The RAND Corporation is a nonprofit institution that helps improve policy and decisionmaking through research and analysis.

This electronic document was made available from www.rand.org as a public service of the RAND Corporation.

Skip all front matter: Jump to Page 1

Support RAND

Browse Reports & Bookstore
Make a charitable contribution

For More Information

Visit RAND at www.rand.org
Explore the RAND Corporation
View document details

Limited Electronic Distribution Rights

This document and trademark(s) contained herein are protected by law as indicated in a notice appearing later in this work. This electronic representation of RAND intellectual property is provided for non-commercial use only. Unauthorized posting of RAND electronic documents to a non-RAND website is prohibited. RAND electronic documents are protected under copyright law. Permission is required from RAND to reproduce, or reuse in another form, any of our research documents for commercial use. For information on reprint and linking permissions, please see RAND Permissions.
RAND perspectives (PEs) present informed perspective on a timely topic that address the challenges facing the public and private sectors. All RAND perspectives undergo rigorous peer review to ensure high standards for research quality and objectivity.
This perspective begins by positing that a final nuclear agreement is reached between Iran and the United States, United Kingdom, France, Russia, China, and Germany (the P5+1). One of a series of RAND perspectives on what Middle East and U.S. policy might look like in “the days after a deal,” this paper examines the choices the United States will confront in its policies toward Iran and its regional partners.¹

More specifically, it considers whether the current consensus that is developing (a cautious hedging/accommodating partner perspective) risks losing the opportunities presented by a nuclear agreement with Iran and even Iran’s willingness to proceed with its implementation. A framework is in place for the achievement of a nuclear agreement with Iran. Without predicting that a deal will be signed, the potential for reaching an agreement is great enough to warrant planning for such an outcome. (See box for the assumed contours of an agreement.)

With a nuclear deal, U.S. overall goals will not change, and these include preventing Iran from acquiring nuclear weapons and reassuring its partners as to U.S. support. But the setting for achieving these goals will change. While Iran will still be able to enrich uranium, its nuclear infrastructure will be significantly reduced and its nuclear-related activities placed under intrusive International Atomic Energy Agency (IAEA) monitoring. The international community will gain more time between a potential Iranian decision to
develop nuclear weapons and when that development could happen. If Iran pursues nuclear activities covertly, these are also more likely to be discovered than is currently the case.

It is also likely that the agreement will require a complex set of implementing steps and involve phases in terms of, for example, the sanction relief, the specific reductions in the Iranian infrastructure, and the IAEA monitoring activities. Perhaps more importantly, the agreement will leave many ambiguities, so U.S.-Iran engagement will continue to be needed to ensure the full implementation of the agreement. And that engagement is likely to be characterized by differences and even charges of violations.

In its declarations and actions, the United States will face multiple challenges, including:

• ensuring that Iran complies with the nuclear agreement
• making clear the consequences to Iran of violating the agreement
• reassuring U.S. partners anxious about what an agreement means for U.S. policies in the region without allowing their agendas to undercut Iran’s implementation of the agreement
• allowing for the possibility of Iran potentially moderating its behavior in the region and its hostility toward the United States and others in the region
• gaining support for all these policies from a highly skeptical Congress and American public.

In crafting policies to achieve these goals, the United States will have to find a way to threaten Iran credibly with consequences should it violate the nuclear agreement, while assuring Iran that it will be potentially rewarded in complying with the agreement (see Figure 1). The United States will also need to find the delicate balance between reassurance of U.S. regional partners

---

**Assumptions About the Contours of a Final Deal***

For the purposes of analysis, the author presumes that if a final deal is reached between the P5+1 and Iran, it will be based on these general principles:

• Iran may continue to enrich uranium, but with limits placed on the degree of enrichment, as well as on the number and types of centrifuges at Natanz and Fordo.
• The Arak heavy water reactor will be redesigned with no reprocessing and subject to International Atomic Energy Agency (IAEA) safeguards.
• Intrusive IAEA inspection of nuclear sites would be imposed; Iran agrees to sign and ratify the Nuclear Nonproliferation Treaty Additional Protocol, which permits IAEA access to nondeclared sites with little notification.
• Iran would share information with IAEA on possible military dimensions of the program.
• Relevant sanctions would be phased out via implementation of the agreement through new legislation by Congress, lifting of sanctions by the European Union (EU), and removal of sanctions under a new UN Security Council resolution.

