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Iran's Foreign and Defense Policies

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Summary

Iran's national security policy is the product of many overlapping and sometimes competing factors such as the ideology of Iran's Islamic revolution; perception of threats to the regime and to the country; long-standing Iranian national interests; and the interaction of the Iranian regime's factions and constituencies. Iran's leadership:

- seeks to deter or thwart U.S. or other efforts to invade or intimidate Iran or to bring about a change of regime.
- has sought to take advantage of opportunities of regional conflicts to overturn a power structure in the Middle East that Iran's leaders assert favors the United States, Israel, Saudi Arabia, and other Sunni Muslim Arab regimes.
- seeks to enhance its international prestige and restore a sense of "greatness" reminiscent of ancient Persian empires.
- characterizes its support for Shiite and other Islamist movements as helping the region's "oppressed" and asserts that Saudi Arabia, in particular, is instigating sectarian tensions and trying to exclude Iran from regional affairs.
- has sought to use the sanctions relief provided by the July 2015 multilateral nuclear agreement (Joint Comprehensive Plan of Action, JCPOA) to emerge as a regional energy and trade hub and to negotiate future weapons buys. U.S. officials assert that sanctions easing has provided Iran with additional financial resources to further its regional interventions.
- sometimes disagrees on tactics and strategies. Supreme Leader Ali Khamene'i and key hardline institutions, such as the Islamic Revolutionary Guard Corps (IRGC), oppose any compromises of Iran's national security core goals, but support the reintegration into regional and international diplomacy that is advocated by Iran's elected president, Hassan Rouhani.

Of significant concern to successive U.S. Administrations is Iran's provision of material support to its allied governments and armed factions such as the Asad regime in Syria, Lebanese Hezbollah, Houthi rebels in Yemen, Iraqi Shiite militias, and Bahraini militant groups. Several of Iran's allies have conducted acts of international terrorism, and each annual State Department report on international terrorism since the early 1990s has described Iran as the "leading" or "most active" state sponsor of terrorism. Israeli leaders identify Iran's significant presence in Syria as a growing—and unacceptable—threat to Israel's security.

The Trump Administration has cited Iran's regional "malign activities" and repeated ballistic missile tests to assert that "Iran's provocative actions threaten the United States, [and] the [Middle East] region," and that the JCPOA failed to address Iran's objectionable behavior beyond its nuclear program. It was partly on these grounds that President Trump withdrew the United States from the JCPOA on May 8, 2018, and announced that all U.S. sanctions would be reimposed. The Administration asserts that sanctions will deny Iran the resources to carry out malign activities beyond its borders. Additional aspects of Administration strategy for countering Iran's malign activities—which include working with partner governments and factions in the region—are enumerated in a report submitted to Congress in late August 2018, a report mandated by the Countering America's Adversaries through Sanctions Act (P.L. 115-44).

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Introduction

Successive Administrations have identified Iran as a key national security challenge, citing Iran's nuclear and missile programs as well as its long-standing attempts to counter many U.S. objectives in the region. Director of National Intelligence Dan Coats, in his February 13, 2018, annual worldwide threat assessment testimony before Congress, assessed that "Iran will seek to expand its influence in Iraq, Syria, and Yemen, where it sees conflicts generally trending in Tehran's favor ..." and "Iran will develop military capabilities that threaten U.S. forces and allies in the region...." Successive National Defense Authorization Acts (NDAAs) have required an annual report on Iran's military power, which has in recent years contained assessments of Iran similar to those presented publicly by the intelligence community.[1]

Iran's Policy Motivators

Iran's foreign and defense policies are products of overlapping, and sometimes contradictory, motivations. One expert has characterized these contradictions as indecision over whether Iran is a "nation or a cause."[2]

Threat Perception

Iran's leaders are apparently motivated, at least to some extent, by the perception of threat to their regime and their national interests Ayatollah posed by the United States and its allies.

- Iran's paramount decisionmaker since 1989, Supreme Leader Grand Ayatollah Ali Khamene'i, has repeatedly stated that the United States seeks to overturn Iran's regime through support for its domestic opponents, imposition of economic sanctions, and support for Iran's regional adversaries.[3] He frequently warns against Western "cultural influence"—social behavior that he asserts does not comport with Iran's societal and Islamic values. U.S. officials and reports have said that "Supreme Leader Ali Khamene'i maintains a deep distrust of U.S. intentions toward Iran...."[4]
- Iran's leaders assert that the U.S. maintenance of a large military presence in the Persian Gulf region and in other countries around Iran reflects intent to intimidate Iran or attack it if Iran pursues policies the United States finds inimical.[5]

[1] "Fiscal Year 2016 Report on the Military Power of Iran." Defense Department, Unclassified Executive Summary. January 2017. The FY2016 and FY2017 NDAAs (P.L. 114-92 and P.L. 114-328) extended the annual DOD reporting requirement until the end of 2025 and required that the report include information on Iran's offensive and defensive cyber capabilities, and its cooperation with other state or nonstate actors to conduct or mask its cyber operations.

[2] Foreign Policy Association. "A Candid Discussion with Karim Sadjadpour." May 6, 2013. http://foreignpolicyblogs.com/2013/05/06/a-candid-discussion-with-karim-sadjadpour/.

[3] Khamene'i: "U.S. Would Overthrow Iranian Government If It Could—Media." *Reuters*, February 8, 2014.

