadeh (2019–2020)

Despite its policy of pressure, the Trump administration carried out two limited prisoner exchanges: Xiyue Wang, a Princeton University student, in December 2019 in exchange for Massoud Soleimani (an Iranian scientist accused of violating sanctions), and Michael White, a Navy veteran, in June 2020 in exchange for Majid Taheri. These exchanges were carried out without payment of money, but Siamak and Baquer Namazi, Emad Shargi, and Morad Tahbaz remained in prison.

On November 27, 2020, Mohsen Fakhrizadeh, the architect of Iran's nuclear weapons program, was assassinated near Tehran in an operation attributed to Israel. In December 2020, Iran's Majlis passed the "Strategic Action Law to Lift Sanctions," which required the government to begin 20 percent enrichment (January 2021) and

to suspend implementation of the Additional Protocol (February 2021). This law was the legacy that the Biden administration confronted at the outset.

9.13 Chapter Chronology

Date	Event	Type of Action
January 27, 2017	Travel ban (Executive Order 13769)	Immigration
August 2, 2017	CAATSA	Act of Congress
October 13, 2017	Decertification of the JCPOA; sanctions on the IRGC under 13224	Sanctions
December 18, 2017	National Security Strategy focusing on Iran	Strategy document
Dey 1396 (December 2017 – January 2018)	Nationwide protests	Domestic development in Iran
May 8, 2018	Withdrawal from the JCPOA; NSPM-11	Strategic decision
May 21, 2018	Pompeo's twelve conditions	Policy declaration
August 7 and November 5, 2018	Reimposition of sanctions	Sanctions
April 8, 2019	Designation of the IRGC as a foreign terrorist organization	Legal action
May 2, 2019	End of oil waivers	Sanctions
May 8, 2019	Start of the step-by-step reduction of JCPOA commitments	Iranian action
May–June 2019	Attacks on tankers	Iranian action
June 20, 2019	Downing of the Global Hawk; retaliation called off	Iranian action; U.S. restraint
June 24, 2019	Executive Order 13876 (Office of the Leader)	Sanctions
September 14, 2019	Attack on Abqaiq	Iranian action
November 2019	The Aban 1398 protests	Domestic development in Iran

Date	Event	Type of Action
January 3, 2020	Killing of Soleimani and al-Muhandis	Military action
January 8, 2020	Attack on Ain al-Asad; downing of Flight 752	Iranian action
January 10, 2020	Executive Order 13902	Sanctions
August 14, 2020	Failure to extend the arms embargo in the Security Council	Diplomacy
August–September 2020	The Abraham Accords; unilateral snapback attempt	Diplomacy
November 27, 2020	Assassination of Fakhrizadeh	Operation attributed to Israel
December 2020	The Majlis's "Strategic Action Law"	Iranian action

9.14 Scorecard of the First Trump Term

Policy	Score	Brief Judgment
The travel ban	1	Targeted the people, not the regime
CAATSA	4	Sanctions on the IRGC and missiles; a statutory lock
Verbal support for protests	3	Did not change the regime's narrative, nor harm the movement
Withdrawal from the JCPOA	3	Economic: 5; behavioral: 1
The maximum-pressure architecture	4	The greatest financial damage; escalation of behavior and strengthening of the security economy
Terrorist designation of the IRGC	4	Complete legal isolation of the regime's pillar
Response to the 2019 attacks	1	Erosion of deterrence in the Persian Gulf
Response to Aban 1398	3	Symbolic; without instruments
Killing of Soleimani	4	Broke the rule of costless proxy warfare
Unilateral snapback	2	Isolated the United States, not Iran

Policy	Score	Brief Judgment
The Abraham Accords	4	An anti-Iranian regional architecture

9.15 Strategic Synthesis: Six Lessons from the First Trump Term

- **Lesson one — Economic pressure alone does not change behavior:** Maximum pressure was more severe than the pressure of the Obama years, but this time the regime did not negotiate. The difference lay in two things: the absence of international consensus (the regime could count on Western divisions) and the absence of a credible "exit path" (from the regime's perspective, the twelve conditions were tantamount to surrender).
- **Lesson two — Failure to respond to a direct attack erodes deterrence:** The summer of 2019 showed that the regime probes boundaries through gradual escalation, and every probe that goes unanswered encourages the next step.
- **Lesson three — Targeting commanders is more effective than targeting proxies:** The killing of Soleimani changed the behavior of the Quds Force more than years of strikes on Iraqi militias, because it placed the cost directly on the decision-makers in Tehran.
- **Lesson four — Economic pressure changes the structure of power within the regime:** The sanctions economy made the IRGC and the security institutions—which controlled smuggling and sanctions evasion—richer and more powerful, and the middle class—the bearer of peaceful change—weaker. This is a consequence that sanctions policy must take into account.
- **Lesson five — The distinction between regime and people must be made in practice, not only in rhetoric:** The travel ban, the immigration ban on IRGC conscripts, and sanctions that

made humanitarian channels more difficult were at odds with the slogan of supporting the Iranian people.

- **Lesson six — Multilateral diplomacy is an asset that can be spent:** The unilateral withdrawal from the JCPOA cost the United States the leverage of the snapback mechanism and the support of the Security Council. What was possible in 2010 had become impossible in 2020.

Joe Biden came to the White House promising to return to the JCPOA; but he found an Iran that had begun enriching to 20 and then 60 percent, and a leadership that, after the experience of 2018, had no trust in American commitments. Chapter Ten turns to this period.

Chapter Ten: Biden (January 2021 – January 2025) — From Failed Diplomacy to the Collapse of the Axis

10.1 Overview: An Administration with Two Periods in One

The administration of Joe Biden came to the White House with a clear objective: a mutual return by the United States and Iran to full compliance with the JCPOA, and then the use of that agreement as a platform for a "longer and stronger" deal. Many of the administration's key figures—including Antony Blinken, Jake Sullivan, and Robert Malley—had themselves been architects of the JCPOA. But what happened over the next four years bore almost no resemblance to this plan.

The Biden era must be divided into two halves. In the first half (2021 to early 2023), the priority was nuclear diplomacy: the Vienna talks, efforts to avoid escalation, and, as a result, less rigorous enforcement of sanctions and a limited response to proxy attacks. This half was shattered by the "Woman, Life, Freedom" movement—a movement that made continued negotiation with a regime that was killing protesters politically impossible. In the second half (from October 7, 2023, to the end of the term), the region entered a multi-front war in which Iran, for the first time in the history of the Islamic Republic, attacked Israel directly from its own territory; and by its end, the "Axis of Resistance" that the regime had built over four decades had effectively collapsed: Hezbollah lost its leadership and much of its capability, Hamas was severely weakened, and the Assad regime fell in December 2024.

The question of this chapter is what share U.S. policy had in this transformation. The short answer is that the collapse of the axis was more the product of Israel's military actions and the internal weakness of the Assad regime than of American policy; but America's defensive support for Israel against Iran's direct attacks,

and its shield against the widening of the war, were a necessary condition of this transformation.

10.2 First Steps: Signs of Goodwill (January–April 2021)

- **February 16, 2021:** Revocation of the terrorist designation of the Houthis (carried out by the Trump administration in its final days), on the grounds of its humanitarian consequences in Yemen.
- **February 18, 2021:** Withdrawal of the Trump administration's claim regarding the restoration of UN sanctions (snapback), and easing of travel restrictions on Iranian diplomats in New York.
- **February 25, 2021:** An air strike on facilities of Iran-aligned militias in eastern Syria, following a rocket attack on Erbil—a message that diplomatic goodwill did not mean that attacks would go unanswered.
- **April 2021:** The start of indirect negotiations in Vienna, mediated by the European Union.

Regime Response

The regime interpreted these steps as a sign of weakness and of America's need for an agreement. On April 11, 2021, sabotage at Natanz (attributed to Israel) disabled some of the centrifuges; five days later Iran began enriching to 60 percent—the highest level in the program's history, a short distance from weapons grade (90 percent), and with no credible non-military use. The Majlis's "Strategic Action Law" had already, in February 2021, led to the suspension of the Additional Protocol and a drastic reduction in IAEA monitoring.

10.3 The Vienna Talks (April 2021 – September 2022)

Process

Over six rounds, from April to June 2021, the Vienna talks produced substantial draft texts. But the election of Ebrahim Raisi

as President in June 2021 (in an election in which most serious rivals were disqualified and turnout fell to a historic low) halted the talks for five months. The new team, led by Ali Bagheri Kani, returned with a list of new demands: a legal guarantee that no future American administration would withdraw from the agreement; verification of sanctions relief before Iran's return to its commitments; removal of the IRGC from the list of foreign terrorist organizations; and closure of the IAEA's investigation into traces of uranium at undeclared sites.

The Principal Sticking Points

Sticking Point	Iran's Position	U.S. Position
Guarantee against withdrawal	A legally binding guarantee	Impossible; no President can bind his successor
IRGC on the FTO list	Complete removal	Politically unacceptable domestically; outside the JCPOA framework
IAEA (safeguards) investigations	Closure of the file as a precondition	An independent matter that only the IAEA can close
Sequencing of implementation	Sanctions relief and verification first	Simultaneous and balanced implementation

The "Final Text" of August 2022

On August 8, 2022, the European Union presented a "final text." Iran sent a response requesting changes, and the United States called Iran's response "a step backward." In September 2022, with the start of the "Woman, Life, Freedom" movement and the exposure of Iran's shipments of Shahed drones to Russia for the war in Ukraine, the talks effectively came to a halt. In November 2022, in a recorded conversation, Biden said that the JCPOA "is dead, but we're not going to announce it."

Nuclear Consequence

During this period Iran's nuclear program reached the most advanced level in its history. In June 2022 Iran removed the IAEA's surveillance cameras, installed advanced IR-6 centrifuges at

Fordow, and by the end of 2024 its stockpile of 60 percent uranium exceeded 180 kilograms—an amount sufficient, if further enriched, for several weapons. Breakout time fell from about one year (in the JCPOA era) to one to two weeks. The IAEA Board of Governors adopted resolutions against Iran in June and November 2022 and in June and November 2024, but the file was not referred to the Security Council.

10.4 Sanctions Enforcement and the Return of Oil Exports (2021–2024)

The Biden administration did not formally revoke the Trump-era sanctions, and over four years it sanctioned hundreds of new persons and entities, including networks selling oil to China and "shadow fleet" vessels. But the priority given to diplomacy and, from 2022, concern about world oil prices in the wake of the war in Ukraine led in practice to less rigorous enforcement of sanctions. Iran's oil exports, which went mainly to independent Chinese refineries, rose from a few hundred thousand barrels per day in 2020 to about 1.5 million barrels per day in 2023 and 2024. Republican critics and some Democrats called this "minimum pressure."

In response, in April 2024, as part of a foreign assistance package, Congress passed the "21st Century Peace through Strength Act," which included the "SHIP Act": sanctions on ports, refineries, and vessels that receive or process Iranian oil, including foreign refineries. This law, passed by a bipartisan majority, provided a tougher legal foundation for the next administration.

10.5 The "Woman, Life, Freedom" Movement (September 2022 – 2023)

The Event

The death of Mahsa (Jina) Amini, a 22-year-old Kurdish woman, on 25 Shahrivar 1401 (September 16, 2022), in the custody of the morality police for "improper hijab," led to the broadest and most sustained protest movement in the history of the Islamic Republic.

Centered on women and the young generation, the movement for the first time collectively and publicly challenged compulsory hijab —one of the symbolic pillars of the regime's identity. Its suppression, according to human rights organizations, led to the killing of more than 500 people, including dozens of children, the detention of tens of thousands, and the execution of several protesters.

The U.S. Response

Date	Measure	Content
September 22, 2022	Sanctions on the morality police and security officials	Human rights orders
September 23, 2022	General License D-2	Expanded authorization to provide internet services, software, and communications tools to Iranians
September–December 2022	Biden's statements	"We stand with the brave women of Iran"
November 24, 2022	Support for the creation of a UN Human Rights Council fact-finding mission	Documentation of crimes
December 14, 2022	Removal of Iran from the UN Commission on the Status of Women	At U.S. initiative; 29 votes in favor
2022–2024	Successive sanctions against IRGC and Basij commanders, state media, and prison officials	Dozens of rounds of sanctions
April 2024	The "MAHSA Act" (in the foreign assistance package)	Requirement to assess and sanction the Leader, the President, and the institutions responsible for repression

Assessment

The Biden administration's response to this movement was appreciably more decisive and instrument-based than Obama's response in 2009. General License D-2 in particular was a practical

measure that removed the legal obstacle to technology companies providing services to Iranians. Iran's removal from the Commission on the Status of Women and the creation of the fact-finding mission —which in 2024 characterized certain actions of the regime as "crimes against humanity"—imposed a real reputational cost. But none of these instruments changed the balance of power in the streets; and continued lax enforcement of oil sanctions supplied the regime with the resources needed for repression.

10.6 The Regime's Plots on American Soil (2021–2024)

In this period, U.S. prosecutors exposed several unprecedented plots attributed to Iran's security apparatus:

- **July 2021:** An indictment of four Iranian intelligence officers for a plot to kidnap Masih Alinejad, a journalist and activist, from New York. In January 2023 another indictment was issued against members of a criminal gang linked to Iran for a plot to murder her, which led to convictions in 2025.
- **August 2022:** An indictment of Shahram Poursafi, a member of the IRGC, for a plot to assassinate John Bolton, the former National Security Advisor, which according to prosecutors was part of revenge for the killing of Soleimani. Reports of similar threats against Mike Pompeo were also published.
- **November 2024:** An indictment of Farhad Shakeri for a plot, on the orders of the IRGC, to assassinate Donald Trump before the 2024 election.

In every case, the American response consisted of judicial prosecution and individual sanctions. None of these plots led to a strategic response against the regime.

10.7 The Prisoner Exchange and the $6 Billion (September 2023)

On September 18, 2023, after months of indirect negotiations mediated by Qatar, Iran released five American citizens, including

Siamak Namazi (who had been in prison for nearly eight years), Emad Shargi, and Morad Tahbaz. The United States released five Iranians charged with or convicted of sanctions violations and agreed to the transfer of about $6 billion of Iranian oil revenues frozen in South Korea to accounts in Qatar, on condition that they be used only for the purchase of humanitarian goods and under the supervision of the U.S. Treasury.

Three weeks later, the October 7 attack took place. The Biden administration announced that it had a "quiet understanding" with Qatar that Iran would not have access to these funds, and in practice the money was not released. Critics argued that, regardless of the origin of the money and the restrictions on it, the deal entrenched the model of "hostages in exchange for financial benefits"; defenders replied that the money belonged to Iran, had been restricted to humanitarian purposes, and that the release of five American citizens was worth it.

10.8 October 7 and the Multi-Front War (October 2023 – 2024)

October 7

Hamas's attack on southern Israel on October 7, 2023, which left about 1,200 dead and more than 250 hostages, was the deadliest day in Israel's history. Iran had trained, armed, and financed Hamas for years. Nevertheless, in the first months the U.S. intelligence community stated that it had no evidence that Iranian officials had known the precise timing of the attack or had participated directly in its operational planning. Iran's leadership also publicly denied a direct role, while praising the attack.

The Proxy Fronts

- **Iraq and Syria:** From October 17, 2023, to early February 2024, Iran-aligned militias carried out more than 170 attacks on American forces. On January 28, 2024, a drone attack on the "Tower 22" base in Jordan killed three American servicemembers. On February 2 the United States struck more

than 85 targets linked to the Quds Force and the militias in Iraq and Syria. Thereafter Kata'ib Hezbollah announced that it was halting its attacks—a sign of pressure from Tehran to avoid direct confrontation.

- **The Red Sea:** From November 2023, the Houthis attacked commercial ships in the Red Sea and the Bab el-Mandeb with missiles and drones; shipping through the Suez Canal declined sharply. The United States formed the "Prosperity Guardian" naval coalition (December 2023) and, from January 12, 2024, together with Britain, bombed Houthi positions in Yemen. The Houthi attacks continued.
- **Lebanon:** From October 8, 2023, Hezbollah began limited attacks on northern Israel, and about 60,000 Israelis were evacuated from the north.

10.9 Iran's First Direct Attacks on Israel (April and October 2024)

True Promise 1 (April 13–14, 2024)

On April 1, 2024, an Israeli air strike on the consular building of the Iranian embassy in Damascus killed Mohammad Reza Zahedi, a senior Quds Force commander in Syria and Lebanon, and several other officers. On the night of April 13, for the first time in the history of the Islamic Republic, Iran attacked Israel directly from its own territory: more than 300 drones, cruise missiles, and ballistic missiles. A coalition of the United States, Britain, France, and Jordan, together with Israel, intercepted more than 99 percent of the projectiles; the coordination of Arab states within this coalition was a fruit of the post–Abraham Accords security architecture. Biden asked Netanyahu to regard this defensive success as a "win" and to keep the response limited. On April 19 Israel carried out a limited strike on an S-300 air defense system in Isfahan.

Developments in Summer and Autumn 2024

- **May 19, 2024:** The death of Ebrahim Raisi in a helicopter crash. Masoud Pezeshkian became President in July.

- **July 31, 2024:** The killing of Ismail Haniyeh, head of Hamas's political bureau, at a state guesthouse in Tehran, a few hours after Pezeshkian's inauguration; attributed to Israel.
- **September 17–18, 2024:** The explosion of thousands of pagers and walkie-talkies belonging to Hezbollah members.
- **September 27, 2024:** The killing of Hassan Nasrallah, Secretary-General of Hezbollah, in an Israeli strike on Beirut, followed by the destruction of much of Hezbollah's senior command and missile arsenal.

True Promise 2 (October 1, 2024)

Iran fired about 200 ballistic missiles at Israel. American destroyers took part in the interceptions; some missiles struck Israeli air bases, but the damage was limited. In October 2024 the United States deployed a THAAD missile-defense system with American crews in Israel—the first deployment of such a system in Israel. On October 26, 2024, in an extensive operation, Israel struck Iran's advanced air-defense systems (S-300) and its solid-fuel production facilities for ballistic missiles. The United States had encouraged Israel to refrain from attacking oil and nuclear facilities.

Analysis

These two rounds of attacks revealed two facts with strategic consequences. First, Iran's missile arsenal, regarded as the regime's greatest pillar of deterrence, had limited effect against the integrated defense of the United States, Israel, and their allies. Second, Iran's air defenses were vulnerable to the Israeli air force. Both facts called into question the foundational assumptions of the regime's deterrence.

10.10 The Collapse of the Axis: The Fall of Assad (December 8, 2024)

On November 27, 2024, one day after the ceasefire between Israel and Hezbollah, Syrian opposition groups led by Hay'at Tahrir al-Sham launched an offensive from Idlib. Within eleven days Aleppo,

Hama, and Homs fell, and on December 8 Bashar al-Assad fled to Moscow. A weakened Hezbollah was unable to come to his aid, Russia was tied down in Ukraine, and Iran evacuated its forces. Syria, in which Iran had spent tens of billions of dollars and hundreds of lives since 2011, was lost in less than two weeks. The "land corridor" from Tehran to Beirut was severed.

This collapse was not the direct result of U.S. policy; the United States had a limited presence in northeastern Syria and played no guiding role in these developments. But it was the cumulative result of several factors to which the United States contributed: long-term sanctions on the Assad regime (including the "Caesar Act" of 2019), support for Israel's war against Hezbollah, and the constraining of Iran's financial resources.

10.11 Chapter Chronology

Date	Event	Type of Action
February 16, 2021	Revocation of the Houthis' terrorist designation	Legal action
February 18, 2021	Withdrawal of the snapback claim	Diplomacy
February 25, 2021	Strike on militias in Syria	Military action
April 2021	Start of the Vienna talks; sabotage at Natanz; 60 percent enrichment	Diplomacy and Iranian action
June 2021	Election of Raisi	Domestic development in Iran
July 2021	Indictment in the plot to kidnap Masih Alinejad	Judicial action
June 2022	Removal of IAEA cameras	Iranian action
August 2022	Europe's "final text"; indictment in the plot to assassinate Bolton	Diplomacy and judicial action
September 16, 2022	Death of Mahsa Amini; start of the movement	Domestic development in Iran
September 23, 2022	General License D-2	Support for internet access

Date	Event	Type of Action
December 14, 2022	Removal of Iran from the Commission on the Status of Women	Multilateral diplomacy
September 18, 2023	Prisoner exchange and transfer of $6 billion	Hostage deal
October 7, 2023	The Hamas attack	Regional development
November 2023	Start of Houthi attacks in the Red Sea	Proxy action
January 12, 2024	Start of U.S. strikes on the Houthis	Military action
January 28, 2024	Attack on Tower 22	Proxy action
February 2, 2024	Retaliatory strikes in Iraq and Syria	Military action
April 13–14, 2024	True Promise 1	Direct Iranian attack
April 24, 2024	The MAHSA Act and the SHIP Act	Act of Congress
May 19, 2024	Death of Raisi	Domestic development in Iran
July 31, 2024	Killing of Haniyeh in Tehran	Regional development
September 27, 2024	Killing of Nasrallah	Regional development
October 1, 2024	True Promise 2	Direct Iranian attack
October 26, 2024	Israeli strike on Iran's air defenses and missile facilities	Military action
November 2024	Indictment in the plot to assassinate Trump	Judicial action
December 8, 2024	Fall of Assad	Regional development

10.12 Scorecard of the Biden Administration

Policy	Score	Brief Judgment
Goodwill steps (including revoking the Houthi designation)	2	The regime read them as weakness; the Houthis later became a global threat
The Vienna talks	2	Unprecedented nuclear advances

Policy	Score	Brief Judgment
		under cover of negotiation
Enforcement of oil sanctions	2	The return of the regime's oil revenue
The SHIP Act	3	A foundation for tougher enforcement
Response to Woman, Life, Freedom	3	More decisive than in 2009; did not change the balance of power
Response to assassination plots	3	Counterintelligence success; no strategic cost
The 2023 prisoner exchange	2	Reconfirmed the hostage-taking model
Response to proxy attacks in Iraq and Syria	3	Effective, but belated
Response to the Houthis	2	Costly and ineffective
Defense of Israel and escalation management	4	Exposed the limits of Iran's deterrence
Indirect contribution to the collapse of the axis	4	The regime's greatest regional defeat

10.13 Strategic Synthesis: Six Lessons from the Biden Years

- **Lesson one — Unilateral goodwill is read by this regime as weakness:** Biden's first steps, from revoking the Houthi sanctions to easing diplomatic pressure, did not lead to a moderation of the regime's behavior; they were answered with enrichment to 60 percent. This is the same pattern seen under George H. W. Bush.
- **Lesson two — Negotiation without a deadline benefits the side that is advancing its program:** In the course of the Vienna talks, Iran went from being a year away from the threshold to being a few weeks away.
- **Lesson three — Enforcement matters more than legislation:** The very sanctions that under Trump had reduced Iran's oil exports to a few hundred thousand barrels, under Biden—

through laxer enforcement—allowed exports to reach 1.5 million barrels.

- **Lesson four — Practical instruments for civil society have value:** General License D-2, legal documentation, and the international isolation of the regime in UN bodies imposed costs on the regime without imposing costs on the protesters. This approach should be expanded.
- **Lesson five — The regime's deterrence was more fragile than had been assumed:** The attacks of 2024 showed that the "three pillars" of the regime's deterrence—the proxy network, ballistic missiles, and air defense—were all vulnerable. This discovery changed the calculations of all parties for 2025.
- **Lesson six — The regime's "strategic depth" is at once an asset and a liability:** A network built over four decades collapsed in a single year, because it rested on fragile alliances, removable actors, and a financial base that sanctions had gradually eroded.