*These principles are derived from the elements for a comprehensive solution found in the Joint Plan of Action. We are not predicting what the actual agreement will look like, but using these plausible contours as a point of departure for our analysis.
Figure 1: Signal to Iran on Compliance with Agreement

- Prospect of reimposition of nuclear-related sanctions
- Increased forward presence in the Gulf and within Gulf Cooperation Council (GCC) states
- Declaratory policy reinforcing security assurances against Iran
- Follow through on threats elsewhere (e.g., in support of Syrian rebels)

Figure 2: Balancing Reassurance with Assuaging Iran’s Sense of Vulnerability

- Potential lifting of non-nuclear sanctions in response to verified implementation of final agreement
- Refrain from conditioning incentives on additional measures such as improvement in human rights

- Expanded information-sharing and consultations
- Sustained/increased forward presence in the Gulf and within GCC states
- Training/equipping of partner militaries
- Declaratory policy reinforcing security assurances against Iran

- Reductions in U.S. military presence and activities in region
- Engagement with Iran on issues of mutual concern that extend beyond the nuclear agreement
- Moderated declaratory threats
Policymakers do have choices that need to be addressed in anticipation that a nuclear agreement with Iran could be signed.

and assuaging Iran’s perception of threats to its own regional interests (see Figure 2). While the policy choices could have the flavor of zero-sum choices, there are, in fact, different combinations of policies, as the examples in the figures suggest.

This paper begins by describing the policy questions that will need to be answered as the United States defines an approach to Iran and its regional partners, assuming a nuclear agreement were to be signed. It then outlines what seems to be an emerging consensus within the United States, reflected in statements of the Obama administration and among regional experts, as to the policies the United States should adopt, and these are clearly weighted toward hedging against Iranian misbehavior and giving priority to accommodating the perspectives of U.S. partners. But is this the right way forward? This paper describes alternative policies that would modify this balance. While these policies have their drawbacks, policymakers do have choices that need to be addressed in anticipation that a nuclear agreement with Iran could be signed.

Policy Questions
There are six interrelated questions that U.S. policymakers need to consider in designing an approach to Iran and its regional partners following a nuclear deal with Iran.

• Should U.S. interactions and communications with Iran and its regional partners change?

• Should the United States open up the possibility of further economic incentives toward Iran and under what conditions?

• Should new or expanded security assurances be given to U.S. partners?

• How can the United States balance the need to reassure partners without jeopardizing Iran’s potential interest in moderating its regional policies?

• Should changes be made in U.S. regional military presence?

• What should be the balance in U.S. declaratory statements between the need for ambiguity and specificity?

Interactions and communications are already under way with Iran in the negotiations—and, to different degrees, with U.S. regional partners—about what will happen if an agreement is reached. These discussions will continue as a nuclear agreement is implemented. The question is whether the nature and substantive characteristics of these communications and interactions should change. With Iran, the issue is whether discussions should be extended to other regional issues (e.g., Afghanistan, Syria); with U.S. partners, the issue is whether discussions should become more formalized and focused on the details of implementing the nuclear agreement, as well as on what is happening in U.S.-Iran interactions.

Economic disincentives in the form of sanctions have contributed to Iran’s willingness to negotiate a nuclear agreement. The nuclear-related sanctions will be phased out, if an agreement is signed. The question for the United States will be whether to open up the possibility of removing the other non-nuclear sanctions and under what conditions—i.e., after full implementation of the nuclear agreement or tied to other types of Iranian behavior. A related question concerns the particular approach the United States takes to lifting sanctions, in that this action involves overlapping authorities between
the executive and legislative branches. Answering this question will necessitate consistent executive branch engagement with congressio-
nal leaders on its preferred framework for re-evaluating the need for potential sanctions. Policymakers will also need to decide how much should be done by any one branch and whether presidential action without congressional action would be sufficient to convince Iran that promised steps in an agreement have been implemented.