[4] https://fas.org/man/eprint/dod_iran_2016.pdf.

[5] Erik Slavin. "Iran Emphasizes Nuclear Reconciliation, Criticizes U.S. Military Posture in Persian Gulf." *Stars and Stripes*, March 5, 2014. http://www.stripes.com/news/iran-emphasizes-nuclear-reconciliation-criticizes-us-military-posture-in-persian-gulf-1.271204.

- Iran's leaders assert that the United States' support for Sunni Arab regimes that oppose Iran has led to the empowerment of radical Sunni Islamist groups and spawned Sunni-dominated terrorist groups such as the Islamic State.[6]

Ideology

The ideology of Iran's 1979 Islamic revolution continues to infuse Iran's foreign policy. The revolution overthrew a secular, authoritarian leader, the Shah, who the leaders of the revolution asserted had suppressed Islam and its clergy. A clerical regime was established in which ultimate power is invested in a "Supreme Leader" who melds political and religious authority.

- In the early years after the revolution, Iran attempted to "export" its revolution to nearby Muslim states. In the late 1990s, Iran appeared to abandon that goal because its promotion produced resistance to Iran in the region.[7] However, the various conflicts in the region that arose from the 2011 "Arab Spring" uprisings have appeared to give Iran opportunities to revive that goal to some extent.
- Iran's leaders assert that the political and economic structures of the Middle East are heavily weighted against "oppressed" peoples and in favor of the United States and its regional allies. Iranian leaders generally describe as "oppressed" peoples the Palestinians, who do not have a state of their own, and Shiite Muslims, who are underrepresented and economically disadvantaged minorities in many countries of the region.
- Iran claims that the region's politics and economics have been distorted by Western intervention and economic domination. Iranian officials claim that the creation of Israel is a manifestation of Western intervention that deprived the Palestinians of legitimate rights.
- Iran claims its ideology is pan-Islamic and nonsectarian. It cites its support for Sunni groups such as Hamas and for secular Palestinian groups as evidence that it works with non-Islamist, non-Shiite groups to promote the rights of the Palestinians.

National Interests

Iran's national interests usually dovetail with, but sometimes conflict with, Iran's ideology.

- Iran's leaders, stressing Iran's well-developed civilization and historic independence, claim a right to be recognized as a major power in the region. They contrast Iran's history with that of the six Persian Gulf monarchy states (Saudi Arabia, Kuwait, United Arab Emirates, Qatar, Bahrain, and Oman of the Gulf Cooperation Council, GCC), most of which gained independence only in the 1960s and 1970s. To this extent, many of Iran's foreign policy actions are similar to those undertaken by the Shah of Iran and prior Iranian dynasties.
- Iran has sometimes tempered its commitment to aid other Shiites to promote its geopolitical interests. For example, it has supported mostly Christian-inhabited Armenia, rather than Shiite-inhabited Azerbaijan, in part to thwart cross-border

[6] Ramin Mostaghim. "Iranians Rally to Support Iraq; Some Blame U.S. for Sunni Insurgency." *Los Angeles Times*, June 24, 2014. http://www.latimes.com/world/middleeast/la-fg-iran-volunteers-militants-iraq-20140624-story.html.

[7] Soner Cagaptay, James F. Jeffrey, and Mehdi Khalaji. "Iran Won't Give Up on Its Revolution." *New York Times*, op-ed, April 26, 2015.

Azeri nationalism among Iran's large Azeri minority. It has refrained from backing Islamist movements in the Central Asian countries, which are mainly Sunni inhabited and whose Islamist movements are largely hostile toward Iran.

- Even though Iranian leaders accuse U.S. allies of contributing to U.S. efforts to structure the Middle East to the advantage of the United States and Israel, Iranian officials have sought to engage with and benefit from transactions with historic U.S. allies, such as Turkey, to try to thwart international sanctions.

Factional Interests, Competition, and Public Opinion

Iran's foreign policy often appears to reflect differing approaches and outlooks among key players and interest groups.

- According to Iran's constitution and in practice, Iran's Supreme Leader has final say over major foreign policy decisions. Grand Ayatollah Ali Khamene'i, Supreme Leader since 1989, consistently expresses mistrust of U.S. intentions toward Iran. His consistent refrain, and the title of his book widely available in Iran, is "I am a revolutionary, not a diplomat."[8] Leaders of Iran's Islamic Revolutionary Guard Corps (IRGC), the military and internal security force created after the Islamic revolution, consistently support regional interventions.
- More moderate Iranian leaders, including President Hassan Rouhani, argue that Iran should not have any "permanent enemies." They maintain that a pragmatic foreign policy resulted in easing of international sanctions under the JCPOA, increased worldwide attention to Iran's views, and the positioning of Iran as a trade and transportation hub. Rouhani tends to draw support from Iran's youth and intellectuals, who say they want greater integration with the international community and who helped Rouhani achieve a first-round reelection victory on May 19, 2017, with 57% of the vote against a hardline candidate.
- Public opinion might be a growing factor in Iranian foreign policy. Significant protests occurred in Iran over economic and other issues in December 2017-January 2018. Many protesters expressed opposition to the use of Iran's financial resources for regional interventions rather than to improve the living standards of the population.

Instruments of Iran's National Security Strategy

Iran employs a number of different methods and mechanisms to implement its foreign policy, including supporting armed factions.