In January 2025 Donald Trump returned to the White House for a second time, at a moment when the Islamic Republic was in its weakest regional position since 1979, but its nuclear program was at the most advanced stage in its history. This combination set the stage for the developments to which Chapter Eleven turns.

Chapter Eleven: Trump, Second Term (January 2025 – September 2026) — From Maximum Pressure to War

A Methodological Note

Unlike the preceding chapters, this chapter is written about events that are still unfolding. At the time of writing (late September 2026), the war of the United States and Israel against the Islamic Republic, which began on February 28, 2026, has entered its seventh month and, in the words of the Congressional Research Service, has become a "war of attrition." The official documents of this period remain classified, figures for casualties and damage are reported very differently by the parties involved, and many accounts have not yet been independently verified. The sources for this chapter are mainly reports of the Congressional Research Service (CRS), reputable international news agencies and media, reports by human rights organizations (including HRANA and Amnesty International), and public documentation collections. Wherever figures conflict, the range of estimates is given. The assessments in this chapter are designated "provisional" and should be revisited in later editions of the book.

11.1 Overview: Breaking All the Old Rules

Trump's second term crossed, one after another, every red line that American policy toward the Islamic Republic had observed over forty-six years. In less than eighteen months, the United States for the first time directly bombed Iran's nuclear facilities (June 2025); supported Europe's activation of the snapback mechanism, which restored UN sanctions (September 2025); and then, together with Israel, launched a full-scale war that on its very first day led to the killing of Ayatollah Ali Khamenei, the Leader of the Islamic Republic, and of much of its military and security command (February 2026). "Regime change," whose formal declaration every previous administration had avoided, was explicitly announced as one of the objectives.

Nevertheless, as of the writing of this chapter, the Islamic Republic has not collapsed. Mojtaba Khamenei was chosen as Leader, the structure of the Revolutionary Guards was rebuilt with new commanders, and the regime, by closing the Strait of Hormuz and declaring "sovereignty" over it, produced the greatest disruption in history to the world oil market. In response, the United States imposed a naval blockade on Iran's ports. Ceasefires and a peace memorandum of understanding were signed and collapsed. The central question of this chapter—and perhaps of the whole book—is this: has the deployment of almost every instrument of American power, including the elimination of the Leader, achieved the objective of decisively weakening the regime? This chapter's provisional answer is that the regime is materially in the weakest condition in its history, but politically it still stands, and the costs of the war for the United States, its allies, and the people of Iran are far heavier than its designers anticipated.

11.2 NSPM-2: The Return of Maximum Pressure (February 4, 2025)

Profile

Two weeks after returning to the White House, Trump signed National Security Presidential Memorandum No. 2 (NSPM-2), which ordered the full restoration of "maximum pressure": driving Iran's oil exports to zero (including to China), rigorous enforcement of all existing sanctions, targeting the shadow fleet networks, and cooperation with European allies to restore UN sanctions through the snapback mechanism before its expiry in October 2025. At the same time, Trump announced that he would prefer to make a "deal" with Iran, and in March 2025 he sent a letter to Ayatollah Khamenei proposing negotiations with a two-month deadline.

Differences from the First Round

Second-round maximum pressure differed from the first in three respects. First, the regime was in its weakest regional position: Hezbollah had been weakened, Assad had fallen, and Iran's air

defenses had been damaged in October 2024. Second, the SHIP Act (2024) had provided the legal instrument to sanction foreign refineries and ports receiving Iranian oil, and in 2025 the Treasury for the first time sanctioned independent Chinese refineries. Third, the military threat was this time more credible.

11.3 The Oman Talks (April–June 2025)

On April 12, 2025, Steve Witkoff, Trump's special envoy, and Abbas Araghchi, Iran's foreign minister, held the first round of talks in Muscat with Omani mediation—the first serious negotiation between the two governments since 2018. Over five rounds of talks in Muscat and Rome, the principal sticking point became clear: the United States (after initially contradictory positions) demanded a complete halt to enrichment on Iranian soil, while Iran's leadership declared enrichment a "red line" and a non-negotiable right. A proposal for a regional enrichment consortium also came to nothing. The sixth round, scheduled for June 15, 2025, was never held, because Israel's attack began on June 13.

11.4 The Twelve-Day War and Operation "Midnight Hammer" (June 13–24, 2025)

Background

On June 12, 2025, the IAEA Board of Governors, for the first time since 2005, found Iran in breach of its safeguards obligations. Iran's stockpile of 60 percent uranium had reached about 400 kilograms. The next day, June 13, Israel launched an extensive operation against Iran's nuclear, missile, and military command facilities, which in its first hours killed a number of senior military commanders and nuclear scientists.

Operation Midnight Hammer (June 22, 2025)

On June 22, American B-2 bombers carrying GBU-57 bunker-busting bombs struck the Fordow and Natanz facilities, and submarines struck the Isfahan facilities with cruise missiles. This was the first direct American attack on Iranian territory aimed at

the nuclear program. Trump declared that these facilities had been "obliterated"; leaked preliminary intelligence assessments and some independent analysts judged the damage serious but not necessarily final, and the question of the fate of the stockpile of 60 percent uranium remained unanswered.

Regime Response and Ceasefire

On June 23 Iran attacked the Al Udeid base in Qatar with missiles—an attack of which advance notice had been given and which caused no casualties, repeating the "symbolic response" pattern of Ain al-Asad in 2020. A ceasefire took effect on June 24, announced by Trump. In July 2025 Iran's Majlis passed a law suspending cooperation with the IAEA; Iran barred access to the bombed facilities, and the IAEA lost the ability to verify the status of the uranium stockpile.

11.5 The Snapback Mechanism and the Return of UN Sanctions (September 2025)

On August 28, 2025, Britain, France, and Germany (the E3)—unlike the United States in 2020, as remaining parties to the JCPOA—initiated the snapback process. Russian and Chinese attempts to delay it in the Security Council failed, and on September 28, 2025, all the UN sanctions that had been in force before the JCPOA were restored: the arms embargo, the ban on missile activities, asset freezes, and the ban on the transfer of nuclear technology. The rial fell sharply in its wake.

11.6 The Collapse of the Rial, the Dey 1404 Uprising, and the January 2026 Massacre

Economic Collapse

The combination of maximum pressure, the restoration of UN sanctions, and the consequences of the twelve-day war led to the collapse of the rial in the autumn and winter of 2025. Scott Bessent, the U.S. Secretary of the Treasury, called the fall of the rial in

December 2025 the "culmination" of the maximum-pressure strategy.

Uprising and Massacre

Protests began on December 28, 2025, with shop closures in Tehran in protest at the economic situation, and rapidly spread nationwide. On January 8 and 9, 2026, under cover of a complete internet shutdown, IRGC and Basij forces, together with foreign militias that according to reports had entered from Iraq, carried out a massacre unprecedented in the history of the Islamic Republic. According to a report in the *New York Times*, on January 9 Ayatollah Khamenei ordered the Supreme National Security Council to suppress the protests "by any means necessary."

Source	Estimated Number of Dead
Government of Iran (official figure)	3,117, including security forces
HRANA (name-by-name list, February 2026)	7,007 confirmed cases; more than 11,000 cases under review
UN Special Rapporteur	At least 5,000, and possibly up to 20,000
Time magazine (citing health officials)	More than 30,000
Iran International (leaked documents)	More than 36,000

On January 17, Ayatollah Khamenei acknowledged that "several thousand" people had been killed and placed the responsibility on the United States and Israel. On February 11, President Masoud Pezeshkian apologized to the nation. In response to this massacre, the European Union placed the Revolutionary Guards on its list of terrorist organizations—a step it had resisted for years.

The U.S. Response

Trump encouraged the protesters and threatened several times to attack Iran if the killing continued. But during the days at the peak of the massacre these threats did not lead to action; Trump even thanked the regime for a promise to halt scheduled executions, while Iran's judicial authorities were simultaneously continuing to

issue sentences. The January massacre subsequently became one of the declared American justifications for launching the war in February.

11.7 Operation "Epic Fury" and the Killing of the Leader (February 28, 2026)

Background

After the January massacre, the United States began the largest concentration of military force in the region since the 2003 invasion of Iraq. In his State of the Union address (February 2026), Trump claimed that Iran had rebuilt its nuclear program and was developing missiles capable of reaching the United States—a claim inconsistent with earlier reports of the U.S. intelligence community (which assessed that Iran would lack such a capability until 2035) and with the claimed "obliteration" of the program in June 2025. In February 2026 Iran had informed the IAEA that implementing normal safeguards was "impossible" under conditions of threat, and the IAEA could not verify the status of the stockpile, although it had found no evidence of weaponization. Negotiations were continuing in February.

The Operation

On February 28, 2026, the United States (in an operation named "Epic Fury") and Israel (in an operation named "Roaring Lion") launched extensive attacks. The opening strikes, exploiting a strategic deception planned over months, targeted three simultaneous meetings of senior officials. Ayatollah Ali Khamenei was killed, together with several members of his family. In the following days and weeks, a long list of officials were killed, including: the Minister of Defense (Aziz Nasirzadeh), the commander-in-chief of the IRGC (Mohammad Pakpour), the Chief of the General Staff of the Armed Forces (Abdolrahim Mousavi), the Secretary of the Supreme National Security Council (Ali Larijani), the Minister of Intelligence (Esmail Khatib), the commander of the Basij (Gholamreza Soleimani), the commander of the IRGC Navy (Alireza Tangsiri), and the head of the IRGC

Intelligence Organization (Majid Khademi). The attacks were accompanied by extensive cyberattacks on infrastructure and media and by messages to the people of Iran calling on them to rise up.

Declared Objectives

In a statement on February 28, Trump declared the objective of the attacks to be "regime change," citing Iran's support for Hamas and Hezbollah, the killing of protesters, the slogan "Death to America," its record of attacks on American citizens and servicemembers, and the hostage-taking of 1979. He and Netanyahu called on Iranians to overthrow the government. This was the first time in forty-seven years that regime change had become the official and public objective of an American military operation.

Succession

On March 8, 2026, Mojtaba Khamenei, the second son of the slain Leader, was chosen as Leader of the Islamic Republic. In the first weeks of the war, analysts found little evidence of large-scale defections within the armed forces—regarded as a necessary condition for regime change.

11.8 The Regime's Response: "Mosaic Defense," Hormuz, and Regional War

The regime responded with a decentralized strategy dubbed "mosaic defense": IRGC units with local authority carried out missile and drone attacks on Israel, on American bases, and on the Arab states of the Persian Gulf (Bahrain, Kuwait, the UAE, Qatar, Saudi Arabia). In the first days, American early-warning radars and THAAD systems in the region were targeted, and the U.S. embassy in Kuwait was closed. On March 7 Pezeshkian apologized for the attacks on neighbors, but the attacks continued—a sign of the government's limited control over the IRGC.

The regime's most important lever was the Strait of Hormuz. Shipping halted from the very first days, and in late March Iran declared its "sovereignty" over the strait and sought to levy tolls on

passing ships. Hezbollah resumed its war with Israel two days after Khamenei's killing, Israel entered southern Lebanon, and the Houthis joined the war from late March. By Resolution 2817, the Security Council condemned Iran's attacks on the Persian Gulf states. On the other hand, the UN Secretary-General and a number of states also condemned the American and Israeli attacks; critics called it a "war of aggression" and a violation of international law, and Iran, invoking the non-intervention principle of the Algiers Accords (1981), filed a claim against the United States at the Hague Claims Tribunal.

On March 16, NATO allies and China rejected Trump's request for military support in reopening the strait, and Trump sharply rebuked his European and Asian allies. This relative isolation of the coalition stood in clear contrast to the Persian Gulf War of 1991.

11.9 Ceasefire, the Islamabad Talks, and the Naval Blockade (April–September 2026)

Date	Event
April 8, 2026	A two-week ceasefire with Pakistani mediation; dispute over whether it covered Lebanon
April 11–12, 2026	The Islamabad talks, led by Vice President J. D. Vance; the highest level of negotiation since 1979; no agreement
April 13, 2026	Start of the U.S. naval blockade against ships bound for or departing from Iranian ports; a "double blockade" in Hormuz
June 17, 2026	Signing of the "Islamabad Memorandum of Understanding" to end the war by Trump and Pezeshkian; lifting of the double blockade
July 8, 2026	Collapse of the memorandum after Iranian attacks on commercial ships to consolidate its claim of sovereignty over Hormuz
July 13, 2026	Reimposition of the U.S. naval blockade
August 2026	Formal expiry of the memorandum; Iran announces its conditions (withdrawal of American forces, reparations, lifting of all sanctions)
August 20 and 24, 2026	Declaration of an "economic Dey" and Operation "Economic Exclusion": threat to sanction any country that trades with Iran
September 1,	A new wave of U.S. air strikes on IRGC positions in southern Iran

Date	Event
2026	
September 23–26, 2026	Iran presents a road map at the United Nations (a 60-day ceasefire, a phased reopening of Hormuz, an end to the blockade); rejected by Trump

In recent months, American officials have stated that the U.S. military has restored the flow of oil through Hormuz to 60 to 70 percent of its prewar level, and naval analysts have reported that Iran has partly lost control over the strait owing to the use of the Omani transit route. At the same time, satellite imagery of unprecedented construction activity at the underground "Pickaxe Mountain" facility (near Natanz) in 2026 indicates that the status of the nuclear program has become one of the unanswered questions of the war.

11.10 Costs

Area	Estimate (various sources; as of summer 2026)
U.S. military casualties	About 19 to 23 servicemembers killed, more than 750 wounded (according to U.S. reports)
Financial cost of the war to the United States	More than $110 billion as of June 2026
Iranian casualties (civilian)	More than 3,400 killed and 33,000 wounded, according to estimates of the UN Office for the Coordination of Humanitarian Affairs
Iranian military casualties	More than 6,000, according to American and Israeli estimates
Cultural heritage	Damage to the Golestan Palace, Chehel Sotoun, Ali Qapu, and dozens of historic buildings
Global economy	The greatest disruption to oil supply in history; Brent crude above $100

11.11 Provisional Assessment: Has This Policy Weakened the Regime?

Axis A — Material Capabilities

From this perspective, Trump's second term has been the most effective period in the history of U.S. policy toward the Islamic Republic. The Leader of the system, much of its military and security command, its conventional navy, a significant share of its missile launchers, its energy and petrochemical infrastructure, and the regime's export revenues have been eliminated or seriously damaged. The naval blockade has deprived the regime of a large share of its oil revenue. Nevertheless, leaked intelligence reports indicate that at certain junctures the regime had preserved much of its missile capability, and according to some analysts its attacks in the summer of 2026 have been more effective than those of the first days of the war.

Axis B — Behavior

On this axis, the result so far has been the opposite of the objective. A regime that in the past forty-seven years had never dared to close the Strait of Hormuz closed it and claimed sovereignty over it. Direct attacks on the Arab states of the Persian Gulf, which until 2019 had been carried out only through proxies, became routine behavior. The nuclear program, previously under IAEA monitoring, has sunk into complete opacity. In other words, when the regime saw its survival at stake, instead of "tactical retreat" (the pattern of 1988 and 2003) it chose "maximum escalation"; because this time the declared objective was the regime's survival itself, and no specific exit path had been defined for it.

Axis C — Internal Cohesion and Legitimacy

This is the most complex axis. The January massacre, before the war, showed that the regime's bond with a large part of society had been severed. The killing of Khamenei was an unprecedented symbolic blow. But three factors have prevented this rupture from turning into collapse: first, the relative cohesion of the armed forces and the absence of large-scale defections; second, internet

shutdowns and continuous repression that made organization difficult; and third, the nationalist effect of a foreign war and the damage to civilian infrastructure (bridges, universities, hospitals, historic buildings), which held part of society—even if not loyal to the regime—back from welcoming a foreign attack. In March, Reza Pahlavi, one of the figures of the opposition, asked Trump and Netanyahu not to target civilian infrastructure that "Iranians will need to rebuild the country"—a request that reflects precisely this duality.

Two Readings

The defenders' reading: The war brought the regime to the weakest material condition in its history, eliminated its leadership, and seriously reduced the nuclear threat. A regime that massacred its own people in January had no legitimacy to defend, and action against it was a response to decades of terrorism, hostage-taking, and attacks on Americans. The costs are heavy, but the cost of a nuclear Iran would have been heavier.

The critics' reading: The war began in the middle of negotiations, lacked a clear basis in international law, failed to bring America's allies along, and pursued its declared objectives—especially regime change—without a plan for "the day after." The regime survived and grew more radical; the nuclear program slipped beyond monitoring; the global economy was harmed; and the damage to civilians and to cultural heritage made the regime's narrative more credible to part of society.

11.12 Provisional Scorecard of the Second Trump Term

Policy	Score (provisional)	Brief Judgment
NSPM-2 and maximum pressure	4	Effective economic pressure; set the stage for the collapse of the rial
The 2025 Oman talks	2	Deadlock over enrichment
Midnight Hammer	4	Real damage; but loss of IAEA monitoring

Policy	Score (provisional)	Brief Judgment
Support for Europe's snapback	4	Restoration of the international legal framework
Response to the January massacre	2	Threats without enforcement at the moment of the massacre
Epic Fury (Axis A)	5	Elimination of the Leader and the command; the regime's weakest material condition
Epic Fury (Axis B)	1	Closure of Hormuz, attacks on neighbors, nuclear opacity
Naval blockade and economic exclusion	4	Deprivation of oil revenue; global cost
The Islamabad memorandum	2	Collapsed in less than a month

11.13 Provisional Lessons

- **Lesson one — Eliminating the leader is not eliminating the regime:** The Islamic Republic is a multilayered institution in which the IRGC, not an individual, is the pillar of power. The elimination of the Leader, without defections in the armed forces, led to succession, not collapse.
- **Lesson two — "Regime change" as a declared objective takes the exit path away from the regime:** In 1988 and 2003 the regime retreated because retreat guaranteed its survival. When the objective is the regime's survival itself, no retreat is rational; and the result is maximum escalation.
- **Lesson three — Air power does not make a revolution:** Netanyahu himself acknowledged in March that "you cannot make a revolution from the air." Political change in Iran requires domestic forces, defections within the security apparatus, and a plan for "the day after," none of which was central to the design of this war.

- **Lesson four — International consensus still matters:** The same Europe that activated the snapback mechanism and designated the IRGC as terrorist declined to take part in the war. The United States was able to start the war, but not to build a coalition to reopen Hormuz.
- **Lesson five — Harm to the people is the regime's capital:** This lesson, which began with Flight 655 in 1988, was confirmed again in 2026. Attacks on civilian infrastructure and cultural heritage blurred the boundary between the regime and the nation that the January massacre had drawn so clearly.

With the end of this chapter, Part Two of the book—a review of the doctrines of nine American presidential administrations—comes to a close. Part Three revisits the same forty-seven years horizontally and thematically: the architecture of sanctions, hostage-taking, terrorism, the nuclear file, the proxy network, and human rights.

Part Three: Thematic Files

Part Two examined U.S. policy vertically, administration by administration. That method is essential for understanding the logic of each administration, but it has a limitation: it fragments trends that cut across administrations. The sanctions that Carter began, Clinton expanded, George W. Bush made smart, Obama brought to their peak, and Trump turned into an instrument of economic warfare constitute a single "system" that can be evaluated only from a horizontal perspective. Part Three revisits the same forty-seven years through six thematic files: sanctions; hostage-taking; terrorism and external operations; the nuclear file; the proxy network; and human rights. The aim of this part is to answer a question that Part Two raised only in scattered form: in each file, which instrument worked, which did not, and why?

Chapter Twelve: The Architecture of Sanctions

12.1 The Chapter's Question

Sanctions have been the most continuous instrument of U.S. policy toward the Islamic Republic. From November 14, 1979, to the present, there has not been a single day on which Iran was not under some form of American sanctions; the "national emergency" that Carter declared is the longest-running emergency currently in force in American history. Over this period, more than twenty-five executive orders and more than ten separate acts of Congress have been issued or enacted for Iran alone, and the number of Iranian persons and entities on the Treasury's sanctions lists has reached the thousands. Iran has become one of the most heavily sanctioned countries in the world.

Even so, the question "Did sanctions work?" has no simple answer. Sanctions made the regime poorer, but they did not topple it. Once (2013) they brought the regime to the negotiating table, and another time (2019) they led to an escalation of its behavior. They made the regime's security institutions richer and the middle class poorer. By distinguishing "generations" of sanctions, this chapter seeks to identify the conditions of effectiveness, to trace the regime's mechanisms of adaptation, and to answer the question of who actually paid the cost of sanctions.

12.2 Five Generations of Sanctions

U.S. sanctions against the Islamic Republic can be grouped into five generations. Each generation had a different logic, set of instruments, and objective, and each successive generation was usually a response to the failures of the one before.

Generation	Period	Logic	Principal Instruments	Objective
First: hostage	1979–1981	Bargaining leverage for the	Asset freezes; trade embargo	A deal

Generation	Period	Logic	Principal Instruments	Objective
sanctions		release of the hostages		
Second: terrorism sanctions	1984–1995	Punishment for supporting terrorism; restricting arms	State sponsors of terrorism list; Operation Staunch; import ban (1987)	Restriction
Third: comprehensive unilateral sanctions	1995–2005	Dual containment; preventing investment	Comprehensive trade embargo; the first secondary sanctions (ILSA)	Containment
Fourth: smart and multilateral sanctions	2005–2016	Pressure on the nuclear program through the financial system	The Treasury; Security Council resolutions; CISADA; the Central Bank; the European oil embargo and SWIFT	Negotiation
Fifth: economic warfare	2018–2026	Maximum pressure without consensus; later combined with military action	Unilateral secondary sanctions; sanctions on the IRGC and the Office of the Leader; snapback; naval blockade	Surrender or collapse

The First Generation: Sanctions as Bargaining Leverage

Executive Orders 12170, 12205, and 12211 of 1979 and 1980 had a limited and clear objective: the release of the hostages. Despite its negligible immediate effect, this generation ultimately achieved its objective, because the frozen assets became the backing of the Algiers Accords. The lesson of this generation, to which little attention was later paid, was that a sanction with a limited and attainable objective—where the other side knows in exchange for what action it will be lifted—has the greatest chance of effectiveness.

The Second Generation: Sanctions as Punishment

From 1984, with Iran's designation as a state sponsor of terrorism, the logic of sanctions shifted from "bargaining" to "punishment."

Sanctions were no longer tied to a specific objective whose achievement would lead to their removal, but were a permanent response to the nature of the regime. This change of logic, which persisted throughout the following decades, had a structural consequence: the regime no longer had any incentive to change its behavior, because even if it did, the "state sponsor of terrorism" label and the related sanctions would remain.

The Third Generation: Comprehensive Unilateral Sanctions

Executive Orders 12957 and 12959 in 1995, and ILSA in 1996, made the sanctions comprehensive. But this generation was caught in the "substitution problem": the American company withdrew and a European or Asian competitor took its place. ILSA was meant to solve this problem, but it was never enforced. The result was a sanction that harmed American companies more than the Iranian regime, although in the long term the deprivation of Iran's oil industry of American technology had a cumulative effect.