Security assurances to partners provide a foundation for current U.S. strategy and include statements regarding U.S. commitments, including against Iran. The question for the United States is whether renewed or new assurances are needed. These could involve statements that emphasize the special relationships the United States has with Israel, with Saudi Arabia, and the other GCC countries—and that define how the United States would be prepared to act (including with military force) in the event that the nuclear agreement breaks down. To be credible, such assurances would need to find ways for partners to trust that the United States will follow through on its promises and threats, and skepticism exists as to whether this can actually be done.

While security cooperation with regional partners is already robust, there is always the possibility for more, including additional sales of defensive capabilities (in such areas as high-end missile intercept systems), naval and air exercises, integration of partner systems with U.S. ballistic missile defense systems, and even transfers of more offensive capabilities. The question will be how to balance the need to reassure partners without jeopardizing Iran’s implementation of the agreement and potential interest in moderating its regional policies. Can the United States craft a broader regional strategy with Iran in the presence of partner perceptions and agendas that serve to constrain such a strategy?

U.S. military presence in the Middle East has remained quite robust even after the drawdown from Iraq. While this presence has supported operations in Afghanistan, it has been largely in response to the increasing Iranian regional military threat and keeping open the military option to destroy Iran’s nuclear infrastructure. At the same time, this presence has had to account for the long-established political sensitivities of U.S. regional partners in terms of bases and numbers of military personnel. The question that arises with the conclusion of a nuclear agreement with Iran is whether any changes should be made. It is important to remember in answering this question that a future U.S. military presence in the Middle East needs to take into account not only how to hedge against a potential Iranian breakout from the agreement but also how to promote broad U.S. political and military interests in the region. What partners will be willing to allow in terms of U.S. access to bases in the future could also change with the signing of a nuclear agreement. And an important characteristic of U.S. presence is that small changes may send strong signals.

Declaratory statements will need to be crafted about each of these policies and the question will arise as to how to balance the messages to the different audiences and what the tradeoff should be between the desire for ambiguity (to leave the U.S. flexibility in its future policies) and specificity in terms of U.S. intentions (to leave no uncertainty in the minds of the Iranians and U.S. partners as to what the United States intends in its future polices).

A U.S. Approach Is Emerging That Emphasizes Hedging and Reassurance

From Obama administration statements and a growing consensus among U.S. regional experts, a set of U.S. policies and assumptions
seems to be emerging as to what policies the United States should pursue in the aftermath of a nuclear agreement with Iran. ³

- The nuclear agreement will offer Iran incentives in the form of graduated sanctions relief for forgoing its pursuit of capabilities associated with nuclear weapons and for maintaining limits on its nuclear infrastructure. Any further incentives, as well as all but minimal engagement, need to wait in order to test Iran’s compliance with the agreement and its behavior elsewhere in the region. The rationale for this narrow focus lies in the uncertainties as to the Iranian domestic situation and what future Iranian behavior will be in the region. In this view, a nuclear agreement with Iran will not change the fact that the Iranian regime, especially Supreme Leader Ayatollah Ali Khamenei and the conservative establishment, view the United States as the chief source of global “oppression.” President Hassan Rouhani and other pragmatic Iranians may aspire to more normal ties with the United States but the Islamic Republic remains a revolutionary state guided not only by its interests of regime survival and maintaining territorial sovereignty, but also expanding its regional influence.⁴

- The consequences of potential Iranian violations of the nuclear agreement will be made explicit, including the threat of and clear plan for a rapid reimposition of sanctions and of a potential military response against the Iranian nuclear infrastructure.