Financial and Military Support to Allied Regimes and Groups

- Iran provides arms, training, and military advisers in support of allied governments and movements, such as the regime of President Bashar Al Asad of Syria, Lebanese Hezbollah, Hamas, Houthi rebels in Yemen, and Shiite militias in Iraq. Iran supports some Sunni Muslim groups: most Palestinians are Sunni Muslims and several Palestinian FTOs receive Iranian support because they are antagonists of Israel.

[8] http://www.nytimes.com/2014/11/21/world/middleeast/iran-us-nuclear-talks.html?_r=0.

- The State Department report on international terrorism for 2016 stated that Iran remained the foremost state sponsor of terrorism in 2016, and continued to play a "destabilizing role" in military conflicts in Iraq, Syria, and Yemen. Iran also has been implicated in supporting violent Shiite opposition group attacks in Bahrain. Iran was joined in these efforts by Hezbollah.[9]
- DNI Dan Coats, in a worldwide threat assessment testimony to Congress on February 13, 2018, repeated the decades-long U.S. assertion that Iran "continues to be the foremost state sponsor of terrorism."[10] Many of the groups Iran supports are named as Foreign Terrorist Organizations (FTOs) by the United States, and because of that support, Iran was placed on the U.S. list of state sponsors of terrorism ("terrorism list") in January 1984.[11]
- Some armed factions that Iran supports have not been named as FTOs and have no record of committing acts of international terrorism. Such groups include the Houthi ("Ansar Allah") movement in Yemen (composed of Zaidi Shiite Muslims) and some underground Shiite opposition factions in Bahrain.
- Iran generally opposes Sunni terrorist groups that work against Iran's core interests, such as Al Qaeda and the Islamic State organizations.[12] Iran actively worked against the Islamic State organization in Syria and Iraq. Iran has expelled some Al Qaeda activists who it allowed to take refuge there after the September 11, 2001, attacks, but some reportedly remain—perhaps in an effort by Iran to exert leverage against the United States or Saudi Arabia.
- Iran's operations in support of its allies—which generally include arms shipments, provision of advisers, training, and funding—are carried out by the Qods (Jerusalem) Force of the IRGC (IRGC-QF). That force is headed by IRGC Major General Qasem Soleimani, who is said to report directly to Khamene'i.[13] IRGC leaders have on numerous occasions publicly acknowledged these activities.[14] Much of the weaponry Iran supplies to its allies includes specialized anti-tank systems ("explosively-forced projectiles" EFPs), artillery rockets, mortars, short-range missiles, and anti-ship cruise missiles.[15]

[9] The text of the section on Iran can be found at https://www.state.gov/j/ct/rls/crt/2016/index.htm.

[10] Director of National Intelligence Dan Coats. Statement for the Record. Worldwide Threat Assessment of the US Intelligence Community. Senate Select Committee on Intelligence. May 11, 2017, and February 13, 2018.

[11] The other two countries still on the terrorism list are Syria and Sudan.

[12] http://nationalinterest.org/blog/the-buzz/iranians-are-terrified-irans-isis-nightmare-10856.

[13] http://www.newyorker.com/reporting/2013/09/30/130930fa_fact_filkins?printable=true&currentPage=all.

[14] *Al Jazeera*, August 20, 2016.

[15] Farzin Nadimi. "How Iran's Revived Weapons Exports Could Boost its Proxies." Washington Institute for Near East Policy, August 17, 2015.

Table 1. Selected Iran or Iran-Related Terrorism Attacks or Plots

Date	Incident/Event	Claimed/Likely Perpetrator
November 4, 1979	U.S. Embassy in Tehran seized and 66 U.S. diplomats held for 444 days (until January 21, 1981).	Hardline Iranian regime elements
April 18, 1983	Truck bombing of U.S. Embassy in Beirut, Lebanon. 63 dead, including 17 U.S. citizens.	Factions that formed Lebanese Hezbollah claimed responsibility.
October 23, 1983	Truck bombing of U.S. Marine barracks in Beirut. 241 Marines killed.	Same as above
December 12, 1983	Bombings of U.S. and French embassies in Kuwait City. 5 fatalities.	Da'wa Party of Iraq. 17 Da'wa activists imprisoned in Kuwait
March 16, 1984	U.S. Embassy Beirut Political Officer William Buckley taken hostage in Beirut, others later. Last hostage released December 1991.	Factions that eventually formed Lebanese Hezbollah.
September 20, 1984	Truck bombing of U.S. embassy annex in Beirut. 23 killed.	Factions that eventually formed Hezbollah
July 31, 1984	Air France aircraft hijacked to Iran	Factions that formed Hezbollah
May 25, 1985	Bombing of Amir of Kuwait's motorcade	Da'wa Party of Iraq
June 14, 1985	Hijacking of TWA Flight 847. One fatality, Navy diver Robert Stetham	Hezbollah
1985-86	Soft targets in Paris bombed, killing 12	Hezbollah/Iran intelligence
February 17, 1988	Col. William Higgins, serving with U.N. peacekeeping operation, was kidnapped in southern Lebanon; video of his corpse was released 18 months later.	Hezbollah
April 5, 1988	Hijacking of Kuwait Air passenger plane. Two killed.	Hezbollah
July 13, 1989	Assassination of Iranian Kurdish leader Qassemlu	Hezbollah/Iran
August 5, 1991	Assassination of former Prime Minister Bakhtiar	Iran intelligence
March 17, 1992	Bombing of Israeli Embassy in Buenos Aires. 29 killed.	Hezbollah, assisted by Iranian intelligence/diplomats.
July 18, 1994	Bombing of Argentine-Jewish Mutual Association (AMIA) building in Buenos Aires.	Same as above
June 25, 1996	Bombing of Khobar Towers housing complex near Dhahran, Saudi Arabia. 19 U.S. Air Force killed.	Saudi Hezbollah, but some assessments point to Al Qaeda.
October 11, 2011	U.S. Justice Dept. unveiled discovery of alleged plot involving at least one IRGC-QF officer, to assassinate Saudi Ambassador in Washington, DC.	IRGC-QF reportedly working with U.S.-based person and Mexican drug cartel.
February 13, 2012	Wife of Israeli diplomat wounded in Delhi, India	Lebanese Hezbollah
July 19, 2012	Bombing in Sofia, Bulgaria, killed five Israeli tourists, followed arrest of IRGC-QF operative surveilling synagogue in Sofia.	Lebanese Hezbollah, IRGC-QF
March 22, 2018	Two Iranian operatives charged with terrorism in Tirana, Albania	IRGC-QF or Iran intelligence