The Fourth Generation: Smart and Multilateral Sanctions

This generation had two fundamental innovations. The first was "financial sanctions": the Treasury realized that the U.S. dollar and the global banking system were chokepoints that Iran could not circumvent, and that foreign banks, to preserve their access to the American market, would voluntarily distance themselves from Iran. The second was "multilateralism": Security Council resolutions provided legal legitimacy for broader European and Asian sanctions, and the European oil embargo and the SWIFT disconnection in 2012 complemented America's secondary sanctions. This generation was the only one that clearly achieved its declared objective—bringing the regime to the negotiating table.

The Fifth Generation: Economic Warfare

The fifth generation employed the instruments of the fourth without its international consensus, and changed their purpose from "pressure for negotiation" to "pressure for surrender or collapse." In this generation, the distinction between sanctions and war gradually faded: sanctions on the Office of the Leader, the

terrorist designation of official state institutions, sanctions on the Central Bank under terrorism authorities that made humanitarian channels more difficult, and ultimately, in 2026, the naval blockade and the threat to cut off dollar access for any country that trades with Iran. This generation inflicted the greatest material damage, but achieved the least behavioral change.

12.3 The Legal Map of Sanctions

The Fundamental Distinction: Primary and Secondary Sanctions

Primary sanctions prohibit American persons (citizens, companies, and their foreign branches) from transacting with Iran. Since 1995, almost all American transactions with Iran have been prohibited, except for limited humanitarian and informational exceptions.

Secondary sanctions target non-American persons: they tell a foreign company or bank that if it transacts with Iran in a given sector, it will be cut off from the American market or financial system. The real power of U.S. sanctions lies in this second layer, because the United States has little trade with Iran, but access to the American market and the dollar is vital for almost every major company in the world.

Key Executive Orders

Order	Date	Content
12170	November 1979	Declaration of a national emergency; blocking of Iranian government assets
12205 and 12211	April 1980	Export, import, and travel sanctions
12613	October 1987	Ban on imports of Iranian goods
12957	March 1995	Ban on American participation in developing Iranian oil
12959	May 1995	Comprehensive trade and investment embargo
13059	August 1997	Consolidation and ban on re-exports
13224	September 2001	Sanctions on supporters of terrorism (Quds Force, 2007; the entire IRGC, 2017)

Order	Date	Content
13382	June 2005	Sanctions on proliferators of weapons of mass destruction (IRGC and banks, 2007)
13553	September 2010	Sanctions on human rights violators
13590	November 2011	Sanctions on the energy and petrochemical sectors
13599	February 2012	Full blocking of the property of the government and the Central Bank
13606	April 2012	Sanctions on technologies of repression and surveillance
13608	May 2012	Sanctions on sanctions evaders
13622	July 2012	Sanctions on purchases of oil and petrochemicals
13645	June 2013	Sanctions on automobiles and rial transactions
13846	August 2018	Reimposition of sanctions after withdrawal from the JCPOA
13871	May 2019	Sanctions on metals
13876	June 2019	Sanctions on the Office of the Leader
13902	January 2020	Sanctions on construction, mining, manufacturing, and textiles
13949	September 2020	Sanctions on conventional arms

Acts of Congress

Law	Year	Principal Innovation
Iran and Libya Sanctions Act (ILSA/ISA)	1996	The first comprehensive secondary sanctions on the energy sector
Iran Nonproliferation Act (INA, later INKSNA)	2000	Sanctions on transferors of weapons technology
Iran Freedom Support Act (IFSA)	2006	Codification of sanctions into law; democracy funding
CISADA	2010	Gasoline sanctions; sanctions on foreign banks

Law	Year	Principal Innovation
		dealing with the IRGC
NDAA 2012, Section 1245	2011	Central Bank sanctions; requirement of gradual reduction of oil purchases
ITRSHRA	2012	Extension to shipping, insurance, and IRGC members
IFCA	2013	Sectoral sanctions; restricted accounts
INARA	2015	Congressional review of any nuclear agreement
CAATSA	2017	Terrorism sanctions on the entire IRGC; missiles
The MAHSA Act and the SHIP Act	2024	Sanctions on the leadership for repression; sanctions on foreign refineries and ports

The Third Layer: Terrorist Designations

Apart from economic sanctions, three legal labels have built an almost irremovable layer: the list of state sponsors of terrorism (since 1984); sanctions on the IRGC under Executive Order 13224 (since 2007 for the Quds Force and 2017 for the entire IRGC); and the designation of the IRGC as a foreign terrorist organization (2019). These labels—especially given the IRGC's extensive role in the Iranian economy—severely limit any real sanctions relief, even in the event of a nuclear agreement.

12.4 Which Layer Really Hurt?

Oil Exports: The Principal Indicator

Oil has been the Iranian government's main source of foreign-exchange revenue. Oil exports are therefore the best indicator for measuring the effect of sanctions on the regime's material capabilities. The figures below are approximate estimates based on various sources (the International Energy Agency, OPEC, and tanker-tracking companies) and, especially for periods of covert exports, should be read with caution.

Period	Approximate crude oil exports (barrels per day)	Principal Factor
2005–2011	About 2.2 to 2.6 million	Third-generation sanctions had no effect on exports
2013–2015	About 1 to 1.2 million	Section 1245, the European oil embargo, IFCA
2016–2017	About 2 to 2.5 million	Sanctions relief after the JCPOA
2019–2020	A few hundred thousand (official); rising covert exports	Maximum pressure; end of waivers
2023–2024	About 1.3 to 1.6 million (mainly to China)	Lax enforcement; the shadow fleet
2026	Sharply reduced; no reliable data available	War and naval blockade

This table reveals a key point: the two periods of sharp decline in exports (2013 and 2019) occurred with similar instruments (secondary sanctions on buyers) but in different contexts (with consensus in 2013, without consensus in 2019). In both periods the effect on exports was considerable; but only in 2013 did it lead to a change in behavior. The 2023–2024 period also shows that the same statutory sanctions, without serious enforcement, quickly lose their effect.

Four Conditions of Effectiveness

A comparison of the five generations shows that sanctions have had the greatest effect when four conditions were present simultaneously:

- **Condition one — A chokepoint:** The sanction must target a chokepoint that Iran cannot easily circumvent. The dollar and the global banking system (the fourth generation) were such chokepoints; trade in goods (the third generation) was not.
- **Condition two — Enforcement:** Secondary sanctions are effective only when companies and banks believe they will be

enforced. ILSA was never enforced and had no effect; CISADA and Section 1245 were enforced and had effect.

- **Condition three — Consensus:** The more allies and great powers come on board, the less room there is for evasion. In 2012 Europe imposed its own oil embargo and Russia and China accepted the resolutions; in 2019 Europe tried to circumvent the sanctions and China became the principal buyer.
- **Condition four — An exit path:** The regime must know in exchange for what action the sanctions will be lifted, and must regard that promise as credible. In 2013 this path (a limited nuclear agreement) was clear; in 2019 Pompeo's twelve conditions were, for the regime, tantamount to surrender; in 2026 the declared objective was regime change itself.

The only period in which all four conditions were present simultaneously is 2012 to 2013; and this is the only period in which sanctions led to a clear change in the regime's behavior.

12.5 The Regime's Adaptation: The Evolution of the "Evasion Economy"

Over forty-seven years, the Islamic Republic has built a complex set of sanctions-evasion mechanisms that have evolved with each generation of sanctions.

Period	Principal Evasion Mechanism	Example
1980s	Black-market arms; intermediaries; hostage deals	Iran-Contra; purchases from China and North Korea
1990s	Buy-back contracts with European companies; front companies	Total at Sirri and South Pars
2000s	Shifting financial operations to Dubai; exchange houses; intermediary accounts	Networks of UAE exchange houses
2010–2015	"Gold for gas"; cash; private intermediaries	The Reza Zarrab and Halkbank case; the Babak Zanjani case

Period	Principal Evasion Mechanism	Example
2018–2026	The shadow fleet; switching off tracking systems; ship-to-ship transfers; altering the label of the oil's origin; independent Chinese refineries; cryptocurrency mining	Hundreds of old tankers under flags of convenience

The Zarrab and Halkbank Case

Reza Zarrab, an Iranian-Turkish trader, was arrested in the United States in 2016 and, after cooperating with prosecutors, exposed a network that had moved billions of dollars of Iran's oil and gas revenue through Turkey's state-owned Halkbank in the form of gold and fictitious food transactions. Halkbank was indicted in federal court in New York in 2019. This case showed that sanctions evasion on a macro scale is not possible without the complicity of state institutions in third countries.

The Shadow Fleet

In the fifth generation, the backbone of Iran's exports was a fleet of old tankers operating under the flags of small countries, with tracking systems switched off and complex ownership-concealment structures. This fleet, part of which was shared with Russia's shadow fleet, usually transferred oil to other ships in Malaysian waters and sold it, labeled as "Malaysian oil," to independent Chinese refineries. The U.S. Treasury sanctioned hundreds of tankers between 2022 and 2025, but the fleet adapted by replacing ships.

Beneficiaries of the Evasion Economy

An important structural consequence of the "evasion economy" was that it transferred wealth and economic power to the institutions that had the capacity to evade: the IRGC's Khatam al-Anbiya Construction Headquarters, foundations affiliated with the Leader, the Execution of Imam Khomeini's Order (EIKO, which the U.S. Treasury sanctioned in 2013 and whose assets it estimated at tens of billions of dollars), and a network of private intermediaries linked to the security institutions. In an economy where goods and foreign

exchange are scarce, whoever controls the channels of import and sale profits from "sanctions rents." In other words, sanctions inadvertently destroyed the competitiveness of the independent private sector and reinforced the monopoly of the security institutions.

12.6 Who Paid the Cost?

The Middle Class

The greatest cost of sanctions, especially in the fourth and fifth generations, was paid by the urban middle class: employees and salaried workers whose incomes were in rials and were eroded by 40 percent inflation; students who could not transfer foreign exchange to study abroad; and entrepreneurs who, because of banking isolation, had no possibility of legal foreign trade. The World Bank and Iranian economic researchers have reported a significant increase in the poverty rate in the years after 2018. At the same time, the wave of emigration of skilled professionals, which had begun in 2012, accelerated after 2018. This is the very class that played a central role in every protest movement—1388 (2009), 1401 (2022), and 1404 (2025–2026).

Medicine and Humanitarian Goods

U.S. sanctions have always exempted food, medicine, and medical equipment. In practice, however, the "over-compliance" of foreign banks and companies—which, for fear of penalties, refrained even from permitted transactions—made access to certain specialized medicines difficult. In 2019 Human Rights Watch reported that patients with rare diseases and cancer, including patients with epidermolysis bullosa (EB), faced shortages of medicine. The sanctioning of the Central Bank under terrorism authorities in September 2019 aggravated this problem. In response, the "Swiss Humanitarian Trade Arrangement" was launched in 2020, which solved only part of the problem. The regime, for its part, wasted part of the subsidized foreign exchange for medicine in networks of corruption and laid the blame for shortages entirely on sanctions.

The Regime's Narrative

Sanctions gave the regime a ready explanation for all its economic failures. Mismanagement, structural corruption, heavy military and regional expenditure, and ineffective economic policies were all hidden in the official narrative under the heading of "the enemy's economic war." This narrative was never fully accepted—the slogan "Our enemy is right here; they lie when they say it's America" became one of the common protest slogans from 1396 (2017) onward—but for part of society, especially in periods when sanctions targeted essential goods, it was credible.

12.7 Sanctions Relief: A Lever That Works Poorly

Sanctions are an instrument of negotiation only when their removal is credible. Forty-seven years of experience show that this condition is met only with difficulty in the Iran file, for three structural reasons.

- **The statutory lock:** A large part of the sanctions is codified in acts of Congress. The President can only use "waivers," which are temporary and revocable. This is what Iran sought to resolve in the Vienna talks (2021–2022) by demanding a "guarantee," and it could not be resolved.
- **Overlapping layers:** An Iranian entity may be sanctioned simultaneously on the basis of the nuclear program, terrorism, human rights, and missiles. Lifting nuclear sanctions (the JCPOA) does not free that entity from the other sanctions. For this reason, after the JCPOA many major European banks continued to refrain from dealing with Iran.
- **Market risk-aversion:** Major banks and companies, even after the formal lifting of sanctions, avoided returning to Iran for fear of the sanctions' return and because of heavy past penalties. In 2016 Secretary of State John Kerry even traveled to Europe to encourage banks to deal with Iran—an effort that had limited results.

The consequence of these three factors was that after the JCPOA Iran received less than it had expected, which lent credibility to the argument of the agreement's opponents in Tehran—that "America does not honor its commitments"—even before Trump's withdrawal. The 2018 withdrawal fully confirmed this argument. The upshot is that in any future negotiation sanctions relief has less negotiating value than in the past, because its credibility has been eroded.

12.8 Scorecard of the Five Generations of Sanctions

Generation	Axis A (Capabilities)	Axis B (Behavior)	Axis C (Cohesion)	Overall Score
First (1979–1981)	Moderate	Positive in the long term (Algiers)	Negative	4
Second (1984–1995)	Limited	Zero	Neutral	3
Third (1995–2005)	Limited; cumulative long-term effect	Zero	Negative (weakened the pragmatic faction)	3
Fourth (2005–2016)	Strongly positive	Positive (negotiation and the JCPOA)	Contradictory	5
Fifth (2018–2026)	Strongly positive	Negative (escalation)	Contradictory; strengthened the security institutions	3

12.9 Seven Principles for Sanctions Policy

On the basis of forty-seven years of experience, seven principles can be derived for designing effective sanctions policy against the Islamic Republic:

- **Principle one — Target the chokepoint, not the whole economy:** The most effective sanctions targeted the regime's

access to the dollar, the banking system, and oil revenue. Broad sanctions on goods harmed the people more than the regime.

- **Principle two — A sanction that is not enforced is worse than no sanction:** It teaches the market that the American threat is empty. Credibility is the principal capital of sanctions policy.
- **Principle three — Consensus is a multiplier:** A unilateral sanction with full enforcement has less effect than a multilateral sanction with moderate enforcement, because it leaves room for evasion.
- **Principle four — Make the objective and the exit path clear:** The regime must know which sanction will be lifted in exchange for what. A sanction whose objective is "complete surrender" or "collapse" creates no incentive for behavior change.
- **Principle five — Target the evasion economy, not just the official economy:** IRGC networks, the shadow fleet, and evasion intermediaries are the principal beneficiaries of sanctions. A sanction that does not target them inadvertently strengthens them.
- **Principle six — Keep the humanitarian channel genuinely open:** Banks' over-compliance renders humanitarian exceptions ineffective. Specific mechanisms (such as the Swiss channel) and clear licenses (such as General License D-2 for the internet) are both humane and weaken the regime's narrative.
- **Principle seven — Sanctions are an instrument, not a strategy:** In no period did sanctions alone compel the regime to fundamental change. They produced results only in combination with diplomacy (2013) or with military pressure and external conditions (1981, 1988).

Chapter Thirteen turns to a file that began on the first day of the relationship between the two countries and continues to this day: hostage-taking as an instrument of state.

Chapter Thirteen: Hostage-Taking as an Instrument of State

13.1 The Chapter's Question

The Islamic Republic is the only modern state that was born in an act of hostage-taking and that, over the course of its existence, turned hostage-taking into an institutionalized instrument of foreign policy. From the seizure of the embassy in 1979 to the detention of dual nationals in 2026, the regime has consistently used human beings as "negotiating currency": to obtain money, to secure the release of its own operatives convicted abroad, to gain political concessions, and to pressure Western governments at sensitive moments. When the U.S. Secretary of State designated Iran in February 2026 as a "state sponsor of wrongful detention," he pointed to this historical continuity: Ayatollah Khomeini consolidated his power by endorsing the taking of the American embassy staff as hostages, and for decades Iran has continued to detain Americans and citizens of other countries in order to gain political leverage.

The central question of this chapter is which policies of the United States (and of other Western countries) encouraged this behavior and which made it costly. The question is bound up with a real moral dilemma: a state that is obliged to protect its citizens cannot be indifferent to the fate of hostages; yet every deal that couples the release of a hostage with a concession teaches the hostage-taker that the practice pays and places future victims at risk. This chapter does not resolve that dilemma, but it shows what consequences different choices have had over forty-seven years.

13.2 Four Generations of Hostage-Taking

Generation	Period	Agent	Characteristics	Representative Example
Direct state	1979–	The "Students	Open violation of	52

Generation	Period	Agent	Characteristics	Representative Example
hostage-taking	1981	Following the Imam's Line," with the Leader's endorsement	diplomatic immunity	diplomats; 444 days
Proxy hostage-taking	1982–1992	Hezbollah and "Islamic Jihad," directed by the IRGC	Deniability; Western victims in Lebanon	Buckley, Anderson, Higgins
"Judicial" detention of dual nationals	2007–present	IRGC Intelligence Organization and Ministry of Intelligence; Revolutionary Courts	Legal cover; espionage charges; non-recognition of second nationality	The Namazis, Rezaian, Zaghari
Extraterritorial abduction and new proxy hostage-taking	2020–present	The IRGC and Iraqi militias	Abduction from third countries; hostage-taking in Iraq	Sharmahd (Dubai), Tsurkov (Iraq)

The Third Generation: The Innovation of "Judicialization"

The most important development in this history is the transition, from around 2007, from open hostage-taking to "judicial detention." In this model, the victim—usually a dual national, researcher, journalist, or businessperson who has traveled to Iran—is arrested on charges of "espionage," "cooperation with a hostile state," or "acting against national security," tried in a Revolutionary Court without access to independent counsel, and sentenced to long imprisonment or death. Iran does not recognize second nationality and therefore does not accept consular access by the second country. This legal cover allows the regime to claim that no "hostage" is involved and that the individual has been convicted under the law, while the timing of arrests and releases is clearly coordinated with negotiations and political deals.

The Principal Actor: The IRGC Intelligence Organization

After 2009, the IRGC Intelligence Organization became the principal actor in this file, and in many cases even the official government and Iran's Foreign Ministry were unaware of the arrests or unable to influence them. This is one of the clearest signs of the "two hands of the regime" examined in earlier chapters: in the very years when Zarif and Rouhani were negotiating the JCPOA, the IRGC Intelligence Organization arrested Siamak Namazi.

13.3 Chronology of American Hostages (Third and Fourth Generations)

Name	Detention	Release or Fate	Release Mechanism
Robert Levinson (retired FBI agent)	March 2007, Kish Island	Disappeared; in 2020 his family announced his death	Never released
Haleh Esfandiari, Kian Tajbakhsh (researchers)	2007	Released on bail after months	Diplomatic pressure; "velvet revolution" charge
Roxana Saberi (journalist)	January 2009	May 2009	Sentence reduced on appeal
Three hikers (Shane Bauer, Josh Fattal, Sarah Shourd)	July 2009	2010–2011	$500,000 "bail" per person, with Omani mediation
Amir Hekmati, Jason Rezaian, Saeed Abedini, and others	2011–2014	January 2016	Exchange coinciding with the JCPOA; payment of $1.7 billion
Siamak Namazi, Baquer Namazi	2015, 2016	September 2023 (Baquer earlier, for medical treatment)	Exchange accompanied by the transfer of $6 billion
Xiyue Wang (Princeton student)	2016	December 2019	Exchange for Massoud Soleimani
Michael White (veteran)	2018	June 2020	Exchange for Majid Taheri

Name	Detention	Release or Fate	Release Mechanism
Morad Tahbaz, Emad Shargi	2018	September 2023	Exchange accompanied by the transfer of $6 billion
Jamshid Sharmahd (German national, U.S. resident)	Abducted from Dubai, 2020	Executed, October 2024	—
Elizabeth Tsurkov (researcher abducted in Iraq)	2023, by Kata'ib Hezbollah	Released, 2025	U.S. pressure on the Iraqi government

At the time Iran was designated a state sponsor of wrongful detention, estimates indicated that at least four, and possibly up to eight, Americans were detained in Iran. In March 2026, in the midst of the war, Shelly Kittleson, an American journalist, was abducted in Baghdad by Kata'ib Hezbollah, and the group demanded the release of its detained members.

13.4 Six Major Deals: What We Gave, What We Got, What Happened Next

Deal	What the United States Gave	What Was Obtained	Subsequent Consequence
Algiers (1981)	Release of about $8 billion in assets; bar on hostage claims; non-intervention commitment	Release of 52 diplomats	No perpetrator was punished; hostage-taking in Lebanon began a year later
Iran-Contra (1985–1986)	More than 2,000 TOW missiles and HAWK parts	Release of 3 hostages	3 new hostages were abducted in the same months
Lebanon /Picco (1990–1991)	A vague promise of "goodwill"; $278 million at The Hague	Release of the last Lebanon hostages	End of the second generation; beginning of the narrative of "American bad faith"

Deal	What the United States Gave	What Was Obtained	Subsequent Consequence
The JCPOA (2016)	$1.7 billion (Hague settlement); clemency for 7 Iranians	Release of 4 Americans	Arrest of the Namazis in the same months
Small exchanges (2019–2020)	Release of 2 Iranians convicted of sanctions violations	Release of 2 Americans	Detentions continued
Qatar (2023)	Transfer of $6 billion to a restricted account; release of 5 Iranians	Release of 5 Americans	The money effectively remained frozen after October 7; new detentions

Analysis: The Hostage "Rate"

This table reveals a bitter but clear pattern. First, almost every deal that coupled the release of hostages with financial benefits or the release of prisoners was followed, in the months or years that followed, by new detentions. Second, the "price" of each hostage gradually rose: from spare parts in the 1980s to hundreds of millions and then billions of dollars in the 2010s and 2020s. Third, the timing of releases was almost always coordinated with a political moment: Reagan's inauguration day (1981), JCPOA Implementation Day (2016), or indirect negotiations (2023). For the regime, hostages were not only a financial currency but also an instrument of political timing.

In defense of these deals it must be said that in most cases the money "belonged to Iran" (frozen assets or oil revenue in restricted accounts) and was not a direct payment from the U.S. Treasury; and every American administration, of whichever party, ultimately placed the freedom of its citizens above considerations of deterrence. But from the hostage-taker's perspective, it makes no difference where the money was released from; what matters is that without the hostage, the money would not have been released.

13.5 The Experience of Other Countries: A Comparison

The Islamic Republic's hostage-taking has not targeted only the United States. The experience of European countries and Australia, which tested different models, is instructive for evaluating U.S. policy.

Country	Case	Release Mechanism	Consequence
United Kingdom	Nazanin Zaghari-Ratcliffe (detained 2016)	Payment of a historic debt of about £393.8 million for Shah-era Chieftain tank contracts; released March 2022	Detentions of British citizens continued
Australia	Kylie Moore-Gilbert (detained 2018)	Exchange for three Iranians convicted in a bomb plot in Thailand; released November 2020	Release of convicted operatives
Belgium	Olivier Vandecasteele (detained 2022)	Exchange for Assadollah Assadi, a diplomat convicted in the plot to bomb the Villepinte rally (2018); May 2023	Release of a convicted diplomat-terrorist; widespread criticism
Sweden	Johan Floderus, an EU diplomat (detained 2022)	Exchange for Hamid Nouri, sentenced to life imprisonment for participation in the 1988 (1367) massacre; June 2024	Release of one of the perpetrators of the 1988 massacre; Ahmadreza Djalali still at risk of execution
France	Cécile Kohler, Jacques Paris, Olivier Grondeau, and others	Lengthy negotiations; gradual releases	France brought Iran before the International Court of Justice
Germany	Jamshid Sharmahd	None; executed October 2024	Germany closed Iran's consulates

Comparative Analysis

The comparison shows that the model of "exchange for convicted operatives" (Australia, Belgium, Sweden) was even more

dangerous than the financial model, because it taught the regime that any terrorist operation or human rights crime on European soil that leads to arrest and trial can be "annulled" by taking a European citizen hostage. In other words, hostage-taking became an instrument for circumventing the judicial systems of Western countries. The Assadi exchange in 2023 effectively nullified the historic verdict of the Antwerp court, which for the first time had convicted a serving Iranian diplomat of terrorism. The Nouri exchange in 2024 likewise neutralized the first trial, under universal jurisdiction, of one of the perpetrators of the 1988 massacre.