- U.S. engagement (both diplomatic and military) with its partners in the region will intensify and include additional military cooperation with Israel and the GCC countries, military sales, the integration of GCC air and missile defenses, and expanded maritime and air exercises. U.S. presence in the Gulf will remain robust and retain capabilities for rapid strikes on the Iranian nuclear infrastructure. These steps will be primarily to respond to concerns of partners over Iran and provide reassurance, but also to reinforce the threat to Iran as to the consequences of violating the agreement.⁵

This emerging U.S. approach is heavily informed by practical limitations. First, there is recognition among U.S. policymakers that things are very uncertain as to what an agreement will mean for Iranian compliance, its intentions with respect to the nuclear program, and the relationship of an agreement to its other regional policies. So, any real change in U.S. policies toward Iran, partners, and military posture, or any opening or relaxation of pressure, needs to wait until Iran demonstrates its willingness to implement the agreement—and perhaps even until changes occur in Iran’s regional behavior. Second, U.S. domestic politics will constrain policymakers in the sense that even if decisionmakers see an opportunity for an emerging détente with Iran, cooperation or normalization of relations with Tehran may not be possible in the current U.S. political climate. Third, the anxieties of U.S. regional partners reinforce the need for the United States to move very slowly in any engagement with Iran lest these partners interpret actions as the United States abandoning their interests. Finally, these policies are consistent with a view that to influence Iran, one needs to show a willingness to make the costs outweigh any gains, in terms of its future implementation of the nuclear agreement and regional behavior.⁶

The emergence of such a cautious approach (tilted toward hedging against Iranian misbehavior and accommodating the perspectives of U.S. partners) is not surprising, given the history of Iran’s past activities with respect to its nuclear program and its dealings with IAEA, its behavior in the region (especially in support of Hezbollah and the Assad regime in Syria), the long history of U.S.-Iran antago-
nism, the anxiety of other states (particularly Israel and Saudi Arabia) about the agreement, and the need to gain congressional support for U.S. implementation of the agreement. Moreover, when faced with uncertainties and anxieties among friends, the U.S. government bureaucracy has a tendency to resist change.

**Other Possible Alternatives**

A nuclear agreement will change the threat Iran poses to its neighbors and to U.S. military forces in the Gulf, with Iran forgoing nuclear weapons and increasing the time needed to develop them. Is the emerging consensus on a set of policies toward Iran and U.S. regional partners the best approach? Or might these policies eliminate opportunities for the United States to alter the U.S.-Iran relationship—and potentially undercut support in Iran for the agreement or any other positive changes in its behavior toward the United States or in the region? The policy question is whether the United States should adopt one of these alternative policies in signing a nuclear agreement, while at the same time setting conditions and phasing in their implementation.

**Show Willingness to Expand Engagement with Iran**

In this alternative policy, the United States would signal the possibility of engagement beyond the nuclear agreement as a way to change the dynamics of the U.S.-Iran relationship as well as, potentially, Iran’s role in the Gulf. This could involve a willingness on the part of the United States to open up channels of communication beyond the nuclear agreement. The United States could seek out ways to work with Iran in areas of potential common interest, perhaps beginning with efforts against al Qaeda across the region and against the Taliban in Afghanistan. Progress, of course, would depend on Iran’s response, and Iran may not have any interest. Any steps would also need to be cautiously pursued and undertaken over the longer term, but the United States and the international community also have incentives they could offer, including a relaxation of the non-nuclear-related sanctions and an expansion of economic interactions. The aim would be to take the initiative to suggest that the United States is open to cooperating with Iran on issues where there are common interests, and to working together to manage and moderate differences over regional issues.