Sources: Recent State Department Country Reports on Terrorism; State Department "Select Iran-Sponsored Operational Activity in Europe, 1979-2018 (July 5, 2018); various press.

Other Political Action/Cyber Attacks

Iran's national security is not limited to militarily supporting allies and armed factions.

- A wide range of observers report that Iran has provided funding to political candidates in neighboring Iraq and Afghanistan to cultivate allies there.[16]
- Iran has reportedly provided direct payments to leaders of neighboring states in an effort to gain and maintain their support. In 2010, then-President of Afghanistan Hamid Karzai publicly acknowledged that his office had received cash payments from Iran.[17]
- Iran has established some training and education programs that bring young Muslims to study in Iran. One such program runs in Latin America, despite the small percentage of Muslims there.[18]
- Since 2012, Iran has dedicated significant resources toward cyber-espionage and has conducted cyber-attacks against the United States and U.S. allies in the Persian Gulf. Iranian hackers, supported by the Iranian government, have conducted a series of cyber-attacks against oil and gas companies in the Persian Gulf.[19]

Diplomacy

Iran also uses traditional diplomatic tools.

- Iran has an active Foreign Ministry and maintains embassies or representation in all countries with which it has diplomatic relations. Khamene'i has rarely traveled outside Iran as Supreme Leader—and not at all in recent years—but Iranian presidents travel outside Iran regularly, including to Europe and U.N. meetings in New York. Khamene'i frequently hosts foreign leaders in Tehran, including hosting Russia's president Vladimir Putin on several occasions, most recently in early September 2018.
- From August 2012 until August 2015, Iran held the presidency of the Non-Aligned Movement (NAM), which has about 120 member states and 17 observer countries and generally shares Iran's criticisms of big power influence over global affairs. In August 2012, Iran hosted the NAM annual summit.
- Iran is a party to all major nonproliferation conventions, including the Nuclear Non-Proliferation Treaty (NPT) and the Chemical Weapons Convention (CWC). Iran insists that it has adhered to all its commitments under these conventions, but the international community asserted that it did not meet all its NPT obligations and that Iran needed to prove that its nuclear program is for purely

[16] See, for example. http://www.newsweek.com/what-are-iranians-doing-iraq-303107. Also reported in author conversations with U.S. and Iraq and Afghan officials, 2009-2015.

[17] http://www.theguardian.com/commentisfree/2010/oct/26/iran-cash-payments-to-afghanistan.

[18] http://www.crethiplethi.com/subversion-and-exporting-the-islamic-revolution-in-latin-america/islamic-countries/iran-islamic-countries/2012/.

[19] Letter to SFRC Chairman Bob Corker, including report to Congress pursuant to the Countering America's Adversaries through Sanctions Act. Letter dated August 29, 2018

peaceful purposes. Nuclear negotiations between Iran and international powers began in 2003 and culminated with the July 2015 JCPOA.

- Iran is actively seeking to expand its participation in multilateral organizations. It has sought to join the World Trade Organization (WTO) since the mid-1990s. Iran also seeks full membership regional organizations including the South Asian Association of Regional Cooperation (SAARC) and the Shanghai Cooperation Organization (SCO). Officials from some SCO countries have said that the JCPOA removed obstacles to Iran's obtaining full membership, but opposition from some members have blocked Iran's accession to date.[20]
- Iran has participated in multilateral negotiations to try to resolve the civil conflict in Syria, most recently in partnership primarily with Russia and Turkey. But, U.S. officials say that Iran's main goal is to ensure Asad's continuation in power.

Iran's Nuclear and Defense Programs

Iran has pursued a wide range of defense programs, as well as a nuclear program that the international community perceived could be intended to eventually produce a nuclear weapon. These programs are discussed in the following sections.

Nuclear Program[21]

Iran's nuclear program has been a paramount U.S. concern for successive Administrations, in part because Iran's acquisition of an operational nuclear weapon could cause Iran to perceive that it is immune from outside military pressure and could produce a nuclear arms race in one of the world's most volatile regions. Experts also have expressed concerns that Iran might transfer nuclear technology to extremist groups, and Israeli leaders characterize an Iranian nuclear weapon as a threat to Israel's existence. Some Iranian leaders argue that a nuclear weapon could end Iran's historic vulnerability to great power invasion, domination, or regime change attempts.