13.6 The Evolution of U.S. Institutional Responses

Over four decades, the United States gradually moved from a "case-by-case" approach toward building institutional instruments to counter state hostage-taking.

Year	Measure	Content
2015	Presidential Policy Directive PPD-30 (Obama)	Creation of the Special Presidential Envoy for Hostage Affairs and the "Hostage Recovery Fusion Cell" at the FBI; permission for families to contact hostage-takers
2020	The Robert Levinson Act (in the consolidated appropriations act)	Statutory codification of hostage institutions; criteria for "wrongful detention"; possibility of sanctioning perpetrators
2021	Joining the "Declaration Against Arbitrary Detention in State-to-State Relations" (a Canadian initiative)	International coordination for the diplomatic isolation of hostage-taking states
2022	Executive Order 14078 (Biden)	Sanctions and visa bans against perpetrators of hostage-taking and wrongful detention
2024	The "D" indicator in State Department travel advisories	Explicit warning about the risk of wrongful detention in Iran
Septemb	Trump executive order on	Possibility of sanctions, export controls,

Year	Measure	Content
er 2025	"state sponsors of wrongful detention"	and entry bans; a label analogous to Foreign Terrorist Organization
2025	Countering Wrongful Detention Act (Congress)	Statutory authorization to designate countries
Februar y 27, 2026	Designation of Iran as the first "state sponsor of wrongful detention"	Warning of a possible ban on using American passports to travel to Iran

Analysis

This institutional trajectory is a positive development: it has transformed state hostage-taking from an "ad hoc crisis" into a "structural threat" with instruments of prevention and punishment. But one key instrument has not yet been fully deployed: a geographic ban on the use of American passports to travel to Iran, similar to that applied to North Korea since 2017. Such a ban, raised in February 2026 as a possible option, could reduce the number of "potential targets," but it carries a serious human cost for Iranian Americans with family in Iran.

13.7 Why Does the Regime Not Desist?

Hostage-taking serves four functions for the Islamic Republic, none of which Western policies have so far fully neutralized:

- **Financial function:** Access to frozen assets that could not be obtained by any other route.
- **Judicial function:** Securing the release of operatives and perpetrators convicted in foreign courts, and thus practical impunity for the regime's external operations.
- **Political function:** Creating leverage and a negotiating channel when no official channel exists; and symbolic timing.
- **Domestic function:** Supporting the narrative of "enemy spies" and "infiltration," intimidating the diaspora, and deterring dual nationals from engaging with civil society inside Iran.

Of these four functions, the domestic one has received the least attention. The detention of dual-national researchers, journalists, and activists sends a clear message to the Iranian diaspora: any scholarly, cultural, or civic activity connected to the inside of Iran carries the risk of prison. This has weakened one of the important bridges between Iranian society and the world.

13.8 Scorecard

Policy or Model	Score	Brief Judgment
The Algiers Accords (1981)	2	Release of the hostages without punishment; set a precedent
Iran-Contra	1	A direct reward; new hostage-taking
UN diplomacy (1991)	3	End of the second generation; a negative narrative
The JCPOA exchange and $1.7 billion	2	New hostage-taking in the same months
Small exchanges without money (2019–2020)	3	Less costly; no effect on detentions
The Qatar deal (2023)	2	Reconfirmation of the model; the money effectively remained frozen
Institutional instruments (2015–2026)	4	Raised the cost of hostage-taking; the right path
The model of exchange for convicted operatives (Europe and Australia)	1	Neutralized the Western judicial system

13.9 Six Principles for Countering State Hostage-Taking

- **Principle one — Freeing the hostage is the goal, but the "price" also matters:** Every concession must be weighed against the question of how many future victims it places at risk. Smaller payments and limited exchanges (2019–2020) carry a lower cost by this measure.

- **Principle two — Never exchange operatives convicted of terrorism or crimes against humanity:** Such exchanges turn the judicial system into an instrument of the regime's bargaining and create practical impunity for its external operations.
- **Principle three — Direct the cost at the perpetrators, not only at the state:** Personal sanctions on the judicial and security officials and IRGC Intelligence Organization commanders directly involved in detentions, and their prosecution under universal jurisdiction, transfer the cost to the decision-makers.
- **Principle four — Western coordination is essential:** The regime targets Western countries one after another and exploits their competition to free their citizens. A common position—including the collective expulsion of diplomats after every new detention—multiplies the cost of hostage-taking.
- **Principle five — Prevention is better than cure:** Explicit travel warnings and, where necessary, travel restrictions reduce the number of potential targets, although their human cost to Iranian-American families must be weighed.
- **Principle six — Do not separate hostage-taking from the other files:** In the JCPOA negotiations, the hostage file proceeded in parallel and separately, and the regime took new hostages immediately after the agreement. Any future agreement must include an end to wrongful detentions as part of its commitments.

Chapter Fourteen turns to a file closely linked to hostage-taking: terrorism and the regime's external operations, from Beirut in 1983 to the assassination plots on American soil in the 2020s.

Chapter Fourteen: Terrorism and External Operations

14.1 The Chapter's Question

The Islamic Republic has been on the U.S. list of state sponsors of terrorism without interruption since 1984, and the State Department, in its annual reports, has identified it as "the world's leading state sponsor of terrorism." The regime's external operations have spanned four continents—the Middle East, Europe, Latin America, and North America—and a spectrum ranging from the assassination of dissidents to mass bombings, kidnappings, and bombings against Jewish and Israeli targets. Rather than repeat the accounts of earlier chapters, this chapter examines all these operations as a single "system" and answers one question: which type of response—judicial, sanctions-based, diplomatic, or military—actually deterred the regime from continuing these operations?

14.2 The Architecture of External Operations

The Islamic Republic's external operations are carried out by several parallel institutions that sometimes compete and sometimes cooperate:

Institution	Role	Characteristics
IRGC Quds Force	Cross-border operations; direction of the proxy network; special assassination units	The backbone of regional operations and part of European and American operations
IRGC Intelligence Organization	Cross-border security operations; abduction and hostage-taking	Expanding since around 2009
Ministry of Intelligence	Assassination of dissidents; espionage; infiltration	The principal actor in the European assassinations of the 1990s and the 2018 Villepinte plot
Lebanese	Operations in Latin America,	Buenos Aires, Burgas

Institution	Role	Characteristics
Hezbollah (External Security Organization)	Europe, and Asia	
Criminal networks for hire	Carrying out operations with complete deniability	Criminal gangs in Europe, the United States, and Australia in the 2020s

The Shift to "Criminal Outsourcing"

The most important development of the 2020s was the outsourcing of operations to criminal networks. Instead of dispatching Iranian agents or using diplomats—which in the 2018 Villepinte plot led to the conviction of a serving diplomat—the regime has increasingly used drug-smuggling gangs, members of criminal groups, and hired killers. In January 2024 the U.S. Treasury sanctioned the network of Naji Ibrahim Sharifi Zindashti, a drug trafficker linked to the Ministry of Intelligence, for assassination and kidnapping operations against dissidents. In 2024 Sweden announced that the regime had used criminal gangs to attack Israeli targets in that country. This outsourcing has increased the regime's deniability and made judicial attribution more difficult.

14.3 Five Periods of External Operations

The First Period (1980–1988): Exporting the Revolution and Proxy War

The regime's first assassination on American soil took place only eight months after the seizure of the embassy: on July 22, 1980, Ali Akbar Tabatabai, a former Shah-era diplomat and opponent of the regime, was killed at his home in Bethesda, Maryland, by an American convert to Islam who was an agent of the regime. The killer fled to Iran and was never tried. In the same decade came the Beirut bombings (1983), the Kuwait bombings (1983), and a wave of bombings in Paris (1985–1986) attributed to a network linked to Iran and Hezbollah.

The Second Period (1989–1997): Assassination of Dissidents and Cross-Border Attacks

After the war, the Ministry of Intelligence under Ali Fallahian carried out a wave of assassinations of dissidents in Europe: Ghassemlou (Vienna, 1989), Kazem Rajavi (Geneva, 1990), Bakhtiar (Paris, 1991), and Mykonos (Berlin, 1992). At the same time, Hezbollah, with Iranian support, carried out the Buenos Aires bombings (1992 and 1994), and Hezbollah al-Hejaz carried out the Khobar bombing (1996). According to human rights organizations, the number of dissidents assassinated abroad in this decade exceeded one hundred.

The Third Period (1997–2010): A Pause in Europe, War in Iraq

After the Mykonos verdict (1997), the regime's assassinations in Europe declined appreciably. The focus of external operations shifted to Iraq after 2003, where the Quds Force directed a proxy war against American forces and was held responsible for the deaths of hundreds of American servicemembers.

The Fourth Period (2011–2020): The Revival of Global Operations

From 2011, and especially in response to the assassination of Iranian nuclear scientists and to crippling sanctions, the regime resumed global operations: the plot to assassinate the Saudi ambassador in Washington (2011); simultaneous attacks on Israeli diplomats in New Delhi, Tbilisi, and Bangkok (February 2012); the bombing of a bus carrying Israeli tourists in Burgas, Bulgaria, by Hezbollah (July 2012); the assassination of two dissidents in the Netherlands (2015 and 2017), which the Dutch government attributed to Iran in 2019; a plot against Arab dissidents in Denmark (2018); and the plot to bomb a rally of the People's Mojahedin Organization in Villepinte, France (June 2018), which was foiled with the arrest of Assadollah Assadi, an Iranian diplomat in Vienna. In the same period, the regime lured Ruhollah Zam, a dissident journalist, to Iraq in 2019, abducted him, and executed him in December 2020; and it abducted Habib Chaab from Turkey in 2020 and executed him in 2023.

The Fifth Period (2021–2026): Operations on Western Soil and Criminal Outsourcing

The 2020s witnessed the most extensive and audacious wave of regime operations on the soil of Western countries:

- **United States:** The plot to kidnap (2021) and later to murder (2022) Masih Alinejad; the plot to assassinate John Bolton (2022); the plot to assassinate Donald Trump before the 2024 election; and, according to media reports, a new plot against Trump in July 2026. The attack on Salman Rushdie in New York (August 2022), although not directly attributed to the regime, was the execution of the 1989 fatwa.
- **United Kingdom:** The domestic security service (MI5) announced that since 2022 it had foiled more than twenty plots attributed to Iran. In March 2024, Pouria Zeraati, a presenter for Iran International, was stabbed in London.
- **Spain:** Alejo Vidal-Quadras, a Spanish politician and supporter of Iranian dissidents, was shot and wounded in Madrid in November 2023.
- **Australia:** In August 2025, after its intelligence service identified the regime as behind arson attacks on a synagogue and a Jewish restaurant in Melbourne and Sydney, the Australian government expelled Iran's ambassador—the first expulsion of an ambassador from Australia since the Second World War.
- **Extraterritorial abduction:** Jamshid Sharmahd was abducted from Dubai and executed in October 2024.

14.4 Comprehensive Table: Operation, Response, and Result

Operation	Year	Western Response	Type of Response	Deterrent Effect
Assassinatio n of	1980	Fruitless prosecution	Judicial, without arrest	None

Operation	Year	Western Response	Type of Response	Deterrent Effect
Tabatabai (Maryland)				
The Beirut bombings	1983	Withdrawal from Lebanon; damages judgments decades later	Retreat	Negative (encouragement)
The European assassinations	1989–1992	Relative silence; Europe's "critical dialogue"	Weak diplomatic	Negative
Buenos Aires	1992, 1994	Indictments and Interpol red notices (2006–2007)	Judicial, without arrest	Limited
Khobar	1996	2001 indictment; no military response	Judicial, without arrest	Negative
Mykonos	1992; verdict 1997	Court verdict holding the leadership responsible; collective recall of European ambassadors	Judicial + collective diplomatic	Strong (decline in assassinations in Europe for about two decades)
Proxy war in Iraq	2004–2011	Hunting networks in Iraq; sanctions on the Quds Force	Limited military + sanctions	Weak
Plot against the Saudi ambassador	2011	Conviction of the perpetrator; individual sanctions	Judicial + sanctions	Weak
Villepinte	2018	Conviction of Assadi (2021); EU sanctions on the Ministry of Intelligence (2019)	Judicial + sanctions	Moderate; neutralized by the 2023 exchange
Proxy attacks on U.S. forces in Iraq	2019	Killing of Soleimani	Direct military action against the command	Strong in the short term
Plots on American	2021–2024	Indictments; sanctions	Judicial + sanctions	Weak

Operation	Year	Western Response	Type of Response	Deterrent Effect
soil				
Attacks in Australia	2024	Expulsion of the ambassador (2025)	Decisive diplomatic	Not yet assessable

14.5 Which Responses Were Deterrent?

The table above makes possible a clear classification of the types of response and their effects:

Effective Responses

- **Judicial attribution of responsibility to the leadership, combined with a collective diplomatic response:** The Mykonos verdict, which explicitly held Iran's leadership responsible, combined with the simultaneous recall of the ambassadors of all European countries, was the most effective response in forty-seven years to the regime's state terrorism. For nearly two decades the regime refrained from assassinating dissidents in Europe. The key to effectiveness was the combination of three elements: independent judicial evidence, targeting of the highest level of decision-making, and a unified response by multiple countries.
- **Direct action against the command of operations:** The killing of Soleimani in 2020 placed the cost directly on the decision-maker and, for a time, reduced lethal attacks on American forces in Iraq. This response—of which there had been only one precedent in the entire history of this relationship (Praying Mantis, 1988)—broke the rule that proxy operations were cost-free.

Low-Effect Responses

- **Indictments without arrest:** Indictments whose defendants are in Iran and will never appear in court (Khobar, AMIA, the plots of the 2020s) have documentary value but impose no real cost

on the regime. The only exception is the restriction on defendants' foreign travel (such as Ahmad Vahidi, on account of the AMIA red notice).

- **Individual sanctions:** Sanctions on officials and commanders who have no assets in, or travel to, the West have negligible practical effect.

Counterproductive Responses

- **Retreat after attack:** The withdrawal from Lebanon (1984) and the failure to respond to Khobar (1996) and to the attacks of 2019 taught the regime that terrorism and proxy attack are effective and low-cost instruments.
- **Exchange of convicted perpetrators:** The release of Assadi (2023) and Nouri (2024) in exchange for hostages nullified the most important judicial achievements of the West and showed the regime that even conviction in court is not the end of the matter.
- **"Critical dialogue" alongside assassinations:** Continuing normal relations with the regime while assassinations were under way (Europe, 1992–1997) sent it the message that external operations had no effect on diplomatic relations.

14.6 Terrorist Designations: From the United States to Europe

Over forty-seven years, terrorist designations against the Islamic Republic and its institutions have gradually spread from the United States to other countries:

Designation	Issued By	Year
State sponsor of terrorism	United States	1984
Hezbollah as a foreign terrorist organization	United States	1997
Quds Force (Executive Order 13224)	United States	2007
Hezbollah's military wing	European Union	2013

Designation	Issued By	Year
Sanctions on the Ministry of Intelligence's operations directorate	European Union	2019
IRGC as a foreign terrorist organization	United States	2019
IRGC	Canada	2024
State sponsor of wrongful detention	United States	February 2026
IRGC (after the January massacre)	European Union	2026

The European Union's designation of the IRGC as a terrorist organization in 2026, after years of resistance justified on legal grounds (the need for a court ruling in a member state) and political grounds (preserving the diplomatic channel), was a turning point. This development showed that the mass killing of the Iranian people changed Europe's position more than decades of terrorist operations on European soil.

14.7 Scorecard

Type of Response	Score	Examples
Judicial attribution to the leadership + collective response	5	Mykonos
Direct action against the command	4	Soleimani
Decisive diplomatic expulsion	4	Australia (2025); Germany (closure of consulates, 2024)
Terrorist designation	4	State sponsors list; the IRGC
Indictment without arrest	3	AMIA, Khobar, the plots of the 2020s
Individual sanctions	2	Sanctions on Quds Force commanders
Dialogue alongside assassination	1	Europe's critical dialogue
Retreat or failure to respond	1	Lebanon 1984; Khobar; Abqaiq
Exchange of convicted perpetrators	1	Assadi; Nouri

14.8 Five Lessons

- **Lesson one — The cost must reach the decision-maker:** Only responses that targeted the highest level of the regime proved deterrent.
- **Lesson two — Western unity is a multiplier:** Mykonos was effective because all of Europe responded together. The regime has always benefited from the fragmentation of responses.
- **Lesson three — Every judicial victory must be immune from exchange:** The conviction of perpetrators in Western courts has deterrent value only if it is not tradable.
- **Lesson four — Criminal outsourcing requires a new response:** Through the use of criminal networks, the regime's deniability has increased. An effective response is to target the intermediaries and to hold the regime explicitly responsible for their actions, without waiting for complete evidence of a direct link.
- **Lesson five — Terrorism and hostage-taking are two sides of the same coin:** The regime has used hostage-taking to free the perpetrators of terrorism. Any strategy to counter one without the other is incomplete.

Chapter Fifteen turns to the file that has been the principal focus of U.S. policy over the past two decades: the nuclear program, from the research reactor of 1967 to the underground facilities of Pickaxe Mountain in 2026.

Chapter Fifteen: The Nuclear File

15.1 The Chapter's Question

From August 2002, when the existence of the Natanz facility was revealed, Iran's nuclear program became the central axis of U.S. policy toward the Islamic Republic. Over more than two decades, the United States deployed almost every instrument against this program: technology denial, intelligence disclosure, multilateral diplomacy, Security Council resolutions, crippling sanctions, cyber sabotage, a nuclear agreement, withdrawal from the agreement, and finally direct bombing and war. This chapter answers one question: which instrument genuinely delayed or constrained the program, and which accelerated it? The chapter's principal indicator is "breakout time": the length of time Iran would need to produce enough weapons-grade uranium for a single nuclear weapon, should it decide to do so.

15.2 Seven Phases of the Program

Phase	Period	Principal Characteristics	U.S. Policy
The Shah's legacy	1957–1979	Tehran Research Reactor; an ambitious power-plant program	Conditional cooperation; concern about reprocessing
Covert revival	1984–2002	The Khan network; centrifuge designs; the "AMAD Plan" (weaponization component)	Technology denial; pressure on suppliers
Disclosure and suspension	2002–2005	Exposure of Natanz and Arak; suspension of enrichment with Europe	Limited support for European diplomacy
Expansion and sanctions	2006–2013	From zero to about 19,000 centrifuges; 20 percent enrichment; Fordow	Security Council; sanctions; sabotage
Constraint	2013–2019	The Joint Plan of Action and the JCPOA; extensive inspections	Agreement; then withdrawal (2018)

Phase	Period	Principal Characteristics	U.S. Policy
Gradual violation	2019–2025	Exceeding the caps; 60 percent enrichment; advanced centrifuges; removal of cameras	Maximum pressure; failed negotiations
Bombing and opacity	2025–2026	Attacks on Fordow, Natanz, and Isfahan; cessation of cooperation with the IAEA; war	Direct military action

Covert Revival (1984–2002)

In the first years of the revolution, Ayatollah Khomeini regarded the nuclear program as un-Islamic and a sign of dependence on the West, and halted it. But the war with Iraq—and especially the experience of chemical and missile attacks—changed this view. From 1984 the Isfahan Nuclear Technology Center was revived. In 1987 Iran received its first centrifuge designs and components from the network of the Pakistani Abdul Qadeer Khan, and in the 1990s more advanced designs. In the late 1990s and early 2000s, the "AMAD Plan," managed by Mohsen Fakhrizadeh, advanced the program's weaponization component—warhead design, explosive testing, and integration with missiles. The documents of this plan, gathered in the "nuclear archive," were removed from Tehran by Israel in 2018.

Expansion and Sanctions (2006–2013)

After the end of the suspension in 2006, the program expanded at a remarkable pace. While the United States insisted on the precondition of "suspension before negotiation," Iran went from a few hundred centrifuges to about 19,000 installed centrifuges, began 20 percent enrichment in February 2010, and built the underground Fordow facility deep inside a mountain, immune to conventional air attack. This period is the most important example of "symmetric escalation" in this book's typology: in response to each resolution and sanction, the regime increased its capacity in order to build future negotiating leverage.

Gradual Violation (2019–2025)

After the U.S. withdrawal from the JCPOA, Iran reduced its commitments through a "step-by-step" strategy. In April 2021 it began 60 percent enrichment—a level with no credible non-military use that technically covers most of the distance to weapons grade. It installed advanced IR-6 centrifuges at Fordow, removed the IAEA's cameras, and restricted inspectors' access. By May 2025 Iran's stockpile of 60 percent uranium had reached about 400 kilograms. On June 12, 2025, the IAEA Board of Governors, for the first time since 2005, found Iran in breach of its safeguards obligations.

Bombing and Opacity (2025–2026)

Israeli attacks (from June 13, 2025) and the American Operation "Midnight Hammer" (June 22, 2025) struck the Fordow, Natanz, and Isfahan facilities. A precise assessment of the damage remains contested. The direct consequence was the end of Iran's cooperation with the IAEA: Iran barred access to the bombed facilities and in February 2026 declared that implementing normal safeguards was impossible. The IAEA lost the ability to verify the fate of the 60 percent stockpile. In the 2026 war, the Natanz, Arak, and Ardakan facilities were struck again, and satellite imagery shows unprecedented construction activity at the underground "Pickaxe Mountain" facility near Natanz. At the time of writing, the status of the program is more unknown than at any time since 2002.

15.3 Breakout Time: The Principal Indicator

The table below shows approximate estimates of breakout time based on statements by American officials and published analyses. These figures are politico-technical estimates and should be read with caution; in particular, breakout time is only the time needed to produce fissile material and does not include the time needed to build and integrate a warhead.

Period	Approximate Breakout Time	Principal Factor of Change
Before 2006	Years	Negligible capacity; suspension

Period	Approximate Breakout Time	Principal Factor of Change
2009–2012	About one year or less	Expansion of Natanz; Stuxnet temporarily slowed it
Late 2013 (before the interim agreement)	2 to 3 months	About 19,000 centrifuges; 20 percent stockpile
2016–2018 (the JCPOA)	About one year	Reduction of centrifuges and stockpile
2021–2022	A few weeks	60 percent enrichment; advanced centrifuges
2023 – June 2025	About one to two weeks	Stockpile of about 400 kilograms at 60 percent
After June 2025	Unknown	Damage to facilities; fate of the stockpile unknown; no inspections
2026	Unknown	War; underground construction; complete opacity

This table is the clearest indicator of the record of U.S. nuclear policy. The only period in which breakout time increased verifiably was the JCPOA period. Before and after it, despite sanctions, sabotage, and pressure, breakout time steadily decreased. The military attacks of 2025 and 2026 have probably reduced Iran's physical capability, but they have eliminated the verifiable indicator.