**Moderate Threats**

Making explicit threats regarding the consequences of Iranian failure to implement the nuclear agreement wins support from U.S. regional partners and from domestic audiences, but these could undermine support within Iran for the agreement and for working with the United States in other areas. An alternative policy would focus on

---

**Is the emerging consensus on a set of policies toward Iran and U.S. regional partners the best approach? Or might these policies eliminate opportunities for the United States to alter the U.S.-Iran relationship—and potentially undercut support in Iran for the agreement or any other positive changes in its behavior toward the United States or in the region?**
setting forth expectations of Iran’s behavior both in complying with the nuclear agreement and in its broader regional policies, but specific threats would not be emphasized in U.S. declaratory statements or in U.S. military preparations. And the administration would seek to moderate the threats in the language in any congressional legislation on the nuclear agreement with respect to both the reimposition of sanctions and the use of military force. Underlying this approach would be the view that Iran’s behavior is driven by its sense of threat and that assuaging Iran’s perceived vulnerability is the best way to elicit a positive change in behavior.

Redesign U.S. Presence in Response to Reduced Iranian Nuclear Threat, Sending a Positive Signal to Iran

The flexibility for change in U.S. military posture in the region is small, given partner concerns and the need to gain their support for a nuclear agreement. At the same time, a nuclear agreement will reduce the primary strategic threat to U.S. and partner interests. Why should this not be translated into a redesign of the U.S. military presence in the Gulf—especially given the administration’s commitment to a re-balance toward Asia, the growing pressures to enhance presence in Europe, and the reduction in U.S. defense resources? Moreover, a redesign in U.S. presence offers a way to send Iran a positive signal of a less threatening stance.

With the immediate nuclear threat out of the picture, the United States could argue that Israel is well positioned to deal with a wide range of Iranian threats to its interests—perhaps even better positioned than the United States—and that after decades of weapons procurement, the GCC states have the capabilities to defend against many lesser Iranian threats. So, the nuclear agreement is the right time for them to begin a transition to less reliance militarily on the United States. Strong resistance from U.S. partners is still likely, in which case the United States would make clear that if Iran were to move toward nuclear weapons development, this would be viewed as a grave threat and the United States would respond accordingly, including potentially with military force.

The United States would begin by making its military presence more responsive to regional uncertainties and changes, rather than direct and known threats. So, for example, the United States would be focusing on the need for military forces in the region to counter terrorist threats and provide potential capabilities linked to the redeployment and enduring presence in Afghanistan. The result would be to consolidate the U.S. regional military footprint and reduce the number of forces permanently stationed there, while keeping a fairly large rotating temporary presence. The additional warning time of a potential Iranian breakout provided by the agreement would give the United States the ability to take steps to redeploy substantial forces to the region for defensive and offensive operations against Iran if required.

A Way Ahead

There is no question that the easiest way ahead, at least in the short term of the months after an agreement, is to adopt a “wait-and-see” attitude and make no changes in policies; i.e., stay with
the emerging consensus as to a U.S. approach. The problem with this set of policies is that the United States could lose opportunities in terms of what the agreement could mean for changing the broader U.S.-Iran relationship and for taking advantage of the agreement to shift resources and military capabilities to other parts of the world.

Adopting any of the alternative policies described above would be alarming to U.S. partners and would likely face strong domestic resistance in the United States. So adopting any of these policies would need to be carefully prepared with U.S. partners and domestic audiences. Such policies would also need to be phased in over time, though they could be signaled at the time of an agreement or soon thereafter. Practically, there are really only two possible paths, each incorporating just one of the alternative policies described above:

- One path would be for the United States to use strong language in its declaratory policy with respect to the consequences of violations (to reassure partners), postpone any further engagement with Iran until there are signs of changes in Iranian regional behavior, and adopt the alternative policy of moving to refocus and reduce U.S. permanent military presence in the region to signal a lessening of the threat to Iran.
- The other path would be for the United States to declare in very specific and strong language the consequences of violations of the agreement, maintain a robust military presence (to shore up the support of partners), and adopt the alternative policy of opening up the possibility of expanding engagement with Iran by foreshadowing possible incentives for improvements in Iran’s regional behavior.