Iran's nuclear program became a significant U.S. national security issue in 2002, when Iran confirmed that it was building a uranium enrichment facility at Natanz and a heavy water production plant at Arak.[22] The perceived threat escalated significantly in 2010, when Iran began enriching uranium to 20% purity, which is relatively easy to enrich further to weapons-grade uranium (90%+). Another requirement for a nuclear weapon is a triggering mechanism that the International Atomic Energy Agency (IAEA) concluded that Iran researched as late as 2009. The United States and its partners also have insisted that Iran must not possess a nuclear-capable missile, and President Donald Trump, in a January 12, 2018, statement, said that U.S. policy should explicitly link Iran's ballistic missile program with its nuclear program.[23]

[20] http://www.globalresearch.ca/geopolitical-shift-iran-to-become-full-member-of-the-shanghai-cooperation-organization-sco/5465355.

[21] More extensive information on Iran's nuclear program can be found in CRS Report R43333, *Iran Nuclear Agreement and U.S. Exit*, by Paul K. Kerr and Kenneth Katzman.

[22] In November 2006, the IAEA, at U.S. urging, declined to provide technical assistance to the Arak facility on the grounds that it was likely for proliferation purposes.

[23] White House Office of the Press Secretary. Statement by the President on the Iran Nuclear Deal. January 12, 2018.

Iran's Nuclear Intentions and Activities

The U.S. intelligence community has stated in recent years that it "does not know whether Iran will eventually decide to build nuclear weapons." Iranian leaders cite Supreme Leader Khamene'i's 2003 formal pronouncement (*fatwa*) that nuclear weapons are un-Islamic as evidence that a nuclear weapon is inconsistent with Iran's ideology. Iranian leaders assert that Iran's nuclear program was always intended for civilian uses, including medicine and electricity generation. Iran argued that uranium enrichment is its "right" as a party to the 1968 Nuclear Non-Proliferation Treaty and that it wants to make its own nuclear fuel to avoid potential supply disruptions. U.S. officials have said that Iran's use of nuclear energy is acceptable. IAEA findings that Iran researched a nuclear explosive device—detailed in a December 2, 2015, International Atomic Energy Agency (IAEA) report—cast doubt on Iran's assertions of purely peaceful nuclear intent. There have been no assertions that Iran diverted nuclear material to a weapons program.[24]

Nuclear Weapons Time Frame Estimates

In April 2015, then-Vice President Biden told a Washington, DC, research institute that Iran could likely have enough fissile material for a nuclear weapon within two to three months of a decision to manufacture that material. U.S. officials said that the JCPOA increased the "breakout time"—an all-out effort by Iran to develop a nuclear weapon using declared facilities or undeclared covert facilities—to at least 12 months. When the JCPOA was agreed, Iran had about 19,000 total installed centrifuges to enrich uranium, of which about 10,000 were operating. Prior to the interim nuclear agreement (Joint Plan of Action, JPA), Iran had a stockpile of 400 lbs of 20% enriched uranium (short of the 550 lbs. that would be needed to produce one nuclear weapon). Weapons grade uranium is uranium that is enriched to 90%.

Under the JCPOA, Iran is allowed to operate only about 5,000 centrifuges and was required to reduce its stockpile of 3.67% enriched uranium to 300 kilograms (660 lbs.). These restrictions start to come off beginning in October 2025—10 years from Adoption Day (October 2015). Another means of acquiring fissile material for a nuclear weapon is to reprocess plutonium, a material that could be produced by Iran's heavy water plant at Arak. In accordance with the JCPOA, Iran rendered inactive the core of the reactor and has agreed to limit its stockpile of heavy water to agreed levels.

The JCPOA does not prohibit civilian nuclear plants such as the one Russia built at Bushehr. Under a 1995 bilateral agreement, Russia supplies nuclear fuel for that plant and takes back the spent nuclear material for reprocessing. It became operational in 2012.

International Diplomatic Efforts to Address Iran's Nuclear Program

The JCPOA was the product of a long international effort to persuade Iran to negotiate limits on its nuclear program. That effort began when it was revealed by the United States that Iran was building facilities to enrich uranium. In 2003, France, Britain, and Germany (the "EU-3") opened a diplomatic track to negotiate curbs on Iran's program. On October 21, 2003, Iran pledged, in return for peaceful nuclear technology, to suspend uranium enrichment activities and sign and ratify the "Additional Protocol" to the NPT (allowing for enhanced inspections). Iran signed the Additional Protocol on December 18, 2003, although the *Majles* did not ratify it.

[24] The February 25, 2011, IAEA report listed Iran's declared nuclear sites as well as a summary of all the NPT obligations Iran is not meeting. IAEA report of February 25, 2011. http://lewis.armscontrolwonk.com/files/2011/02/gov2011-7.pdf.

Iran ended the suspension after several months, but the EU-3 and Iran subsequently reached a November 14, 2004, "Paris Agreement," under which Iran suspended uranium enrichment in exchange for trade talks and other non-U.S. aid. The Bush Administration supported the agreement with a March 11, 2005, announcement by dropping the U.S. objection to Iran's applying to join the World Trade Organization (WTO). That agreement broke down in 2005 when Iran rejected an EU-3 proposal for a permanent nuclear accord as offering insufficient benefits. In August 2005, Iran began uranium "conversion" (one step before enrichment) at its Esfahan facility and, on February 4, 2006, the IAEA board voted 27-3[25] to refer the case to the Security Council. The Council set an April 29, 2006, deadline to cease enrichment.