15.4 Assessing the Instruments

Technology Denial

In the 1990s and 2000s, American pressure on Argentina, China, Russia, and other suppliers restricted Iran's access to key technologies and delayed the program by years. But the failure to identify the Khan network early weakened this achievement. Technology denial also pushed Iran toward indigenization, which in the long term made the program more resistant to external pressure.

Intelligence Disclosure

The exposure of Natanz and Arak (2002, by the opposition, with confirmation from U.S. intelligence), Fordow (2009, by the United States, France, and Britain), and the nuclear archive (2018, by Israel) each forced the regime to declare part of its covert program and submit it to inspection. This instrument has been the cheapest and most effective in limiting the regime's covert option.

Sabotage and Assassination

Operation "Olympic Games" (Stuxnet, 2008–2010), the assassination of nuclear scientists (2010–2012, and Fakhrizadeh in 2020, attributed to Israel), and the explosions at Natanz (July 2020 and April 2021) each delayed the program by months. But each produced a response: after Stuxnet, Iran built an offensive cyber capability; after the 2021 explosion, it began 60 percent enrichment; after the assassination of Fakhrizadeh, the Majlis passed the "Strategic Action Law." These operations also led to the relocation of facilities deep underground (Fordow, and later Pickaxe Mountain).

Multilateral Diplomacy and Sanctions

Security Council resolutions (2006–2010) and crippling sanctions (2010–2013) did not by themselves halt the program—indeed, the program grew most during this very period—but they built the leverage that led to the 2013 interim agreement and the 2015 JCPOA.

The Agreement (the JCPOA)

The JCPOA was the only instrument that verifiably increased breakout time: from 2–3 months to about one year, together with the most extensive inspection regime in the world. Its restrictions were time-limited and it did not dismantle the program, but during its implementation it was the most effective real constraint on the program.

Withdrawal from the JCPOA

From a purely nuclear perspective, the 2018 withdrawal was the greatest failure of U.S. policy on this file. In less than five years, Iran went from a one-year breakout time under full inspection to a one-to-two-week breakout time under limited inspection. Defenders of withdrawal argue that, with its sunset clauses, the JCPOA would in any case have reached the same point, and that economic pressure made the regime more vulnerable to a final blow; but the fact that Iran stood on the threshold of a weapon in 2025, rather than 2030, was a direct consequence of the withdrawal.

Direct Military Action (2025–2026)

The attacks of 2025 and 2026 for the first time directly targeted the program's physical infrastructure. In terms of material capability, they have probably been the most effective blow to the program in its history. But three questions remain unanswered: the fate of the 60 percent stockpile, which had been moved before the attacks; the accumulated knowledge, which bombing cannot eliminate; and, most important, the regime's political decision. Historical experience—Israel's 1981 attack on Iraq's Osirak reactor, which pushed Saddam toward a covert weapons program—shows that bombing may reduce capability while increasing motivation.

15.5 The Enrichment Question: America's Shifting Position

The central point of contention in two decades of negotiations has been Iran's right to enrich on its own soil. The American position on this question has changed several times:

Period	U.S. Position	Consequence
2006–2013	Zero enrichment (Security Council resolutions)	Iran expanded capacity; deadlock
2013–2018	Acceptance of limited enrichment (the Joint Plan of Action and the JCPOA)	An agreement became possible
2018–2020	Zero enrichment (Pompeo's twelve conditions)	Iran abandoned the restrictions

Period	U.S. Position	Consequence
2021–2024	Return to the JCPOA (limited enrichment)	Failed negotiations
2025–2026	Zero enrichment; then, in the June 2026 draft memorandum, dilution of the stockpile on Iranian soil	War; the memorandum collapsed

From the regime's perspective, enrichment has become a symbol of "national right" and "independence"—a concept rooted in the negotiations of the Shah's era (Chapter Two), which the regime has linked to part of its legitimacy. This symbolism has made any retreat costly for the regime. From the American perspective, enrichment on Iranian soil, even at a low level, always keeps the "breakout option" open.

15.6 The Regime's Nuclear Doctrine: Lessons from Libya, Iraq, and North Korea

The leadership of the Islamic Republic has studied three international experiences carefully. Libya voluntarily abandoned its weapons program in 2003, and in 2011 Muammar Qaddafi was overthrown and killed with Western military support. Iraq had no nuclear weapons and was attacked in 2003. North Korea built nuclear weapons, and its regime has survived despite complete isolation. Officials of the Islamic Republic have repeatedly referred to the "Libya lesson."

On this basis, the regime's strategy until 2025 can be described as "threshold status" (hedging): reaching the closest point to a weapon without crossing it, so as to have both negotiating leverage and implicit deterrence, without provoking the cost of a preventive attack. The fatwa attributed to Ayatollah Khamenei against nuclear weapons was the ideological cover for this strategy. From 2024, and especially after the attacks of 2025, a number of Iranian officials and parliamentarians openly spoke of revising the nuclear doctrine and withdrawing from the Non-Proliferation Treaty. With the killing of

Ayatollah Khamenei in 2026, the cover of the fatwa has also disappeared.

15.7 Scorecard

Instrument	Score	Brief Judgment
Technology denial	4	Real delay; encouraged indigenization
Intelligence disclosure	5	The cheapest and most effective instrument
Sabotage and assassination	3	Temporary delays; symmetric escalation
Multilateral diplomacy and sanctions	4	Leverage for an agreement; not by itself an obstacle to expansion
The suspension precondition (2006–2013)	2	Iran multiplied its capacity in its shadow
The JCPOA	5	The only verifiable increase in breakout time
Withdrawal from the JCPOA	1	From one year to one or two weeks
Direct military action	3 (provisional)	Reduced capability; complete opacity; risk of increased motivation

15.8 Six Lessons

- **Lesson one — Verification is the most valuable asset:** The only period in which the United States knew with confidence what state Iran's program was in was the JCPOA period. Any policy that eliminates inspections, whatever its other achievements, operates blindly.
- **Lesson two — Maximalist preconditions buy time for the other side:** In both periods of "zero enrichment" (2006–2013 and 2018–2025), Iran expanded its capacity dramatically.

- **Lesson three — Sabotage buys delay, not a solution:** Each sabotage operation bought months and, in response, made the program more resilient and more advanced.
- **Lesson four — Knowledge cannot be bombed:** After four decades, Iran possesses complete knowledge of the fuel cycle and a significant part of the knowledge of weapons design. Any durable solution must accept this reality and focus on constraint, monitoring, and motivation.
- **Lesson five — The political decision is the key variable:** Iran has had the technical capability to build a weapon for years. What has held it back has been the leadership's political decision. A policy that ignores the motivations behind this decision—including fear of regime change—may produce the opposite result.
- **Lesson six — The nuclear question cannot be separated from the nature of the regime:** Twenty years of experience show that nuclear agreements without a change in the regime's overall behavior are fragile; and that regime change without a solution for nuclear knowledge and materials is dangerous. Any plan for "the day after" in Iran must include a specific scheme for the protection, verification, and restriction of nuclear materials.

Chapter Sixteen turns to the instrument the regime built as an alternative to nuclear weapons for deterrence and influence: the proxy network, from Hezbollah in 1982 to the collapse of the "Axis of Resistance" in 2024 and the war of 2026.

Chapter Sixteen: The Proxy Network and the "Axis of Resistance"

16.1 The Chapter's Question

Over four decades, the Islamic Republic built a network of non-state armed groups in Lebanon, Iraq, Syria, Yemen, Palestine, and beyond, which it called the "Axis of Resistance." This network served three functions for the regime: "forward defense" (fighting the enemy far from Iran's borders); deterrence (threatening Israel and America's allies with thousands of missiles in the event of an attack on Iran); and influence (control over, or a veto on, decision-making in Arab capitals). In a sense, this network was a substitute for the conventional military force that sanctions had made it impossible for Iran to build.

This chapter examines what U.S. policy toward this network has been over forty-seven years, which instruments weakened it, and why a network whose influence in "four Arab capitals" an Iranian official boasted of in 2014 collapsed in 2024 and, in the war of 2026, was unable to protect Iran itself.

16.2 Six Phases of Construction and Collapse

Phase	Period	Principal Development	Position of the Axis
Founding	1982–1990	Entry of the IRGC into the Beqaa; founding of Hezbollah; formation of the Badr Corps in Iran from Iraqi exiles	Embryonic
Ideological expansion	1990–2003	Support for Hamas and Islamic Jihad after Madrid; Israeli withdrawal from southern Lebanon (2000)	Growing
Iraq and the 2006 war	2003–2011	Iraqi militias (Asa'ib, Kata'ib Hezbollah); the thirty-four-day war	Consolidation
Syria and ISIS	2011–2020	The Fatemiyoun and Zeinabiyoun; the Popular Mobilization Forces; the Houthis; the	Peak

Phase	Period	Principal Development	Position of the Axis
		"land corridor"	
"Unity of the arenas"	2020–2024	After Soleimani; October 7; simultaneous fronts	A fragile peak
Collapse and war	2024–2026	Elimination of Hezbollah's leadership; the fall of Assad; the 2026 war	Collapsed and dispersed

Founding (1982–1990)

Hezbollah was the direct product of Israel's 1982 invasion of Lebanon and the dispatch of the IRGC to the Beqaa Valley. IRGC forces trained and organized radical Shi'a who had broken away from the Amal movement. In 1985 Hezbollah formally announced its existence with the publication of its "Open Letter" and accepted *velayat-e faqih*. At the same time, the Badr Corps was formed from among Iraqi prisoners and exiles in Iran and fought in the war against Iraq. These two established the network's basic model: groups with ideological loyalty to Iran's leadership, not merely tactical allies.

The Peak (2011–2020)

The Syrian war, which posed an existential threat to Iran's principal ally, became an opportunity for the unprecedented expansion of the network. Qasem Soleimani mobilized tens of thousands of fighters from Lebanon, Iraq, Afghanistan (the Fatemiyoun Division), and Pakistan (the Zeinabiyoun Brigade) in Syria. The rise of ISIS in 2014 and the formation of the Popular Mobilization Forces in Iraq gave Iran-aligned militias legitimacy and legal standing. The Houthis' capture of Sana'a in the same year opened a new front in the south of the Arabian Peninsula. In this period, for the first time, Iran had a continuous "land corridor" from Tehran to Beirut and the Mediterranean.

Collapse (2024–2026)

In less than three months in the autumn of 2024, the principal pillar of the axis collapsed. The pager explosions, the killing of Hassan Nasrallah and much of Hezbollah's senior command, and the destruction of most of its missile arsenal turned Hezbollah from a strategic deterrent into a wounded group. The fall of Assad on December 8, 2024, cut the land corridor and closed the principal route for arming Hezbollah. The new Syrian government under Ahmad al-Sharaa supported Hezbollah's disarmament. In the 2026 war, Hezbollah entered the war two days after the killing of Ayatollah Khamenei, but Israel attacked and occupied southern Lebanon, and the Lebanese government banned Hezbollah's military activity and expelled Iran's ambassador. The Houthis joined the war in late March 2026 and in the following months created a new crisis in the Bab el-Mandeb. Iraqi militias attacked American bases, but the Iraqi government, under American pressure, ordered the militias to be placed under the direct authority of the state.

16.3 The Cost of the Axis to Iran

Building and maintaining this network carried a heavy financial cost. In 2018 the State Department estimated that Iran gave Hezbollah about $700 million a year. Estimates of Iran's expenditure in the Syrian war, including oil credit lines and payments to militias, vary widely but point to tens of billions of dollars. These costs were paid at a time when Iran's economy was under the pressure of sanctions.

Inside Iran, this cost became one of the principal axes of discontent. The slogan "Neither Gaza nor Lebanon—I give my life for Iran," first heard in the protests of 1388 (2009), became one of the constant slogans of the protests of 1396, 1398, 1401, and 1404 (2017, 2019, 2022, and 2025–2026). The slogan shows that for a large part of Iranian society, the Axis of Resistance was not a source of pride but a symbol of the regime's placing of ideology above the welfare of the people. For this reason, American pressure on the axis's

financial resources helped weaken the regime in two ways: it reduced its operational capability, and it sharpened the contrast between external expenditure and domestic poverty.

16.4 U.S. Instruments Against the Proxy Network

(a) Terrorist Designations

Group	U.S. Designation	Year
Lebanese Hezbollah	Foreign Terrorist Organization	1997
Hamas	Foreign Terrorist Organization	1997
Palestinian Islamic Jihad	Foreign Terrorist Organization	1997
Kata'ib Hezbollah (Iraq)	Foreign Terrorist Organization	2009
Asa'ib Ahl al-Haq (Iraq)	Foreign Terrorist Organization	2020
The Houthis (Ansar Allah)	Foreign Terrorist Organization (January 2021); revoked (February 2021); Specially Designated Global Terrorist (2024); again a Foreign Terrorist Organization (2025)	2021–2025

(b) Financial Pressure

Over two decades, the U.S. Treasury targeted Hezbollah's financial networks in Latin America, Africa, and the Middle East. In 2011 it designated the Lebanese Canadian Bank, under Section 311 of the USA PATRIOT Act, as a "primary money laundering concern," which led to the bank's collapse. In 2015 Congress passed the Hizballah International Financing Prevention Act. The Treasury also sanctioned the Quds Force's oil-sales networks whose revenues reached Hezbollah and the Houthis. These pressures, especially in combination with maximum pressure after 2018, led to reports of budget cuts and delays in paying the salaries of Hezbollah fighters.

(c) Military Action

Period	Arena	Action	Result
1983–1984	Lebanon	Limited response; withdrawal	Encouragement
2007–2008	Iraq	Hunting Quds Force networks; the Erbil operation	Temporary reduction
2019–2020	Iraq and Syria	Strikes on Kata'ib Hezbollah; killing of Soleimani and al-Muhandis	Temporary deterrence
2024	Iraq, Syria, Jordan	Response to Tower 22 (more than 85 targets)	Halt in attacks
2024–2025	Yemen	Strikes on the Houthis (from January 2024); an extensive campaign (March to May 2025), ending in an Omani-mediated ceasefire	Temporary halt to attacks on American ships; the Houthis survived
2026	The entire region	War	Extensive attrition; the network dispersed but not destroyed

(d) Strengthening Host States

A less noticed but perhaps the most important long-term instrument was strengthening state institutions in the host countries: aid to the Lebanese army as an alternative to Hezbollah, support for Iraq's central government against the militias, and, after 2024, engagement with the new Syrian government. In 2025 the Lebanese government for the first time tasked the army with drafting a plan for a state monopoly on arms; and in 2026 the Iraqi government, under American pressure, ordered the militias to be placed under the direct authority of the state. The effect of these developments cannot yet be finally assessed.

16.5 Assessment by Arena

Arena	Peak of Iranian Influence	Status in 2026	Principal Factor of Change	America's Share
Lebanon	2006–2023	Hezbollah severely weakened; part of the south occupied; military activity banned	Israeli operations (2024 and 2026)	Diplomatic and military support for Israel; financial pressure
Syria	2015–2024	Iranian influence almost zero	Internal collapse of the Assad regime	Indirect (sanctions; the Caesar Act)
Iraq	2014–2024	Militias under pressure; the state reclaiming its monopoly on arms	U.S. pressure; Iran's weakness	Considerable
Yemen	2023–2026	Houthis active and threatening	Houthi resistance to attacks	Failure to achieve full deterrence
Palestine	2023	Hamas severely weakened	The Gaza war	Support for Israel

This table shows that the weakening of the axis in most arenas was more the product of Israeli military action and of the internal weakness of Iran's allies than of direct U.S. policy. America's contribution had mainly three layers: providing a defensive shield that enabled Israel to act, long-term financial pressure on the axis's resources, and political pressure on host governments. The only arena in which the axis remained resilient—Yemen—is the very arena in which the United States directly bore the principal burden of confrontation and did not achieve full deterrence.

16.6 Scorecard

Instrument	Score	Brief Judgment
Retreat from Lebanon	1	A model of encouragement

Instrument	Score	Brief Judgment
(1984)		
Terrorist designation	4	Built a legal foundation; revoking the Houthi designation in 2021 was a mistake
Financial pressure on Hezbollah and the Quds Force	4	Reduced resources; highlighted the cost of the axis inside Iran
Response to the proxy war in Iraq (2004–2011)	2	Hundreds of American dead without cost to the regime
Killing of Soleimani	4	Removed the architect of the axis; his successor never acquired the same influence
Syria policy (2011–2016)	1	Gave space to the peak of Iranian influence
Support for Israel in 2024	5	A necessary condition for the collapse of the axis's principal pillar
Campaign against the Houthis	2	Costly; without full deterrence
Strengthening host states	4 (provisional)	The right long-term path; outcome still unknown

16.7 Five Lessons

- **Lesson one — The proxy network is both an asset and a liability of the regime:** The very network that extended Iran's influence devoured its resources, further alienated the people of Iran from the regime, and in the end was unable to defend Iran at the moment of need.
- **Lesson two — Eliminating charismatic leadership is more effective than wearing down forces:** The elimination of Soleimani (2020) and Nasrallah (2024) reduced the network's effectiveness more than years of attrition warfare, because the network depended on personal relationships and individual prestige.

- **Lesson three — Strategic depth without a state ally is fragile:** When Assad fell, Hezbollah's entire logistical architecture collapsed. A network that relies on an allied state falls apart when that state falls.
- **Lesson four — State-building in host countries is the durable solution:** Militia influence grows in a state vacuum. Strengthening the army and state institutions in Lebanon, Iraq, and Syria is, in the long term, more effective than military strikes.
- **Lesson five — The Houthis are an exception and a warning:** A group that, at little cost, threatened the global shipping infrastructure and withstood months of American attack. The Houthi model shows that even with the collapse of the central axis, resilient local nodes can survive.

Chapter Seventeen, the last chapter of Part Three, turns to a file that for most of the forty-seven years lay at the margins of U.S. policy but in recent decades has become the axis of the regime's delegitimization: human rights and support for civil society.

Chapter Seventeen: Human Rights and Civil Society

17.1 The Chapter's Question

For most of the past forty-seven years, human rights lay at the margins of U.S. policy toward the Islamic Republic. The hostage, terrorism, nuclear, and regional files always took priority, and human rights were either confined to the State Department's annual reports or deliberately set aside at moments of negotiation. The massacre of political prisoners in 1988 (1367) passed almost without American reaction; the Green Movement of 2009 (1388) received a cautious response; and in the JCPOA negotiations, human rights were off the agenda.

But this situation gradually changed. From 2009, and especially from 2022, human rights became one of the principal axes of the regime's delegitimization, and after the January 2026 massacre, even one of the declared justifications for war. This chapter answers two questions: which American instruments in support of human rights and civil society in Iran have been effective? And how have these instruments related to this book's "Axis C"—the internal cohesion and legitimacy of the regime?

17.2 Four Periods

Period	Characteristics	Representative Example
The margins (1979–2001)	Human rights subordinate to security files; annual reports; support for the UN Special Rapporteur (1984–2002)	Silence in the face of the 1988 massacre
Democracy promotion (2002–2008)	Public budgets; Persian-language media; linkage with the discourse of "regime change"	The $75 million budget of 2006; the "velvet revolution" charge
Caution and instrument-building (2009–2021)	A cautious response to the Green Movement; then human rights sanctions and the revival of the Special Rapporteur	Executive Order 13553; the Special Rapporteur (2011)

Period	Characteristics	Representative Example
Centrality (2022–2026)	Human rights became an axis of delegitimization	The fact-finding mission; expulsion from the Commission on the Status of Women; the MAHSA Act; the response to the 1404 massacre

17.3 Instruments and Their Assessment

(a) Persian-Language Media

Voice of America's Persian service has been active since the Second World War, and its television expanded in the 2000s. Radio Farda, operating since 2002 with congressional funding, became one of the principal news sources for part of Iranian society. Alongside these U.S. government media, other Persian-language media—BBC Persian (United Kingdom, from 2009), Iran International (from 2017), and Manoto—transformed the Persian information market and broke the monopoly of Iran's state media.

The effect of these media on "Axis C" has on the whole been positive: they made possible access to independent information, the documentation of repression, and the amplification of protesters' voices. The regime too has acknowledged this effect: from satellite jamming and the confiscation of dishes, to threats and harassment of the families of media staff in Iran, and plots against journalists abroad (including the attack on an Iran International presenter in London in 2024). In 2025 the Trump administration's decision to cut back sharply the budget and activities of the U.S. Agency for Global Media also affected Voice of America Persian, although the Persian service was partly reactivated during the twelve-day war.

(b) Internet Freedom

From the early 2010s, the State Department, through its Bureau of Democracy, Human Rights, and Labor, funded tools for circumventing censorship. The Treasury, by issuing general licenses (General License D in 2013 and General License D-2 in

September 2022), removed the legal obstacles to providing communications services, software, and security tools to Iranians. In 2022 SpaceX activated its Starlink satellite internet service for Iran, and its terminals were smuggled into the country.

In response, the regime expanded the infrastructure of the "national internet" and, at moments of crisis, shut down the internet almost completely: for a week in Aban 1398 (November 2019), for more than a week in January 2026 at the time of the massacre, and from February 28 to late May 2026 during the war. The internet shutdown of January 2026 was the principal instrument for concealing the scale of the massacre.

(c) Human Rights Sanctions

Since 2010 (Executive Order 13553), the United States has sanctioned hundreds of Iranian officials, commanders, judges, prison wardens, and institutions for human rights violations, including Sadegh Amoli Larijani, head of the judiciary (2018); Ebrahim Raisi, before his presidency (2019); the morality police (2022); and IRGC and Basij commanders. Executive Order 13606 (2012) targeted companies supplying surveillance and repression technology. The MAHSA Act (2024) required the government to assess the Leader and the President for responsibility for repression and to sanction them.

The practical effect of these sanctions has been limited, because most of those sanctioned have no assets or interests in the West. Their principal value lies in three things: official documentation of individual responsibility, a ban on the entry of these individuals and their families into the United States, and building a record for future accountability.

(d) UN Mechanisms

Mechanism	Date	U.S. Role	Effect
Annual General Assembly resolutions on human rights in Iran	Since the 1980s	Consistent support	Documentation; reputational pressure

Mechanism	Date	U.S. Role	Effect
Special Rapporteur on human rights in Iran	1984–2002; revived 2011	Support for reviving the mandate	Continuous documentation; the regime never allowed a visit
Independent fact-finding mission	November 2022	Active support	In 2024 characterized certain acts of the regime as crimes against humanity
Expulsion from the Commission on the Status of Women	December 2022	U.S. initiative	The first expulsion of a country from this commission
Special session of the Human Rights Council and General Assembly resolution on the 1404 massacre	January 2026	Support	Documentation; groundwork for possible referral to an international judicial mechanism

(e) "Democracy Promotion" Budgets

Two experiences of publicly announced budgets for "change" in Iran—Gingrich's $18 million in 1995 and Rice's $75 million in 2006—had counterproductive results. Both gave the regime a pretext to brand civil-society activists as "American mercenaries," and the security apparatus built cases of "soft overthrow" and "velvet revolution" on them. Many activists inside Iran openly asked the United States not to spend these budgets in their name. In later years, assistance continued in lower-profile forms—through the National Endowment for Democracy and programs for documentation and digital-security training.