Pursuing neither one of these paths, which involve less hedging toward Iran and also less accommodation to partners, risks losing the opportunities presented by a nuclear agreement with Iran and potentially even Iran’s willingness to continue with its implementation. But again, U.S. regional partners can be expected to be very uncomfortable with the United States moving along either path.

The possibility of a nuclear agreement with Iran now calls for a discussion of what policies the United States should adopt toward Iran and its partners in the region at the time of a signing and in the months beyond. The setting of U.S. relations with Iran and its partners, along with the domestic political environment, suggests an approach that leans toward caution and hedging. But the United States has policies and tools it could use to take the opportunity of a major change in Iranian policies (and in its nuclear threat) to act in ways that could importantly affect future U.S. interests and those of its partners. Before giving up on this opportunity, the United States has the time to consider whether to design a set of policies more balanced in terms of hedging toward Iran and accommodating partner perspectives. Such policies could always be reversed if the opportunities did not materialize, but at least they would be attempted.

The stakes are too high not to give these alternative policies much more serious consideration than has been apparent to date, and to evaluate their feasibility in achieving the broad set of goals the United States will have in the region in the days after a nuclear agreement with Iran.
Notes


2 RAND’s earlier analyses looking at how the United States might approach its partners as Iran proceeded with its nuclear program argued that neither Israel nor the GCC states would be looking to the United States for further steps of reassurance, at least until the time when Iran actually declared itself a nuclear power. What history does show, at least in the case of NATO, is that the nature of the threat is not the only factor that is important in how allies viewed the need for U.S. reassurance. What was happening domestically as well as in relations with the United States was often important. See Lynn E. Davis et al., Iran’s Nuclear Future: Critical U.S. Policy Choices, Santa Monica, Calif: RAND Corporation, MG-1087-AF, 2011, pp. 67–72. As of May 15, 2014: http://www.rand.org/pubs/monographs/MG1087.html


4 Nader (2014) describes in detail the potential views of Iran’s leaders if a nuclear agreement is reached.

5 For a discussion of likely Israeli and Saudi Arabian responses to an Iranian nuclear deal and potential U.S. responses, see Kaye and Martini, 2014.

6 For a discussion of different approaches to influencing Iran and their underlying perspectives, see Davis et al., 2011, pp. 67–72.

About the Author

Lynn E. Davis is a senior political scientist at the RAND Corporation, and serves as director of RAND’s Washington office. From 1993 to 1997, Davis served as Under Secretary of State for Arms Control and International Security Affairs. Her current research focuses on strategic planning, terrorism, citizen preparedness, and defense strategy and force structure issues. Prior to joining the State Department, Davis was vice president and director of the RAND Arroyo Center. She has co-authored many RAND studies including a recent report (Armed and Dangerous? UAVs and U.S. Security, 2014) and one on Iran (Iran’s Nuclear Future: Critical U.S. Policy Choices, 2011). Davis has a Ph.D. in political science from Columbia University.
About This Perspective

One of a series of RAND perspectives on what the Middle East and U.S. policy might look like in the “the days after a deal” (a final nuclear agreement) with Iran, this paper examines the choices the United States will confront in its policies toward Iran and its regional partners. The other perspectives address regional responses to a nuclear agreement and continuity and change in Iranian foreign policy.

The author would like to thank Paul Pillar and David Thaler for their careful and very thoughtful reviews of the manuscript, as well as their RAND colleagues (Jeffrey Martini, Dalia Dassa Kaye, Bruce Nardulli, Ali Nader) who helped formulate the policy issues and choices described and evaluated in this perspective. The author would like to add a special thanks to those who were involved in producing this perspective: Lovancy Ingram, Arwen Bicknell, Matt Byrd, Dori Walker, and Steve Kistler.

This perspective results from the RAND Corporation’s Investment in People and Ideas program. Support for this program is provided, in part, by donors and by the independent research and development provisions of RAND’s contracts for the operation of its U.S. Department of Defense federally funded research and development centers.

The research was conducted within the International Security and Defense Policy Center of the RAND National Security Research Division.