"P5+1" Formed. In May 2006, the Bush Administration join the talks, triggering an expanded negotiating group called the "Permanent Five Plus 1" (P5+1: United States, Russia, China, France, Britain, and Germany). A month after it formed, the P5+1 offered Iran guaranteed Iran nuclear fuel for its civilian reactor (Annex I to Resolution 1747) and threatened sanctions if Iran did not agree (sanctions were imposed in subsequent years).[26]

U.N. Security Council Resolutions Adopted

The U.N. Security Council subsequently imposed sanctions on Iran in an effort to shift Iran's calculations toward compromise. A table outlining the provisions of the U.N. Security Council Resolutions on Iran's nuclear program can be found in CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman. (The resolutions below, as well as Resolution 1929, were formally superseded on January 16, 2016, by Resolution 2231.)

- *Resolution 1696* (July 31, 2006). The Security Council voted 14-1 (Qatar voting no) for U.N. Security Council Resolution 1696, giving Iran until August 31, 2006, to suspend enrichment suspension, suspend construction of the Arak heavy-water reactor, and ratify the Additional Protocol to Iran's IAEA Safeguards Agreement. It was passed under Article 40 of the U.N. Charter, which makes compliance mandatory, but not under Article 41, which refers to economic sanctions, or Article 42, which authorizes military action.
- *Resolution 1737* (December 23, 2006). After Iran refused a proposal to temporarily suspend enrichment, the Security Council adopted U.N. Security Council Resolution 1737 unanimously, under Chapter 7, Article 41 of the U.N. Charter. It demanded enrichment suspension by February 21, 2007, prohibited sale to Iran of nuclear technology, and required U.N. member states to freeze the financial assets of named Iranian nuclear and missile firms and related persons.
- *Resolution 1747* (March 24, 2007) Resolution 1747, adopted unanimously, demanded Iran suspend enrichment by May 24, 2007. It banned arms transfers by Iran (a provision directed at stopping Iran's arms supplies to its regional allies and proxies) and called for countries to cease selling Iran arms or dual use items and for countries and international financial institutions to avoid giving Iran any new loans or grants (except loans for humanitarian purposes).
- *Resolution 1803* (March 3, 2008) Adopted by a vote of 14-0 (and Indonesia abstaining), Resolution 1803 banned travel by certain sanctioned persons; banned virtually all sales of dual use items to Iran; and authorized inspections of Iran Air

[25] Voting no: Cuba, Syria, Venezuela. Abstaining: Algeria, Belarus, Indonesia, Libya, South Africa.

[26] One source purports to have obtained the contents of the package from ABC News: http://www.basicint.org/pubs/Notes/BN060609.htm.

Cargo and Islamic Republic of Iran Shipping Line shipments, if there is cause to believe that the shipments contain banned goods. In May 2008, the P5+1 added political and enhanced energy cooperation with Iran to previous incentives, and the enhanced offer was attached as an Annex to Resolution 1929 (see below).

- *Resolution 1835* (September 27, 2008). In July 2008, Iran it indicated it might be ready to accept a temporary "freeze for freeze": the P5+1 would impose no new sanctions and Iran would stop expanding uranium enrichment. No agreement on that concept was reached, even though the Bush Administration sent an Under Secretary of State for Political Affairs to a P5+1-Iran meeting in Geneva in July 2008. Resolution 1835 demanded compliance but did not add any sanctions.

Developments during the Obama Administration

The P5+1 met in February 2009 to incorporate the Obama Administration's stated commitment to direct U.S. engagement with Iran and,[27]in April 2009, U.S. officials announced that a U.S. diplomat would attend P5+1 meetings with Iran. In July 2009, the United States and its allies demanded that Iran offer constructive proposals by late September 2009 or face "crippling sanctions." A September 9, 2009, Iranian proposal led to an October 1, 2009, P5+1-Iran meeting in Geneva that produced a tentative agreement for Iran to allow Russia and France to reprocess 75% of Iran's low-enriched uranium stockpile for medical use. A draft agreement was approved by the P5+1 countries following technical talks in Vienna on October 19-21, 2009, but the Supreme Leader decided that Iran's concessions were excessive and no accord was finalized.

In April 2010, Brazil and Turkey negotiated with Iran to revive the October arrangement. On May 17, 2010, the three countries signed a "Tehran Declaration" for Iran to send 2,600 pounds of low enriched uranium to Turkey in exchange for medically useful uranium.[28] Iran submitted to the IAEA an acceptance letter, but the Administration rejected the plan as failing to address enrichment to the 20% level.

U.N. Security Council Resolution 1929

Immediately after the Brazil-Turkey mediation failed, then-Secretary of State Clinton announced that the P5+1 had reached agreement on a new U.N. Security Council Resolution that would give U.S. allies authority to take substantial new economic measures against Iran. Adopted on June 9, 2010,[29] Resolution 1929, was pivotal insofar as it authorized U.N. member states to sanction key Iranian economic sectors such as energy and banking by linking Iran's economy to its nuclear capabilities. An annex to the Resolution presented a modified offer of incentives to Iran.[30] Negotiations subsequent to the adoption of Resolution 1929,—in December 2010, in Geneva and January 2011, in Istanbul —loundered over Iran's demand for immediate lifting of international sanctions. Additional rounds of P5+1-Iran talks in 2012 and 2013 (2012: April in Istanbul; May in Baghdad; and June in Moscow; 2013: Almaty, Kazakhstan, in February and in April) did not reach agreement on a P5+1 proposals that Iran halt enrichment to the 20% level; close the Fordow facility; and remove its stockpile of 20% enriched uranium.