17.4 Fundamental Dilemmas

American human rights policy toward Iran has faced several real dilemmas, none of which has a simple solution:

- **The "kiss of death" dilemma:** Overt American support may expose protesters to the charge of being "foreign agents." The experience of 2009 and 2022, however, showed that the regime

attributes protests to America in any case, whether America supports them or not. The cost of overt support is therefore lower than had been assumed—provided that the support comes with practical instruments and is not limited to verbal backing.

- **The sanctions-versus-the-people dilemma:** Sanctions designed to weaken the regime impoverished the middle class—the backbone of civil society—and intensified the wave of emigration. Human rights policy and sanctions policy have at times worked in opposite directions.
- **The negotiation-versus-human-rights dilemma:** Every time the United States negotiated with the regime (2013–2016, 2021–2022), human rights were sidelined. Iranian activists experienced this as "a deal over the heads of the people."
- **The war-versus-human-rights dilemma:** The 2026 war, for which the January massacre was one of the justifications, itself led to the deaths of thousands of Iranian civilians, prolonged internet shutdowns, and damage to cultural heritage. Using human rights as a justification for war may undermine the credibility of human rights discourse among part of Iranian society.
- **The dilemma of choosing among the opposition:** The United States has always faced the question of whether it should support a particular group or figure in the opposition. The experience of Iraq (Ahmad Chalabi) showed that choosing a successor from abroad carries serious risks. A more cautious approach—supporting processes and standards rather than individuals—has been less harmful.

17.5 Effect on "Axis C": A Comparison of Five Moments

Moment	U.S. Response	Effect on the Rift Between Regime and Society
The Green	Extreme caution; delayed	The opportunity was lost; the regime

Moment	U.S. Response	Effect on the Rift Between Regime and Society
Movement (1388 / 2009)	human rights sanctions	raised the charge of "American sedition" anyway
Dey 1396 (2017–2018)	Overt verbal support	Limited effect; did not harm the movement
Aban 1398 (2019)	Condemnation; sanctions on the communications minister	Limited effect; American economic pressure contributed to the roots of the protest
Woman, Life, Freedom (1401 / 2022)	Practical instruments (D-2); international isolation of the regime; the MAHSA Act	The most effective response to date; the regime's international legitimacy was badly damaged
The uprising and massacre (1404 / 2025–2026)	Threats without enforcement at the moment of the massacre; then war	The rift reached a historic peak; the war had contradictory consequences

17.6 Scorecard

Instrument	Score	Brief Judgment
Persian-language media	4	Long-term effect on public awareness; intermittent funding
Internet freedom	4	Effective in normal conditions; neutralized during total shutdowns
Human rights sanctions	3	Documentation and symbolic value
UN mechanisms	4	Building a record for future accountability
Public democracy-promotion budgets	1	A pretext for the regime; danger to activists
Silence on the 1988 massacre	1	A crime against humanity left without cost
Caution in 1388 (2009)	2	A lost opportunity
Response to Woman, Life, Freedom	4	A more effective model: practical instruments and international isolation

17.7 Six Lessons

- **Lesson one — Practical instruments outweigh verbal support:** What worked in 2022 was General License D-2 and the isolation of the regime in international bodies, not statements. What failed in 2019 and January 2026 were threats and verbal support without instruments.
- **Lesson two — Communications are the infrastructure of civil society:** In every crisis, the regime first shuts down the internet. Investment in communications resilient to shutdown is the most effective assistance to society's capacity to organize.
- **Lesson three — Documentation is capital for the future:** The reports of the Special Rapporteur, the fact-finding mission, and human rights organizations are the foundation of future accountability—whether in international courts, in national courts under universal jurisdiction, or in processes of transitional justice in a post–Islamic Republic Iran.
- **Lesson four — Public assistance to civil society inside the country is dangerous:** Announced budgets place their recipients at risk. Effective assistance is quiet, indirect, and focused on capacity-building (digital security, documentation, training).
- **Lesson five — Human rights must not be sacrificed in negotiations:** Separating human rights from nuclear negotiations sent the regime the message that domestic repression has no effect on its foreign relations. Any future agreement should contain at least commitments concerning political prisoners and freedom of communication.
- **Lesson six — The distinction between regime and people must be observed in every instrument:** A policy that supports the people of Iran with one hand and harms them with the other—through travel bans, sanctions that make medicine scarce, or attacks on civilian infrastructure—loses its credibility and confirms the regime's narrative.

With this chapter, Part Three of the book comes to a close. Part Four turns to the documents and reports that have shaped U.S. policy at the strategic and institutional level: Iran's place in U.S. national security strategies, intelligence estimates and annual threat assessments, and a comprehensive chronology of congressional legislation.

Part Four: Documents and Reports

Parts Two and Three examined U.S. policy through decisions and actions. Part Four turns to the documents that shaped or reflected those decisions at the strategic and institutional level: national security strategies and presidential directives (Chapter Eighteen), the estimates of the intelligence community (Chapter Nineteen), and the legislation of Congress (Chapter Twenty). The aim of this part is to provide a documented reference for researchers, while at the same time pursuing an analytical question: how great was the gap between what the United States said about Iran in its strategic documents and what it actually did?

Chapter Eighteen: Iran in U.S. National Security Strategies

18.1 What Is the National Security Strategy?

The Goldwater–Nichols Act (1986) required the President of the United States to submit annually to Congress a document titled the "National Security Strategy" (NSS). In practice, administrations have published this document irregularly, usually once or twice per term. Unlike the classified directives of the National Security Council, it is a public document with a dual function: on the one hand, it communicates the administration's security priorities to the executive agencies; on the other, it is a message to allies, rivals, and public opinion. Iran's place in these documents is therefore both an indicator of its priority in the minds of American policymakers and an instrument for signaling to Tehran.

18.2 Iran in National Security Strategies: A Chronological Review

Document	Year	Iran's Place	Theme or Key Phrase
Reagan NSS	1987, 1988	Secondary; within the framework of the Iran–Iraq War and Persian Gulf security	Free flow of oil; countering terrorism; preventing Soviet influence
George H. W. Bush NSS	1990, 1991, 1993	Secondary; after the Persian Gulf War	Possibility of improved relations if support for terrorism ends
Clinton NSS ("Engagement and Enlargement")	1994–2000	Important; one of the two targets of "dual containment"	"Backlash states"; in the later versions, reference to an opportunity for engagement after Khatami's election
George W. Bush	2002	Within the general framework of	The doctrine of preemptive attack; principal focus on Iraq

Document	Year	Iran's Place	Theme or Key Phrase
NSS		"rogue states"	
George W. Bush NSS	2006	Central	"We may face no greater challenge from a single country than from Iran"
Obama NSS	2010	Important	Offering Iran a "clear choice": integration into the international community or greater isolation
Obama NSS	2015	Important; amid negotiations	Preventing Iran from acquiring a nuclear weapon through diplomacy
Trump NSS	2017	Central; alongside North Korea as a "rogue state"	"The world's leading state sponsor of terrorism"; regional hegemonic ambitions
Biden Interim Guidance	2021	Secondary	Return to diplomacy
Biden NSS	2022	Important but secondary to China and Russia	Diplomacy the best path; but "we will never allow" Iran to acquire a nuclear weapon
Trump NSS	December 2025	Marginal; only three brief references	"The primary destabilizing force in the region," but "greatly weakened"

18.3 Analysis of Key Documents

NSS 2006: The Peak of Threat Perception

The National Security Strategy of March 2006 explicitly identified Iran as the greatest challenge to the United States from a single country. The document was published at a time when Iran had resumed enrichment, Ahmadinejad had become President, and the role of the Quds Force in Iraq had become evident. At the same time, the document emphasized the distinction between the "regime" and the "people of Iran" and declared the objective to be "behavior change" and the expansion of freedom. In practice, the document was accompanied by concrete measures: Security

Council resolutions, the Treasury's financial-sanctions innovation, and the democracy-promotion budget.

NSS 2010: The Logic of "Choice"

Obama's 2010 strategy formulated the logic of the dual-track strategy: Iran was offered a "clear choice"—adherence to its international obligations and the benefits of economic and political integration, or increasing isolation. The document, published after the rejection of the 2009 offers of engagement and the exposure of Fordow, in effect justified the path of pressure of the following two years.

NSS 2017: A Return to Confrontation

The December 2017 strategy placed Iran alongside North Korea as a "rogue state" and called Iran "the world's leading state sponsor of terrorism." The document, published five months before the withdrawal from the JCPOA, spoke explicitly of the inadequacy of the JCPOA for containing Iran's regional behavior and provided the intellectual groundwork for maximum pressure. In its companion document, the 2018 National Defense Strategy, Iran was placed in the "four-plus-one" model (China, Russia, North Korea, Iran, plus terrorism).

NSS 2022: Iran in the Shadow of Great-Power Competition

Biden's 2022 strategy placed its principal focus on competition with China and countering Russia, and ranked Iran among second-tier threats. The document emphasized diplomacy as the best path, but added that if diplomacy failed, the United States was prepared to use other instruments. Published in the midst of the "Woman, Life, Freedom" protests, the document referred to American support for the Iranian people in their pursuit of fundamental rights and dignity.

NSS 2025: "Mission Accomplished"

Trump's National Security Strategy, published in December 2025, showed a fundamental change in Iran's place. The document contained only three brief references to Iran and described it as "the

primary destabilizing force in the region," which had been "greatly weakened" by Israel's actions since October 7, 2023, and by Operation Midnight Hammer in June 2025, and whose nuclear program had been "significantly" damaged. Analysts read this as an implicit declaration of "mission accomplished." Regarding the Middle East in general, the document also said that the United States should encourage reforms when they emerge organically from within societies, without imposing them from outside. The document's overall aim was to reduce American involvement in the Middle East in favor of a focus on the Western Hemisphere and competition with China, and to hand the principal role of countering Iran to Israel.

18.4 National Security Directives on Iran

Alongside the public strategies, presidential directives (most of them classified) have been the principal instrument of operational decision-making. The table below lists directives that have been fully or partially made public and that relate directly to Iran.

Directive	Date	Administration	Subject
PD/NSC-63	January 15, 1981	Carter	Persian Gulf security framework; institutionalizing the Carter Doctrine
NSDD 114	November 26, 1983	Reagan	U.S. policy in the Iran–Iraq War; protection of shipping
NSDD 139	April 5, 1984	Reagan	Measures to prevent Iraq's collapse
Secret "Finding"	January 17, 1986	Reagan	Authorization of arms sales to Iran (Iran-Contra)
NSD-26	October 2, 1989	George H. W. Bush	Persian Gulf policy; possibility of normal relations with Iran on condition of an end to terrorism
PPD-30	June 24, 2015	Obama	Hostage recovery policy (related to the Iran file)
NSPM-11	May 8, 2018	Trump	Withdrawal from the JCPOA and reimposition of sanctions

Directive	Date	Administration	Subject
NSPM-2	February 4, 2025	Trump	Restoration of maximum pressure

NSPM-2: An Example of the Text

NSPM-2, whose text was published in full, is a clear example of the logic of second-term Trump directives. In its preamble, the document accused Iran of violating its obligations under the Non-Proliferation Treaty through concealment of undeclared sites and materials, and of obstructing IAEA access to sites linked to the Organization of Defensive Innovation and Research (SPND), and it expressed concern about reports of computer modeling related to nuclear weapons. It then concluded that applying "maximum pressure" on the regime to end the nuclear threat, constrain the missile program, and halt support for terrorist groups was in the national interest of the United States.

18.5 Macro Patterns

(a) Fluctuation in Iran's Place

Iran's place in American strategic documents has followed a distinct curve: secondary in the 1980s (under the shadow of the Cold War), important in the 1990s (dual containment), central in 2006 and 2017, secondary in 2022 (under the shadow of competition with China), and marginal in 2025. This fluctuation reflects America's macro priorities and each administration's perception of Iran's strength or weakness more than any change in Iran's behavior.

(b) Constant Objective, Changing Instruments

Despite this fluctuation, one objective has remained constant in all documents from 2006 onward: preventing Iran from acquiring a nuclear weapon. What has changed is the preferred instrument: multilateral diplomacy (2006), a choice between integration and

isolation (2010), agreement (2015), pressure (2017), diplomacy backed by threat (2022), and a claim of military success (2025).

(c) The Distinction Between Regime and People

Since 2006, all documents have explicitly or implicitly distinguished between the "regime" and the "people of Iran." But this distinction in the documents was not always reflected in practice—as seen in previous chapters.

(d) The Gap Between Document and Action

Document	What Was Declared	What Happened in Practice	Gap
NSS 2002	Preemption against rogue states	Invasion of Iraq; Iran the principal beneficiary	Large
NSS 2006	Iran the greatest challenge	Resolutions and financial sanctions; no military action	Small
NSS 2010	A clear choice	Crippling sanctions, then an agreement	Small
NSS 2017	Containing regional hegemony	Maximum pressure; no response to the 2019 attacks; killing of Soleimani	Moderate
NSS 2022	Diplomacy; support for the people	Failed negotiations; lax sanctions enforcement; human rights instruments	Moderate
NSS 2025	Iran weakened; reduced involvement in the Middle East; avoid imposing change	Full-scale war aimed at regime change in less than three months	Very large

18.6 Assessment

As instruments of policy toward Iran, national security strategy documents have had a limited function. At best (2006 and 2010), they provided a coherent framework for the administration's actions and sent a clear message to Tehran and to allies. At worst (2002 and 2025), they reflected a mistaken perception of the

situation or became inconsistent with reality within a few months of publication.

18.7 Two Lessons

- **Lesson one — Perceiving the rival as weak is dangerous:** The 2025 document, which described Iran as "greatly weakened," had two contradictory consequences: it created a motive for a final blow (which led to the 2026 war), and it underestimated the regime's remaining capacity for escalation—especially in Hormuz.
- **Lesson two — Strategic stability is itself an asset:** One of the structural problems of American policy toward Iran has been severe fluctuation between administrations. By studying this fluctuation, Iran's regime has learned that many pressures are temporary and that it can wait for the next administration. Documents that enjoy bipartisan consensus, and congressional legislation that backs them, reduce this problem.

Chapter Nineteen turns to the assessments of the U.S. intelligence community on Iran: from the failure to predict events in 1978 to the controversial estimate of 2007 and the annual threat assessments of the 2020s.

Chapter Nineteen: Intelligence Estimates and Threat Reports

19.1 The Chapter's Question

The U.S. intelligence community—comprising eighteen agencies coordinated by the Director of National Intelligence (since 2005)—produces three principal types of documents on Iran: the National Intelligence Estimate (NIE), the comprehensive and official assessment of the intelligence community on a particular subject, which usually remains classified; the Annual Threat Assessment (ATA), which the Director of National Intelligence presents publicly to Congress each year; and specialized reports. Alongside these, the State Department publishes the annual "Country Reports on Terrorism" and "Human Rights Reports."

This chapter pursues two questions. First, how have the intelligence community's assessments of Iran's nuclear program, missile capability, and regime stability evolved over time, and how accurate have they been? Second, how have these assessments related to political decisions: did they shape policy, were they ignored, or did they become an instrument for justifying decisions already taken?

19.2 Three Failures and a Warning: The Historical Pattern

The 1978 Failure: Predicting the Revolution

As noted in Chapter Two, a CIA assessment of August 1978 concluded that Iran was not in a revolutionary or even a pre-revolutionary situation. This failure, rooted in dependence on SAVAK's intelligence and the lack of contact with the religious opposition, cast a shadow for decades over the analytical culture of the intelligence community regarding Iran: both as extreme caution in predicting the regime's collapse and as a shortage of human sources inside Iran.

The 1985 Special Estimate: Intelligence in the Service of Policy

In May 1985, a Special National Intelligence Estimate (SNIE) on Iran, led by Graham Fuller, the National Intelligence Officer, warned that Iran might face instability that the Soviet Union could exploit, and proposed that the United States open contacts with "moderates." This estimate became one of the intellectual foundations of the Iran-Contra affair. Later congressional investigations raised serious questions as to whether the assessment rested on independent evidence or had been aligned with the political needs of the National Security Council.

Iraq 2002: A Failure That Shaped the Iran Assessments

The October 2002 National Intelligence Estimate on Iraq's weapons of mass destruction programs, which assessed with high confidence that such programs existed and proved wrong, was one of the greatest failures in the history of the U.S. intelligence community. This failure directly affected later assessments of Iran: after 2003, the intelligence community became extremely cautious in assessing Iran's program and raised its standards of evidence.

19.3 Assessments of the Nuclear Program: The Evolution of Two Decades

Document	Date	Principal Assessment of Iran
NIE	2005	With high confidence: Iran is determined to develop nuclear weapons
NIE	November 2007 (made public in December)	With high confidence: Iran halted its weapons program in autumn 2003, but kept the option open and continues enrichment
NIE (reported)	2011	General confirmation of the 2007 assessment, updated: Iran has preserved the option of building a weapon but has not decided to do so
Annual Threat Assessment	2012–2023	A constant pattern: Iran is not undertaking the key activities necessary to produce a testable nuclear device; the Leader has not decided to build a weapon

Document	Date	Principal Assessment of Iran
s		
Annual Threat Assessment and subsequent reports	2024	Iran has undertaken activities that would better position it to produce a nuclear device if it so decided; weakening of the taboo on discussing weapons in Iran
Annual Threat Assessment	March 2025	Iran is not building a nuclear weapon and the Leader has not reauthorized the weapons program halted in 2003; but domestic pressure to do so has increased
Annual Threat Assessment	March 2026	After the 2025 attacks, Iran has made "no effort" to rebuild its enrichment program; the regime is "intact but greatly weakened"; its cross-border conventional military capability has been largely destroyed

NIE 2007: A Turning Point

The 2007 estimate, examined in detail in Chapter Seven, is a classic example of the political effect of an intelligence document. Its first sentence, which announced the halt of the weapons program, removed the military option from the table for the remainder of the Bush administration, while the details of the same document—about continued enrichment and the open option of building a weapon—were lost in the public reaction. The documents of the nuclear archive published in 2018 showed that Iran had preserved and organized its weapons knowledge after 2003; this was not inconsistent with the 2007 assessment, but it underscored the importance of the details that had been lost.

The Two-Decade Pattern of "Capability Without Decision"

From 2007 to 2025, the intelligence community's assessments rested on a constant formula: Iran is gradually increasing its technical capability to build a weapon, but its leadership has not taken the political decision to build one. This formula, which reflected the regime's strategy of "threshold status" (Chapter Fifteen), was analytically accurate and durable. But it had a political

consequence: the more Iran's technical capability grew and the shorter the distance from "decision" to "weapon" became, the less reassuring the formula of "capability without decision" was for policymakers—because if the decision were taken, there would be no time left to respond.

19.4 The Gap Between Intelligence and Policy in 2025 and 2026

Trump's second term was the clearest example in the history of this file of a gap between the assessments of the intelligence community and the position of the President.

Date	Intelligence Assessment or Statement by an Intelligence Official	Political Position or Action
March 2025	Director of National Intelligence: Iran is not building a weapon; the Leader has not reauthorized the program	NSPM-2 and maximum pressure; military threat
June 2025	The same assessment	The President rejected the assessment; the Midnight Hammer strikes
June 2025	Leaked preliminary assessment of the Defense Intelligence Agency: serious damage, but perhaps not final	Declaration of the program's "complete obliteration"
February 2026	Earlier assessments: Iran will lack missiles capable of reaching the United States until 2035	State of the Union address: Iran has rebuilt its program and is developing missiles that can reach the United States
March 2026	Annual Threat Assessment: "no effort" to rebuild enrichment	War justified by an imminent nuclear threat

At the annual worldwide threats hearing in the Senate in March 2026, the Director of National Intelligence, asked whether Iran had posed an "imminent nuclear threat," replied that only the President could determine what constitutes an imminent threat—an answer that drew explicit criticism from senators of both parties, including the argument that determining threats is precisely the task of the

intelligence community. At the same hearing, the CIA Director said that, as a result of the summer 2025 attacks, Iran had had neither the will nor the capacity to enrich to 60 percent, but added that at the time of the attack Iran had been an "immediate threat" because of a series of provocative actions, including the stockpiling of missiles during the negotiations. A day before this hearing, the administration's senior counterterrorism official had resigned in protest against the war. On the second day of the hearing, the Director of National Intelligence acknowledged that Iran's new Leader is more hardline than his father.

19.5 Missile Assessments

Annual threat assessments in the 2010s and 2020s consistently described Iran as possessing the largest arsenal of ballistic missiles in the Middle East. Regarding intercontinental missiles, assessments changed over time: estimates of the late 1990s and early 2000s suggested that Iran might reach the capability to test an intercontinental missile by 2015, which did not happen. Recent assessments regarded the development of such a capability before 2035 as unlikely. The development of Iran's space-launch program, as a potential path toward long-range missile technology, has been a subject of continuing concern. In the 2026 war, Israel's claim regarding Iran's use of a two-stage missile against Diego Garcia, which Iran denied and for which no independent evidence was presented, reopened this debate.

19.6 Assessments of Regime Stability

Since the failure of 1978, the U.S. intelligence community has been very cautious in predicting the instability of the Islamic Republic. Annual threat assessments have usually recorded widespread protests but have always concluded that the regime has the capacity to repress and to survive. These assessments have so far been accurate: the regime has survived 1388, 1396, 1398, 1401, the massacre of 1404, and even the killing of its Leader in the 2026 war. The March 2026 assessment described the regime as "intact but

greatly weakened," and open-source analyses in the months of the war found little evidence of large-scale defections in the armed forces or the political elite.

This consistent accuracy raises an important question: might the intelligence community's caution, accurate as it has been in assessing the regime's survival, leave it surprised again at the moment when stability truly collapses—as happened in 1978? The history of collapses shows that such moments are usually sudden and nonlinear and are not predicted in assessments based on past trends.

19.7 The State Department's Country Reports on Terrorism

Since the 1980s, the U.S. State Department has published an annual report on terrorism in which Iran has consistently been described as the largest or leading state sponsor of terrorism in the world. These reports have provided systematic documentation of Iran's support for Hezbollah, Hamas, Islamic Jihad, Iraqi militias, and the Houthis, of Quds Force operations, and of assassination plots abroad. Their principal value is continuity: a body of four decades of official documentation that has been the legal basis for many sanctions, damages judgments, and designations.

19.8 Scorecard

Document or Pattern	Analytical Accuracy	Effect on Policy	Score
The 1978 assessments	Complete failure	Strategic surprise	1
The 1985 special estimate	Doubtful	Justification of Iran-Contra	1
NIE 2005	Largely accurate regarding past intent	Groundwork for referral to the Security Council	4
NIE 2007	Accurate but with misleading	Removal of the military option; weakening of	3

Document or Pattern	Analytical Accuracy	Effect on Policy	Score
	emphasis	pressure	
Annual assessments (2012–2024)	Accurate and consistent	A stable framework for policy	4
Exposure of Fordow (2009)	Accurate	Strengthened international consensus	5
Regime stability assessments	Accurate so far	Avoided optimism about collapse	4
The 2025–2026 assessments	Apparently accurate	Ignored or contradicted	2

19.9 Four Lessons

- **Lesson one — Accurate intelligence is worthless if ignored:** The intelligence community's assessments of Iran have been accurate and consistent for most of the past two decades. The greatest errors have arisen not from the assessments but from the gap between assessment and political decision.
- **Lesson two — The manner of presentation matters as much as the content:** NIE 2007 showed that a single first sentence can determine the political effect of an entire document, even if its details are balanced.
- **Lesson three — Human sources are a lasting weakness:** From 1978 to the present, the lack of direct access inside Iran—especially regarding the leadership's intentions and the internal dynamics of the elite—has been the principal limitation of the intelligence community. Much of the precise nuclear intelligence was obtained through disclosures by the opposition (2002) or Israeli operations (2018).
- **Lesson four — The independence of the intelligence community is a national asset:** When intelligence assessments become instruments for justifying decisions already taken

(1985 on Iran, 2002 on Iraq) or are ignored (2025–2026), the result is usually decisions with unforeseen consequences.

Chapter Twenty, the last chapter of Part Four, presents a comprehensive chronology of U.S. congressional legislation on Iran: from the laws of the 1980s to the Countering Wrongful Detention Act of 2025, with sponsors, votes, content, and implementation status.

Chapter Twenty: Congress and Iran — A Chronology of Legislation

20.1 The Chapter's Question

Chapter One showed that on the Iran file Congress has been the most hawkish and least partisan institution of American policymaking. This chapter provides a documented reference to the principal congressional legislation on Iran and answers three questions: What instruments did Congress build? To what extent were these instruments implemented? And where did Congress try to tie the President's hands—whether for greater pressure or to prevent war—and with what result?

20.2 Comprehensive Table of Legislation

Law	Year	Principal Sponsors	Votes	Key Content	Implementation Status
International Security and Development Cooperation Act (Section 505)	1985	—	In the foreign assistance package	Authorization to ban imports from state sponsors of terrorism	Basis for Executive Order 12613 (1987)
Iran–Iraq Arms Non-Proliferation Act	1992	McCain, Gore	In the National Defense Authorization Act	Sanctions on transferors of WMD and destabilizing conventional arms	Intermittent enforcement
Antiterrorism and Effective Death Penalty	1996	—	Overwhelming majority	The Foreign Terrorist Organizations list; terrorism exception to the Foreign Sovereign Immunities Act	Basis for multibillion-dollar damages judgments

Law	Year	Principal Sponsors	Votes	Key Content	Implementation Status
Act (AEDPA)					against Iran
Iran and Libya Sanctions Act (ILSA)	1996	D'Amato	Senate: unanimous; House: 415–0	The first comprehensive secondary sanctions on the energy sector	No company sanctioned until 2010
Iran Nonproliferation Act	2000	Gilman, Lott	House: 420–0; Senate: 98–0	Reporting and sanctions on transferors of weapons technology; condition on NASA payments to Russia	A continuing instrument for sanctioning Chinese and Russian companies
Iran Freedom Support Act	2006	Ros-Lehtinen	Passed by overwhelming majority	Codification of sanctions; extension of ILSA as ISA; democracy funding	Implemented; the democracy funding was counterproductive
CISADA	2010	Berman, Dodd	Senate: 99–0; House: 408–8	Gasoline sanctions; sanctions on foreign banks dealing with the IRGC; human rights sanctions	Decisive, effective enforcement
NDAA 2012, Section 1245	2011	Menendez, Kirk	Amendment in the Senate: 100–0	Central Bank sanctions; requirement of gradual reduction in oil purchases	Decisive enforcement; the most effective law
ITRSHRA	2012	Ros-Lehtine	Overwhelming	Sanctions on shipping, insurance, and IRGC	Implemented

Law	Year	Principal Sponsors	Votes	Key Content	Implementation Status
		n, Johnson	majority	members	
IFCA (in NDAA 2013)	2013	Kirk, Menendez	In the National Defense Authorization Act	Sectoral sanctions; restricted accounts; closing the gold channel	Implemented; effective
INARA	2015	Corker, Cardin	Senate: 98–1; House: 400–25	Congressional review of the agreement; 90-day certification	The resolution of disapproval of the JCPOA did not reach a final vote
U.S. Victims of State Sponsored Terrorism Act	2015	—	In the appropriations package	Compensation fund, including for the 1979 hostages	Implemented
Hizballah International Financing Prevention Act	2015	—	Overwhelming majority	Sanctions on banks dealing with Hezbollah	Implemented
Iran Sanctions Extension Act	2016	—	Senate: 99–0; House: 419–1	Extension of ISA to the end of 2026	Implemented
CAATSA	2017	Corker, Cardin, and others	Senate: 98–2; House: 419–3	Terrorism sanctions on the entire IRGC; missile program	Implemented

Law	Year	Principal Sponsors	Votes	Key Content	Implementation Status
Robert Levinson Hostage Recovery and Hostage-Taking Accountability Act	2020	—	In the consolidated appropriations package	Institutionalization of hostage recovery; sanctions on perpetrators	Implemented
The MAHSA Act	2024	Banks, Gottheimer, and others	House (2023): 410–15; final passage in the foreign assistance package	Assessment and sanctioning of the Leader and the President for repression	Partial implementation
The SHIP Act	2024	Lawler and others	In the foreign assistance package	Sanctions on foreign ports, refineries, and vessels receiving Iranian oil	Lax enforcement until 2025; thereafter more decisive
Countering Wrongful Detention Act	2025	—	—	Authorization for the designation of "state sponsors of wrongful detention"	Applied to Iran (February 2026)

(Note: the most recent extension of the Iran Sanctions Act (ISA) had guaranteed its validity until the end of 2026. Its renewal status at the time of writing should be checked in official congressional sources.)

20.3 Macro Patterns

(a) Unparalleled Bipartisan Consensus

The votes in the table above reveal a striking pattern. In a period in which the U.S. Congress became increasingly polarized, Iran sanctions laws were almost always passed by near-unanimous majorities: 99 to zero, 100 to zero, 420 to zero, 419 to 1. Iran is one of the few subjects on which bipartisan consensus in Congress has endured for four decades. This consensus, however, is limited to "pressure"; on "diplomacy" (the JCPOA) and "war" (war powers resolutions), Congress has been deeply divided.

(b) Congress More Hawkish Than the White House

In most cases, Congress pushed sanctions faster and harder than the White House wanted. The Clinton administration tried to soften ILSA; the Obama administration opposed some provisions of Section 1245 and, in 2013–2014, used a veto threat to stop the "Nuclear Weapon Free Iran Act" (Menendez–Kirk), which might have disrupted the negotiations. The only significant exception is the Biden period, in which Congress (through the MAHSA and SHIP Acts) was clearly ahead of the administration in applying pressure.

(c) From Leverage to Lock

Many acts of Congress converted sanctions that the President had imposed by executive order into statute. This strengthened America's negotiating leverage (because lifting them became more difficult), but at the same time reduced the credibility of sanctions relief. In the Vienna talks (2021–2022), Iran's demand for a "guarantee" that no President could give was rooted precisely in this statutory lock.

20.4 Congress and War: Attempts to Constrain the President

Alongside sanctions legislation, Congress repeatedly tried to limit the President's war powers vis-à-vis Iran. Unlike sanctions

legislation, these attempts were almost always accompanied by partisan division, and none became law.

Date	Initiative	Result
2019	Udall–Kaine amendment to the National Defense Authorization Act to bar war with Iran without congressional authorization	Senate: 50 to 40 (short of the 60 votes required); dropped from the final text
February–May 2020	Kaine's war powers resolution after the killing of Soleimani	Passed the Senate (55–45) and the House; vetoed by Trump; veto override failed (49–44)
June 2025	Kaine's resolution after the Midnight Hammer strikes	Rejected in the Senate (47–53)
March 4, 2026	War powers resolution after the start of the war	Rejected in the Senate (47–53); only Rand Paul among Republicans in favor; only Fetterman among Democrats against
March–May 2026	Repeated attempts by Democrats in both chambers	Reports point to the advance of a procedural vote in the Senate in May 2026 with several Republicans joining; as of the time of writing, no resolution has become law

Analysis

The 2026 war began and continued without explicit authorization from Congress (a declaration of war or an authorization for the use of military force); as the Congressional Research Service had noted in January 2026, Congress had not authorized the use of force in Iran. The administration justified its authority on the basis of Article II of the Constitution (the powers of the Commander-in-Chief) and the defense of itself and its allies. This situation is the continuation of a decades-long trend in which war powers have in practice shifted from Congress to the President, and the War Powers Resolution of 1973 has been unable to restrain it.

20.5 Assessment of the Legislation

Law or Category	Score	Brief Judgment
ILSA (1996)	3	A legal foundation; not enforced
Iran Nonproliferation Act (2000)	4	A durable instrument against suppliers
AEDPA and the terrorism exception	4	A permanent layer of legal pressure through the courts
CISADA, Section 1245, and IFCA	5	The most effective laws; the basis of the pressure that led to negotiation
INARA	3	Oversight, without converting the agreement into law
CAATSA	4	Sanctions on the IRGC and missiles; a statutory lock
Hostage laws (2020, 2025)	4	Institutionalizing the countering of hostage-taking
The MAHSA and SHIP Acts	4	Congressional pressure on the administration to enforce
Attempts to restrain war powers	2	None proved effective

20.6 Three Lessons

- **Lesson one — Bipartisan consensus is the most powerful instrument:** Laws passed by almost complete majorities built the most durable layers of American policy—layers that no administration could, or would, dismantle.
- **Lesson two — A law without enforcement is paper:** ILSA was not enforced for fourteen years; SHIP, for a year. What makes a law effective is executive will and the institutional capacity of the Treasury.
- **Lesson three — The asymmetry between pressure and war is dangerous:** A Congress that is united on sanctions and passive on war allows the President to take decisions with enormous consequences without national debate. Restoring the role of

> Congress in decisions of war is essential not only constitutionally, but also for the durability and legitimacy of policy toward Iran.

With this chapter, Part Four comes to a close. Part Five is the synthesis of the book: a comparative scorecard of all administrations and instruments, and lessons for future policymaking.

Part Five: Synthesis

The preceding parts examined U.S. policy toward the Islamic Republic from three angles: vertically (administration by administration), horizontally (file by file), and documentarily (strategies, estimates, and laws). Part Five ties these three perspectives together. Chapter Twenty-One presents a comparative scorecard of all administrations and instruments within a single framework and answers the book's central question. Chapter Twenty-Two draws from this scorecard lessons for future policymaking.

Chapter Twenty-One: The Comparative Record — Why Did Forty-Seven Years of Pressure Not Lead to Collapse?

21.1 Returning to the Central Question

This book began with a question: from November 1979 (Aban 1358) to the present, which decisions of the United States genuinely weakened the Islamic Republic, which had no effect, and which inadvertently strengthened it? And behind this question lay a larger one: why does a regime that for forty-seven years was under pressure from almost every instrument of a superpower—from sanctions to war, and finally the killing of its Leader—still stand?

Before answering, a methodological point is necessary. From the outset, this book distinguished among three axes: the regime's material capabilities (Axis A), its external behavior (Axis B), and its internal cohesion and legitimacy (Axis C). The answer to the question "Did U.S. policy weaken the regime?" differs on each axis, and many of the disputes about this policy stem from conflating these three axes.

21.2 Scorecard of the Administrations

Administration	Axis A (Capabilities)	Axis B (Behavior)	Axis C (Cohesion)	Best Decision	Worst Decision
Carter (1979–1981)	Moderate	Successful in the immediate objective (the hostages)	Negative	Executive Order 12170; the Carter Doctrine	Eagle Claw
Reagan (1981–1989)	Positive at the end	Contradictory	Negative	Praying Mantis	Iran-Contra
George H. W.	Limited	Successful on	Neutral	Nuclear technology	Silence on the European

Administration	Axis A (Capabilities)	Axis B (Behavior)	Axis C (Cohesion)	Best Decision	Worst Decision
Bush (1989–1993)		hostages; failed on terrorism		denial	assassinations
Clinton (1993–2001)	Cumulative, long-term	Without change	Slightly positive in the second term	The 2000 Nonproliferation Act	Failure to respond to Khobar
George W. Bush (2001–2009)	Positive (financial); negative (regional)	Negative	Negative	The Treasury's smart sanctions	The consequences of the Iraq invasion for Iran
Obama (2009–2017)	Strongly positive (2010–2013)	Positive on the nuclear file; negative in the region	Contradictory	The sanctions architecture and the JCPOA	Syria policy
Trump I (2017–2021)	Strongly positive	Negative	Contradictory	The killing of Soleimani	Failure to respond to the 2019 attacks; withdrawal from the JCPOA (nuclear)
Biden (2021–2025)	Negative, then positive	Contradictory	Slightly positive	The "Woman, Life, Freedom" instruments; the 2024 defense	Vienna talks without a deadline; lax enforcement
Trump II (2025–2026)	The greatest damage in history	Strongly negative (Hormuz, nuclear opacity)	Unknown	Epic Fury (Axis A)	Threats without enforcement at the moment of the massacre; war without a "day after" plan

Analysis of the Table

The table above reveals three patterns. First, almost every administration achieved something on Axis A; the cumulative damage to the regime's material capabilities over forty-seven years is real and enormous. Second, on Axis B the record is highly uneven: behavior change occurred only at a few specific moments (1981, 1988, 2013), and in most periods pressure led to escalation. Third, on Axis C the record is weakest: no administration had a coherent and durable strategy for strengthening Iranian society as an agent of change, and many decisions inadvertently strengthened the regime's narrative.

21.3 Ranking the Instruments

Rank	Instrument	Representative Example	Score
1	Multilateral financial sanctions with a clear exit path	2010–2013	5
2	Intelligence disclosure	Natanz 2002; Fordow 2009	5
3	Judicial attribution of responsibility to the leadership with a collective response	Mykonos 1997	5
4	Proportionate military action against a specific behavior	Praying Mantis 1988	5
5	An agreement with extensive verification	The JCPOA (on the nuclear axis)	5
6	Eliminating the command of operations	Soleimani 2020	4
7	Practical instruments for civil society	General License D-2; international isolation, 2022	4
8	Terrorist designation	The state sponsors list; the IRGC	4
9	Technology denial	The 1990s	4

Rank	Instrument	Representative Example	Score
10	Sabotage and assassination	Stuxnet; Fakhrizadeh	3
11	Indictments and individual sanctions	AMIA; the plots of the 2020s	2 to 3
12	Unilateral sanctions without consensus	1995; 2018 (on the behavioral axis)	2 to 3
13	Unilateral goodwill	1989; 2021	2
14	Hostage deals	1985; 2016; 2023	1 to 2
15	Retreat or failure to respond to attack	Lebanon 1984; Khobar; Abqaiq	1
16	Public "regime change" budgets	1995; 2006	1
17	Actions that harm the people	The travel ban; Flight 655	1

What the Successful Instruments Have in Common

The five instruments at the top of the table have one thing in common: all were "targeted"—a specific objective, a cost concentrated on decision-makers or on a specific capability of the regime, and, in most cases, the backing of international consensus or legitimacy. The instruments at the bottom of the table also have something in common: either they rewarded the regime (hostages, unilateral goodwill, retreat), or they harmed the people and strengthened the regime's narrative (the travel ban, public budgets, harm to civilians).

21.4 The Typology of Regime Responses: A Review

Chapter One introduced six patterns of regime response. A review of forty-seven years shows that each era had its own dominant pattern:

Era	Dominant Pattern	Secondary Pattern
Rupture (1979–1981)	Hostage-taking as leverage	Tactical retreat (Algiers)

Era	Dominant Pattern	Secondary Pattern
War and terrorism (1981–1989)	Asymmetric escalation	Tactical retreat (1988)
Containment (1989–2001)	Circumvention and adaptation	Wedge-driving (Europe)
Securitization (2001–2009)	Negotiating to buy time	Asymmetric escalation (Iraq)
Pressure and bargaining (2009–2017)	Tactical retreat (2013)	Hostage-taking as leverage
Maximum pressure (2017–2024)	Asymmetric escalation and circumvention	Wedge-driving (Europe, China)
Direct confrontation (2025–2026)	Maximum escalation (Hormuz)	Symbolic response (Al Udeid, 2025)

This table confirms a key finding: "tactical retreat" was the dominant or a significant pattern only three times in forty-seven years (1981, 1988, 2013), and each time it occurred under conditions in which the regime saw the continuation of its course as a threat to its survival but saw retreat as a guarantee of survival. In 2026, when the regime's survival itself had been declared the objective, retreat no longer guaranteed survival; and the regime chose maximum escalation.

21.5 Answering the Central Question: Seven Reasons

Why did forty-seven years of pressure, which brought the regime to the weakest material condition in its history, not lead to its collapse? On the basis of this book's evidence, seven interwoven reasons can be identified.

Reason One: Ambiguity of Objective

In forty-seven years, the United States never decided durably whether its objective was "behavior change" or "regime change." Administrations oscillated between the two—at times within a single administration (George W. Bush, Trump). This ambiguity had two consequences: the regime never believed that behavior

change would guarantee its survival; and the United States never coherently deployed the resources and strategy needed for regime change. The result was a policy threatening enough to drive the regime into its trenches, but not coherent enough to break those trenches.

Reason Two: Discontinuity Between Administrations

The oscillation of American policy from one administration to the next—from goodwill to containment, from engagement to pressure, from agreement to withdrawal—taught the regime that many pressures are temporary. The regime's "strategic patience" in 2018–2019, which relied on waiting for the next administration, is a clear example of this learning.

Reason Three: The Regime's Adaptive Capacity

Contrary to the common image of an ideological and inflexible regime, the Islamic Republic has been a learning organization. From each round of pressure it drew a lesson for the next: it evolved its sanctions-evasion networks, moved its nuclear program deep underground, "judicialized" hostage-taking, outsourced external operations to criminal networks, and decentralized its command structure to survive the elimination of its leadership ("mosaic defense").

Reason Four: The Cohesion of the Apparatus of Repression

The necessary condition for the collapse of any authoritarian regime is a split within part of its armed or security forces. In forty-seven years—even at the peak of protests and even after the killing of the Leader—no such large-scale split occurred. The reason is a combination of ideological loyalty, fear of retribution in the event of the regime's fall, and, above all, the IRGC's enormous economic interests in the survival of the system. As Chapter Twelve showed, sanctions inadvertently strengthened these interests: the sanctions economy turned the IRGC into the principal beneficiary of the "evasion economy" and tightened its bond with the regime's survival.

Reason Five: The Regime's Narrative Capital

From the outset, the regime made the narrative of the "foreign enemy" the pillar of its legitimacy, and many American actions fed this narrative: the 1953 coup, support for Iraq in the face of chemical weapons, the downing of Flight 655, sanctions that made medicine scarce, the travel ban, and harm to civilians and cultural heritage in the war. Each of these events enabled the regime to mobilize part of society—even those who opposed the regime—against the "foreigner," or at least to deter them from welcoming foreign pressure.

Reason Six: Great-Power Backing

For most of the forty-seven years, the regime enjoyed the "backing" of a great power that limited American pressure: the Soviet veto in 1980, then Russia and China in the Security Council, and from 2018 the purchase of Iranian oil by Chinese refineries, which kept the regime's economic artery alive. The only period in which this backing was temporarily absent (2010–2013) was the period in which pressure had its greatest behavioral effect.

Reason Seven: Neglect of the Society Axis

Perhaps the most important reason is that over forty-seven years U.S. policy invested least in precisely the axis that is decisive for lasting change: Iranian society. The instruments of pressure on the regime became highly advanced; but the instruments for strengthening society—resilient communications, support for independent organization, avoidance of harm to the middle class, and support for a credible and inclusive political alternative—either did not exist or were intermittent and at times counterproductive. No foreign power can substitute for the domestic agent of change; and a policy that weakens the domestic agent—even inadvertently—ultimately helps the regime survive.

21.6 Contrary Evidence and the Limits of This Analysis

For the sake of analytical fairness, the evidence that is inconsistent with this synthesis must also be recorded:

- **The regime has never been weaker than it is today:** In September 2026, the Islamic Republic has lost its second Leader, much of its military command, its proxy network, its strategic depth, and most of its foreign-exchange revenue. The cumulative effect of forty-seven years of pressure may be reaching a critical point, and this book may have been written prematurely.
- **Counterfactual assessment is difficult:** It cannot be said with certainty that, had the United States pursued a different strategy, the regime would have fallen or reformed sooner. Regimes with similar structures (Cuba, North Korea) have also survived prolonged American pressure.
- **Factors independent of the United States:** Many decisive developments—the Iran–Iraq War, the election of Khatami, the Arab Spring, the collapse of Assad, Israel's actions—occurred independently of U.S. policy. America's share in the final outcome should not be overestimated.

21.7 Chapter Synthesis

The forty-seven-year record of U.S. policy toward the Islamic Republic is a record of unprecedented power in instruments and persistent weakness in strategy. The United States built instruments—financial sanctions, designations, documentation, disclosure, and precise military power—that are rare in the history of international relations. But these instruments were never placed in the service of a coherent and durable strategy with a clear objective, continuity across administrations, consensus with allies, and a focus on Iranian society. The final chapter draws lessons for the future from this very gap between instrument and strategy.

Chapter Twenty-Two: Lessons for Future Policymaking

22.1 From Record to Strategy

The previous chapter showed that the central problem of U.S. policy toward the Islamic Republic was not a shortage of instruments but a shortage of strategy: a clear objective, continuity across administrations, consensus with allies, and a focus on Iranian society. This final chapter turns the lessons of forty-seven years into usable principles. These principles are presented at two levels: for American policymakers and their allies, and for the Iranian forces thinking about a transition beyond the Islamic Republic. Finally, the scenarios ahead at the time of writing (September 2026) and indicators for tracking them are presented.

These principles are not a prescription for any particular administration; they are drawn from historical evidence and must be adapted to the conditions of each moment. This chapter also refrains from advocating a particular scenario—whether agreement or regime change—and instead identifies the conditions that, in any scenario, increase the likelihood of a desirable outcome.

22.2 Ten Principles for Policymakers

Principle 1 — Choose the objective and keep it stable

Oscillation between "behavior change" and "regime change" was the greatest strategic weakness of the forty-seven years. Both objectives are legitimate, but they require different instruments, timing, and messaging. If the objective is behavior change, the regime must believe that behavior change will guarantee its survival; if the objective is regime change, the strategy must focus on the domestic forces of change, not merely on external pressure. An ambiguous combination of the two has produced the worst outcome: a regime that takes refuge in its trenches without those trenches being broken.

Principle 2 — Build bipartisan continuity

Iran's regime has learned to wait for the next administration. The only way to neutralize this strategy is to build a policy that enjoys bipartisan consensus and the statutory backing of Congress—as the sanctions laws demonstrated. Any future agreement should also, where possible, be approved by Congress so that it does not collapse with a change of administration.

Principle 3 — Target the chokepoint, not the people

The most effective instruments of pressure targeted the regime's access to the dollar, the banking system, and oil revenue. Instruments that harmed the people—the travel ban, medicine shortages, damage to civilian infrastructure—strengthened the regime's narrative and weakened the middle class, the bearer of peaceful change.

Principle 4 — Target the evasion economy

Sanctions inadvertently turned the IRGC and the institutions affiliated with the leadership into the principal beneficiaries of the "evasion economy." Any future sanctions policy must simultaneously target the evasion networks—the shadow fleet, exchange houses, intermediaries, and third-country markets—so as to reduce, not increase, the economic interests of the apparatus of repression.