[27] Dempsey, Judy. "U.S. Urged to Talk With Iran." *International Herald Tribune*, February 5, 2009.

[28] Text of the pact is at http://www.cfr.org/publication/22140/.

[29] It was adopted by a vote of 12-2 (Turkey and Brazil voting no) with one abstention (Lebanon).

[30] Text of the resolution is at http://www.isis-online.org/uploads/isis-reports/documents/Draft_resolution_on_Iran_annexes.pdf.

Joint Plan of Action (JPA)

The June 2013 election of Rouhani as Iran's president improved the prospects for a nuclear settlement and, in advance of his visit to the U.N. General Assembly in New York during September 23-27, 2013, Rouhani stated that the Supreme Leader had given him authority to negotiate a nuclear deal. The Supreme Leader affirmed that authority in a speech on September 17, 2013, stating that he believes in the concept of "heroic flexibility"—adopting "proper and logical diplomatic moves...."[31] An interim nuclear agreement, the Joint Plan of Action (JPA), was announced on November 24, 2013, providing modest sanctions relief in exchange for Iran to (1) eliminating its stockpile of 20% enriched uranium, (2) ceasing to enrich to that level, and (3) not increasing its stockpile of 3.5% enriched uranium.

The Joint Comprehensive Plan of Action (JCPOA)[32]

P5+1-Iran negotiations on a comprehensive settlement began in February 2014 but missed several self-imposed deadlines. On April 2, 2015, the parties reached a framework for a JCPOA, and the JCPOA was finalized on July 14, 2015. U.N. Security Council Resolution 2231 of July 20, 2015, endorsed the JCPOA and contains restrictions (less stringent than in Resolution 1929) on Iran's importation or exportation of conventional arms (for up to five years), and on development and testing of ballistic missiles capable of delivering a nuclear weapon (for up to eight years). On January 16, 2016, the IAEA certified that Iran completed the work required for sanctions relief and "Implementation Day" was declared.

The Trump Administration, the JCPOA, and Iran Policy

The Trump Administration criticized the JCPOA for not addressing key U.S. concerns about Iran's continuing "malign activities" in the region or its ballistic missile program, and the expiration of key nuclear restrictions.[33] In October 2017, the Administration withheld certification of Iranian compliance under the Iran Nuclear Agreement Review Act (INARA, P.L. 114-17) on the grounds that sanctions relief is not proportional to the limitations on Iran's nuclear program. The noncertification enabled Congress to act under expedited rules to reimpose U.S. sanctions, but Congress did not take such action. Until May 2018, President Trump continued to renew all waivers of U.S. sanctions required to continue implementing U.S. JCPOA commitments.

In speeches and statements on October 13, 2017, and January 12, 2018, the President threatened to reimpose sanctions (and withdraw the United States from the JCPOA) unless Congress and the European countries acted to (1) extend the JCPOA's nuclear restrictions beyond current deadlines to ensure that Iran never comes close to developing a nuclear weapon; (2) impose strict sanctions on Iran's development of ballistic missiles; and (3) ensure that Iran allows "immediate" access to any site that the IAEA wants to visit. Separately, President Trump and other U.S. officials insisted that U.S. allies address Iran's "malign activities" in the region. The European countries negotiated with the United States to try to meet President Trump's requirements but they did not meet all of his stipulated conditions. On May 8, 2018, President Trump withdrew the United States from the JCPOA and announced that all U.S. sanctions would be reimposed by November 4, 2018.

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[31] Open Source Center, "Iran: Leader Outlines Guard Corps Role, Talks of 'Heroic Flexibility,'" published September 18, 2013.

[32] For detail on the JCPOA, see CRS Report R43333, *Iran Nuclear Agreement and U.S. Exit*, by Paul K. Kerr and Kenneth Katzman.

[33] Department of State. Press Briefing by Secretary of State Rex Tillerson. August 1, 2017.

On August 29, 2018, the Administration provided Congress with a report mandated by the Countering America's Adversaries through Sanctions Act (P.L. 115-44) on its strategy to counter "Iran's conventional and assymetric threats." The elements of the strategy are discussed throughout this report.

Missile Programs and Chemical and Biological Weapons Capability

Iran has an active missile development program, as well as other WMD programs at varying stages of activity and capability, as discussed further below.

Chemical and Biological Weapons[34]

U.S. reports indicate that Iran has the capability to produce chemical warfare (CW) agents and "probably" has the capability to produce some biological warfare agents for offensive purposes, if it made the decision to do so.[35] Iran signed the Chemical Weapons Convention on January 13, 1993, and ratified on June 8, 1997. The U.S. A 2017 "Annual Report on Compliance with the Chemical Weapons Convention" states that the United States cannot certify that Iran has met its obligations under the Convention to declare chemical weapons production facilities; to report any retransfer of chemical weapons; and to declare retention of any undeclared chemical weapons stockpile. Iran also has ratified the Biological and Toxin Weapons Convention (BTWC), but it engages in dual-use activities with possible biological weapons applications that could potentially be inconsistent with the Convention. Iran is widely believed to be unlikely to use chemical or biological weapons or to transfer them to its regional proxies or allies because of the potential for international powers to discover their origin and retaliate against Iran for any use.