Principle 5 — Bring the cost home to the decision-maker

The only responses that changed the regime's terrorist behavior were those that placed the cost directly on the highest level of decision-making: the Mykonos verdict and the elimination of Soleimani. Individual sanctions on commanders with no assets in the West, and indictments without arrest, were not deterrent.

Principle 6 — Do not reward hostage-taking

Every hostage deal involving financial concessions or prisoner releases led to new hostage-taking. The freedom of citizens is the priority, but the "price" matters. In particular, operatives convicted of terrorism or crimes against humanity must never be exchanged;

doing so turns the judicial system into an instrument of the regime's bargaining. The effective response is Western coordination, the collective expulsion of diplomats, and the imposition of personal costs on the perpetrators.

Principle 7 — Respond to attack, proportionately and swiftly

Praying Mantis in 1988 and the elimination of Soleimani in 2020 showed that a swift, proportionate response confined to a specific behavior rebuilds deterrence. Failure to respond to attacks (Lebanon 1984, Khobar 1996, Abqaiq 2019) eroded it. But a wide-ranging war with an unlimited objective (2026) provoked maximum escalation instead of deterrence. Proportionality is the key.

Principle 8 — Place verification above everything

On the nuclear file, the only period in which the United States knew with confidence what state Iran's program was in was the JCPOA period. Any policy that eliminates inspections—whether withdrawal from an agreement or bombing that leads to the end of cooperation with the IAEA—leaves the United States in the dark. Any future solution, in any scenario, must include a mechanism for accounting for and safeguarding nuclear materials, especially the stockpile of highly enriched uranium.

Principle 9 — Consensus is a multiplier

The comparison of 2012 and 2019 showed that pressure with consensus is more effective than more severe pressure without it. The comparison of 2020 and 2025 showed that the snapback mechanism worked only when its legitimate parties activated it. Any future strategy must take into account Europe, the Persian Gulf states, and, where possible, at least the neutrality of China and India.

Principle 10 — Put Iranian society at the center

The most important lesson of this book: lasting change in Iran will come from within, not from outside. Foreign policy can create the conditions for this change or make it more difficult. The

instruments that create these conditions are known: communications resilient to internet shutdowns; documentation of crimes for future accountability; quiet support for civil-society capacity-building; avoidance of harm to the middle class; a clear vision of what becomes possible after change (sanctions relief, reconstruction, international integration); and, above all, a clear message to the armed forces and the administrative apparatus that change is not an existential threat to them, except for those directly responsible for crimes.

22.3 Seven Lessons for Iran's Transition Forces

This book is about American policy; but its lessons are also clear for the Iranian forces thinking about a transition:

- **Lesson one — No foreign power substitutes for the domestic agent:** Forty-seven years of American pressure—from sanctions to war and the elimination of the Leader—did not bring the regime down. Change requires domestic organization, a broad coalition, and a split in the apparatus of power.
- **Lesson two — Dependence on a foreign power is an asset of the regime:** The regime has always tried to portray its opponents as "foreign agents." Transition forces that demonstrate their independence in practice and defend domestic victims—whether victims of repression or victims of war—equally, neutralize this narrative.
- **Lesson three — Do not assume the stability of American policy:** Over forty-seven years, American policy has repeatedly swung from one pole to the other. A transition strategy should not rely on the continuation of a particular policy in Washington.
- **Lesson four — Standards, not individuals:** The experience of Iraq showed that foreign powers err in selecting a successor from abroad. Forces that offer clear and inclusive standards for

the transition period—the rule of law, the rights of all citizens, free elections, and limits on power—gain greater legitimacy with Iranian society and the international community than those who claim leadership.

- **Lesson five — A message to the armed forces:** The necessary condition of any transition is the defection or neutrality of part of the armed forces. A clear plan that distinguishes between those responsible for crimes and the rank and file, guarantees the security and future of the rank and file, and avoids collective retribution, is the most important instrument for bringing about such a split.
- **Lesson six — Prepare "the day after" today:** The failure of American policy in Iraq in 2003 and its ambiguity in Iran in 2026 show that the vacuum after collapse can be more dangerous than the regime itself. Plans for the continuity of public services, security, the protection of sensitive documents and materials (including nuclear materials), and transitional justice are the principal capital of any transition force.
- **Lesson seven — Documentation is the capital of justice:** The reports of human rights organizations, the UN fact-finding mission, and the documentation of the victims of the 1404 massacre are the foundation of future transitional justice. Preserving and expanding these records is a task that must be taken seriously starting now.

22.4 Scenarios Ahead (September 2026)

At the time of writing, the war between the United States and Iran has entered a phase of attrition; Iran has presented a road map for a ceasefire and the United States has rejected it. Four principal scenarios are conceivable:

Scenario	Description	Warning Indicators	Consequences for Iran and the Region
Limited	Ceasefire,	Resumption of direct	A weakened regime that

Scenario	Description	Warning Indicators	Consequences for Iran and the Region
agreement	reopening of Hormuz, end of the blockade, and an agreement on nuclear materials	negotiations; IAEA access; decline in attacks in Hormuz	survives; risk of repeating the cycle of pressure and escalation
Prolonged attrition	Continued blockade and sporadic attacks without agreement	Extension of the blockade; periodic attacks; continued communications shutdowns	Further erosion of the economy and society; radicalization of the regime; risk of a nuclear decision
Collapse from within	Splits in the apparatus of power and widespread uprising	Signs of military defection; nationwide strikes; divisions at the top	An opportunity for transition; risk of vacuum and instability in the absence of a "day after" plan
Escalation and nuclearization	A regime decision to build a weapon or withdraw from the Non-Proliferation Treaty	Formal withdrawal from the treaty; activity at underground facilities; movement of materials	A major regional crisis; the possibility of more extensive attacks

This book does not predict any of these scenarios. But the lessons of forty-seven years show that in every scenario three factors increase the likelihood of a better outcome: maintaining or restoring nuclear verification; a practical distinction between the regime and the people of Iran in every action; and readiness for "the day after," both in Washington and among Iranian forces.

22.5 Closing Words

Forty-seven years ago, on 13 Aban 1358 (November 4, 1979), a group of students climbed the wall of the U.S. embassy in Tehran. What began that day has been the longest confrontation between a superpower and a middle-ranking state in the era since the Second World War. In these forty-seven years, the United States tested

almost every instrument, and the Islamic Republic found almost every path of adaptation. The cost of this confrontation has been paid, more than by anyone else, by the people of Iran: in war, under sanctions, in prison, in exile, and in the streets.

The final lesson of this book is simple but difficult: the power of an instrument is no substitute for clarity of purpose; and pressure on a regime is no substitute for strengthening a nation. A policy that combines the two—smart and targeted pressure on the regime, together with real and durable support for Iranian society—has not yet been fully tested. Perhaps the future of the relationship between Iran and the United States, and the future of Iran itself, depends on that very test.

Appendices

Appendix A. Glossary of Abbreviations

Abbreviation	Full Title	Description
AEDPA	Antiterrorism and Effective Death Penalty Act	U.S. counterterrorism statute (1996)
ATA	Annual Threat Assessment	Annual threat assessment of the Director of National Intelligence
CAATSA	Countering America's Adversaries Through Sanctions Act	Sanctions statute (2017)
CENTCOM	U.S. Central Command	U.S. regional military command
CISADA	Comprehensive Iran Sanctions, Accountability, and Divestment Act	Sanctions statute (2010)
CRS	Congressional Research Service	Research arm of Congress
DNI / ODNI	Director / Office of the Director of National Intelligence	Head of the intelligence community
EO	Executive Order	Presidential executive order
FSIA	Foreign Sovereign Immunities Act	Statute governing suits against foreign states
FTO	Foreign Terrorist Organization	State Department designation
IAEA	International Atomic Energy Agency	UN nuclear watchdog
IEEPA	International Emergency Economic Powers Act	Emergency economic powers statute (1977)
IFCA	Iran Freedom and Counter-Proliferation Act	Sanctions statute (2013)
ILSA / ISA	Iran and Libya Sanctions Act / Iran Sanctions Act	Secondary-sanctions statute (1996)
INARA	Iran Nuclear Agreement Review Act	Congressional review statute (2015)
INKSNA	Iran, North Korea, and Syria Nonproliferation Act	Nonproliferation sanctions statute
ITRSHR	Iran Threat Reduction and Syria	Sanctions statute (2012)

Abbreviation	Full Title	Description
A	Human Rights Act	
JCPOA	Joint Comprehensive Plan of Action	The 2015 nuclear agreement
JPOA	Joint Plan of Action	The 2013 Geneva interim agreement
NDAA	National Defense Authorization Act	Annual defense authorization statute
NIE / SNIE	(Special) National Intelligence Estimate	Formal intelligence-community estimate
NSDD / NSD / NSPM / PD / PPD	National Security Decision Directive and equivalent titles	Presidential national security directives under various administrations
NSS	National Security Strategy	Presidential strategy document
OFAC	Office of Foreign Assets Control	Treasury sanctions office
SDGT	Specially Designated Global Terrorist	Treasury/State terrorism designation
SDN	Specially Designated Nationals	Treasury sanctions list
SHIP Act	Stop Harboring Iranian Petroleum Act	Sanctions statute (2024)
TFI	Office of Terrorism and Financial Intelligence	Treasury financial-intelligence office

Appendix B. Principal Sources

This book relies on four categories of sources. The sources below are the most important references for readers who wish to pursue any entry independently.

1. Primary U.S. Government Documents

- **Texts of executive orders:** the *Federal Register* and the American Presidency Project.
- **Statutory texts and voting records:** congress.gov.
- **Declassified documents:** the *Foreign Relations of the United States* (FRUS) series of the Department of State; the National Security Archive at George Washington University.
- **National security strategies and public directives:** the White House website and presidential archives.
- **Annual threat assessments and public estimates:** the website of the Office of the Director of National Intelligence.
- **Country reports on terrorism and human rights:** U.S. Department of State.
- **Sanctions lists and notices:** U.S. Department of the Treasury (OFAC).

2. Reports of Research and Oversight Bodies

- The periodic reports of the Congressional Research Service, especially "Iran: Background and U.S. Policy," "Iran Sanctions," and reports on the 2026 war.
- Reports of the U.S. Government Accountability Office (GAO) on sanctions enforcement.
- Quarterly reports of the International Atomic Energy Agency on safeguards implementation and the JCPOA in Iran.

3. International and Human Rights Sources

- Resolutions of the UN Security Council and General Assembly.
- Reports of the UN Special Rapporteur and the Independent International Fact-Finding Mission on Iran.
- Reports of Amnesty International, Human Rights Watch, HRANA, Iran Human Rights, Hengaw, and the Iran Human Rights Documentation Center.
- **Judicial rulings:** Berlin Superior Court (Mykonos, 1997); Antwerp court (Villepinte, 2021); Stockholm court (Hamid Nouri, 2022); International Court of Justice (*Diplomatic and Consular Staff*, 1980; *Oil Platforms*, 2003); Iran–United States Claims Tribunal.

4. Scholarly Works and Memoirs

- **Memoirs of American decision-makers:** Carter, Brzezinski, Vance, Shultz, Bush, Rice, Kerry, Gates, Panetta, Bolton, Pompeo.
- **Memoirs and accounts of mediators and diplomats:** Giandomenico Picco, James Dobbins, William Burns.
- Scholarly works on Iran–U.S. relations, sanctions, the nuclear program, and the Revolutionary Guards.

A closing note on sources for 2025–2026: For the events of this period, whose official documents have not yet been fully released, the book relies on reports of the Congressional Research Service, reputable international news agencies and media, and reports of human rights organizations. Casualty and damage figures for this period are highly contested, and the range of estimates is given in the text.

Appendix C. Selected Key Documents

This appendix collects, in chronological order, the texts or principal provisions of the most important documents referred to in the book. Documents of the U.S. government and the United Nations are in the public domain. Where "Text" appears, the passage is rendered closely from the original document; where "Summary of provisions" appears, the most important provisions are summarized because of the document's length. Researchers citing these documents for legal purposes should consult the official English texts.

Document 1. Executive Order 12170 — Blocking Iranian Government Property (November 14, 1979)

Text (rendered from the original):

By the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act and the National Emergencies Act, I, Jimmy Carter, President of the United States, find that the situation in Iran constitutes an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States, and hereby declare a national emergency to deal with that threat.

I hereby order blocked all property and interests in property of the Government of Iran, its instrumentalities and controlled entities, and the Central Bank of Iran which are or become subject to the jurisdiction of the United States or which are in or come within the possession or control of persons subject to the jurisdiction of the United States.

The Secretary of the Treasury is authorized to employ all powers granted to me by the International Emergency Economic Powers Act to carry out the provisions of this order. This order is effective immediately and shall be transmitted to the Congress and published in the Federal Register.

Significance: The national emergency declared by this order has been renewed every year since 1979 and is the legal basis of almost all subsequent executive sanctions (Chapters 3 and 12).

Document 2. The Carter Doctrine — State of the Union Address (January 23, 1980)

Principal passage:

> *Let our position be absolutely clear: An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States of America, and such an assault will be repelled by any means necessary, including military force.*

Significance: This declaration became the basis for the creation of Central Command (CENTCOM) and the permanent U.S. military presence in the Persian Gulf (Chapter 3).

Document 3. The General Declaration of Algiers (January 19, 1981)

Summary of provisions, with a rendering of Point I:

- **General Principle A:** Within the framework of the provisions of the Declaration, the United States will restore the financial position of Iran, insofar as possible, to that which existed prior to November 14, 1979, and will release the blocked assets in accordance with the arrangements provided.
- **General Principle B:** The aim of the two parties is to terminate all litigation between the government of each party and the nationals of the other, and to bring about the settlement of such claims through binding arbitration.
- **Point I — Non-intervention (rendered from the original):** The United States pledges that it is and from now on will be the policy of the United States not to intervene, directly or indirectly, politically or militarily, in Iran's internal affairs.

- **Financial provisions:** Transfer of the blocked assets to an escrow account of the Central Bank of Algeria with the Bank of England; settlement of the loans of American banks; establishment of a Security Account for the payment of awards of the Claims Tribunal.
- **Claims provisions:** The United States will terminate and bar claims by its nationals against Iran in U.S. courts arising from the hostage-taking.
- **Provisions concerning the Shah:** The United States will freeze the assets of the Pahlavi family in the United States pending a determination of their legal status.

Significance: The non-intervention clause is invoked to this day in the Islamic Republic's legal arguments against the United States, including in its 2026 claim before the Hague Tribunal (Chapters 3 and 11).

Document 4. UN Security Council Resolution 598 (July 20, 1987)

Summary of principal provisions:

- **Paragraph 1:** Demands that Iran and Iraq observe an immediate ceasefire, discontinue all military actions on land, at sea, and in the air, and withdraw all forces to the internationally recognized boundaries.
- **Paragraph 2:** Dispatch of a team of UN observers to verify, confirm, and supervise the ceasefire and withdrawal.
- **Paragraph 3:** Release and repatriation of prisoners of war in accordance with the Third Geneva Convention.
- **Paragraph 6:** Requests the Secretary-General to explore entrusting an impartial body with inquiring into responsibility for the conflict.
- **Paragraph 7:** Recognizes the magnitude of the damage and the need for reconstruction efforts with international assistance.

Significance: Iran accepted this resolution a year later, on July 18, 1988—an acceptance that Ayatollah Khomeini likened to "drinking the cup of poison" (Chapter 4).

Document 5. Executive Order 12959 — Comprehensive Trade Embargo (May 6, 1995)

Summary of provisions:

- Prohibition on the importation into the United States of goods and services of Iranian origin.
- Prohibition on the exportation, sale, or supply of any goods, technology, or services from the United States or by U.S. persons to Iran or the Government of Iran.
- Prohibition, under specified conditions, on the re-exportation of U.S. goods and technology to Iran from third countries.
- Prohibition on any new investment by U.S. persons in Iran or in property controlled by the Government of Iran.
- Prohibition on any transaction—including purchase, sale, transportation, or financing—by U.S. persons relating to goods of Iranian origin (closing the loophole that allowed U.S. companies to purchase Iranian oil abroad).

Significance: This order, together with Executive Order 12957, is the basis of America's comprehensive primary sanctions against Iran, which remain in force to this day (Chapters 6 and 12).

Document 6. The Iran and Libya Sanctions Act — ILSA (August 5, 1996)

Summary of provisions:

- The President must impose at least two sanctions from a list of six on any person who, in a twelve-month period, invests more than $40 million (and after one year, $20 million) in the development of Iran's petroleum resources.

- **List of sanctions:** denial of Export–Import Bank assistance; denial of export licenses; prohibition on loans exceeding $10 million from U.S. financial institutions; prohibition on designation as a primary dealer of U.S. government securities; prohibition on government procurement contracts; and import restrictions.
- The President may grant waivers by invoking the "national interest" or where the company's home country cooperates with the sanctions.

Significance: The first comprehensive secondary-sanctions statute against Iran; it was applied to no company until 2010 (Chapters 6 and 12).

Document 7. UN Security Council Resolution 1737 (December 23, 2006)

Summary of principal provisions:

- **Paragraph 2:** Iran shall without further delay suspend all enrichment-related and reprocessing activities, including research and development, and work on all heavy-water-related projects.
- **Paragraph 3:** All states shall prevent the supply, sale, or transfer of all items, materials, equipment, and technology that could contribute to Iran's proliferation-sensitive nuclear activities or to the development of nuclear weapon delivery systems.
- **Paragraph 12:** All states shall freeze the funds and assets of the persons and entities listed in the annex to the resolution.
- **Paragraph 18:** Establishment of a Security Council sanctions committee to oversee implementation.

Significance: The first binding Security Council sanctions resolution against the Islamic Republic, twenty-six years after the Soviet veto of 1980 (Chapter 7).

Document 8. National Defense Authorization Act for 2012, Section 1245 (December 31, 2011)

Summary of provisions:

- Blocking of all property and interests in property of Iranian financial institutions, including the Central Bank, within U.S. jurisdiction.
- Prohibition on foreign financial institutions maintaining correspondent accounts in the United States if they knowingly conduct significant financial transactions with the Central Bank of Iran or designated Iranian banks.
- **Key exception:** Transactions for the purchase of Iranian oil by a country that has "significantly" reduced its purchases of Iranian oil in each 180-day period are exempt from sanctions.
- **Humanitarian exception:** Transactions related to food, medicine, and medical devices.

Significance: The most effective sanctions law in the history of this file; it cut Iran's oil exports by more than half in less than two years (Chapters 8 and 12).

Document 9. UN Security Council Resolution 2231 (July 20, 2015)

Summary of provisions, with a rendering of the missile provision:

- Endorses the JCPOA and calls upon all states to support its implementation.
- Terminates the provisions of previous Security Council resolutions on Iran upon the IAEA's confirmation that Iran has implemented its initial commitments (Implementation Day).
- **Snapback mechanism:** Any JCPOA participant may notify the Council of "significant non-performance"; if the Council does not adopt, within 30 days, a resolution to continue the

termination of sanctions, the previous sanctions are automatically restored.

- **Annex B, paragraph 3 (rendered from the original):** Iran is called upon not to undertake any activity related to ballistic missiles designed to be capable of delivering nuclear weapons, including launches using such ballistic missile technology, until the date eight years after JCPOA Adoption Day or until the date on which the IAEA submits a report confirming the Broader Conclusion, whichever is earlier.

Significance: The language of "calls upon" in the missile provision, which was not regarded as binding, became the axis of dispute after the JCPOA; and the snapback mechanism failed when invoked by the United States in 2020 and was used by Europe in 2025 (Chapters 8, 9, and 11).

Document 10. Mike Pompeo's Twelve Conditions — Heritage Foundation (May 21, 2018)

Summary of provisions: The U.S. Secretary of State called on Iran, for a "new deal," to take the following steps:

1. Declare to the IAEA a full account of the prior military dimensions of its nuclear program and permanently and verifiably abandon such work.

2. Stop enrichment and never pursue plutonium reprocessing, including closing its heavy-water reactor.

3. Provide the IAEA with unqualified access to all sites throughout the entire country.

4. End its proliferation of ballistic missiles and halt further launching or development of nuclear-capable missile systems.

5. Release all U.S. citizens and citizens of partner and allied nations.

6. End support to Middle East terrorist groups, including Hezbollah, Hamas, and Palestinian Islamic Jihad.

7. Respect the sovereignty of the Iraqi government and permit the disarming, demobilization, and reintegration of Shi'a militias.

8. End its military support for the Houthi militia and work toward a peaceful political settlement in Yemen.

9. Withdraw all forces under Iranian command throughout the entirety of Syria.

10. End support for the Taliban and other terrorists in Afghanistan and the region, and cease harboring senior al-Qaeda leaders.

11. End the IRGC Quds Force's support for terrorists and militant partners around the world.

12. End its threatening behavior against its neighbors, including threats to destroy Israel, missile firings into Saudi Arabia and the United Arab Emirates, threats to international shipping, and cyberattacks.

Significance: This list, which critics called a "list of surrender," defined the objective of the maximum-pressure policy (Chapter 9).

Document 11. National Security Presidential Memorandum No. 2 — NSPM-2 (February 4, 2025)

Summary of provisions:

- **Statement of policy:** Iran must be denied a nuclear weapon and intercontinental ballistic missiles; Iran's terrorist network must be neutralized; and Iran's aggressive development of missiles and other asymmetric and conventional capabilities must be countered.
- **Direction to the Treasury:** Impose "maximum economic pressure" through sanctions and enforcement mechanisms, including against oil-sale networks and the shadow fleet.
- **Direction to the State Department:** Modify or rescind existing sanctions waivers, and work with allies to restore UN sanctions through the snapback mechanism.

- **Direction to the State Department and Treasury:** Drive Iran's oil exports to zero, including exports to China.
- **Direction to the Department of Justice:** Pursue Iran's financial and logistical networks and its operations on U.S. soil.

Significance: The foundational document of the second Trump term, whose course led to the war of 2026 (Chapter 11).

Document 12. Lord Palmerston's Speech in the House of Commons (March 1, 1848)

Principal passage:

> *It is a narrow policy to suppose that this country or that is to be marked out as the eternal ally or the perpetual enemy of England. We have no eternal allies, and we have no perpetual enemies. Our interests are eternal and perpetual, and those interests it is our duty to follow.*

Significance: This passage, which appears on the final page of the book, summarizes the principle of "national interest" as the guide to a rational foreign policy—a principle that, as the final lesson of this book, holds both for Washington and for any future government of Iran.

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We have no eternal allies, and we have no perpetual enemies. Our interests are eternal and perpetual, and those interests it is our duty to follow.

LORD PALMERSTON · HOUSE OF COMMONS · 1 MARCH 1848

From the seizure of the U.S. embassy in Tehran in November 1979 to the war of 2026, the United States has tested nearly every instrument available to a superpower against the Islamic Republic of Iran: asset freezes and secondary sanctions, covert talks and hostage deals, cyber sabotage, targeted killing, a nuclear agreement and its repudiation, air strikes, and finally war and naval blockade. Yet the regime has endured.

Forty-Seven Years is the first systematic assessment of that entire record against a single standard. Drawing on executive orders, statutes, national security strategies, intelligence estimates, and court rulings, it scores every major policy across three axes — the regime's material capabilities, its external behavior, and its internal cohesion — and traces how a learning regime adapted to each round of pressure. Its conclusion is as sobering as it is practical: America never lacked instruments; it lacked a durable strategy.

ABOUT THE AUTHOR

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