Missiles[36]

U.S. officials assert that Iran's missile arsenal in the region, posing a potential threat to U.S. allies in the region, as well as to U.S. ships and forces in the region. DNI Coats testified on May 11, 2017, that "Iran's ballistic missiles are inherently capable of delivering WMD "and that Iran "already has the largest inventory of ballistic missiles in the Middle East." His threat assessment testimony on February 13, 2018, had similar wording. The intelligence community adds that Iran "can strike targets up to 2,000 kilometers from Iran's borders."

Iran is not known to possess an Intercontinental Ballistic Missile (ICBM) capability (missiles of ranges over 2,900 miles), but the DNI threat assessment testimony of February 13, 2018, stated that "Tehran's desire to deter the United States might drive it to field an ICBM."[37] However, IRGC Commander-in-Chief Ali Jafari said in October 2017 that the existing ranges of Iran's missiles are "sufficient for now," suggesting that Iran has no plans to develop an ICBM.[38] If there is a decision to do so, progress on Iran's space program could shorten the pathway to an ICBM because space launch vehicles use similar technology. Iran's missile programs are run by the

[34] Information in this section is derived from the August 2018 Administration report to Congress under the Countering America's Adversaries through Sanctions Act.

[35] Deputy Director of National Intelligence for Analysis, "Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, Covering 1 January to 31 December 2010," March 2011.

[36] For more information on Iran's missile arsenal, see CRS Report R42849, *Iran's Ballistic Missile and Space Launch Programs*, by Steven A. Hildreth.

[37] Worldwide Threat Assessment of the US Intelligence Community. Testimony before the Senate Select Committee on Intelligence. February 13, 2018.

[38] "Iran: No Need to Extend 2,000 km Ballistic Missile Range." Al Jazeera, October 31, 2017.

IRGC Air Force, particularly the IRGC Air Force Al Ghadir Missile Command—an entity sanctioned under Executive Order 13382. There are persistent reports that Iran-North Korea missile cooperation is extensive, but it is not known from published material whether North Korea and Iran have recently exchanged missile hardware.

At the more tactical level, Iran is acquiring, developing, and exporting short range ballistic and cruise missiles that Iran's forces can use and/or transfer to regional allies and proxies to protect them and to enhance Iran's ability to project power. The DNI's February 13, 2018, threat assessment testimony stated that Iran "continues to develop and improve a range of new military capabilities to target US and allied military assets in the region, including armed UAVs, ballistic missiles, advanced naval mines, unmanned explosive boats, submarines and advanced torpedoes, and anti-ship and land-attack cruise missiles."[39]

Resolution 2231 (the operative Security Council resolution on Iran) "calls on" Iran not to develop or test ballistic missiles "designed to be capable of" delivering a nuclear weapon, for up to eight years from Adoption Day of the JCPOA (October 18, 2015). The wording is far less restrictive than that of Resolution 1929, which clearly prohibited Iran's development of ballistic missiles. The JCPOA itself does not specifically contain ballistic missile restraints.

Iran has continued developing and testing missiles, despite Resolution 2231.

- On October 11, 2015, and reportedly again on November 21, 2015, Iran tested a 1,200-mile-range ballistic missile, which U.S. intelligence officials called "more accurate" than previous Iranian missiles of similar range. The tests occurred prior to the taking effect of Resolution 2231 on January 16, 2016 (Implementation Day).
- Iran conducted ballistic missile tests on March 8-9, 2016—the first such tests after Implementation Day.
- Iran reportedly conducted a missile test in May 2016, although Iranian media had varying accounts of the range of the missile tested.
- A July 11-21, 2016, test of a missile of a range of 2,500 miles, akin to North Korea's Musudan missile, reportedly failed. It is not clear whether North Korea provided any technology or had any involvement in the test.[40]
- On January 29, 2017, Iran tested what Trump Administration officials called a version of the Shahab missile, although press reports say the test failed when the missile exploded after traveling about 600 miles.
- On July 27, 2017, Iran's *Simorgh* rocket launched a satellite into space.
- Iran continues to periodically test short-range ballistic missiles.

U.S. and U.N. Responses to Iran's Missile Tests

The Obama and Trump Administrations have termed Iran's post-Implementation Day ballistic missile tests as "provocative and destabilizing," "inconsistent with" Resolution 2231—stopping short of accusing Iran of "violation" of 2231. The Trump Administration termed Iran's July 27, 2017, space launch a "violation" of the Resolution because of that technology's inherent capability to carry a nuclear warhead. The U.N. Security Council referred the 2016 and 2017 tests to its sanctions committee but has not imposed any additional sanctions on Iran to date.

[39] Worldwide Threat Assessment of the US Intelligence Community. op.cit.

[40] Lucas Tomlinson. "Iran Conducts 4th Missile Test Since Signing Nuke Deal." *Fox News,* July 15, 2016.

Several successive Administrations have designated Iranian missile-related entities for sanctions under Executive Order 13382 and the Iran, North Korea, and Syria Nonproliferation Act. In his January 12, 2018, statement, President Trump demanded, as a condition of remaining in the JCPOA, enactment of legislation that explicitly states that Iran's "long-range missile and nuclear weapons programs are inseparable" and that Iran's development and testing of missiles should be subject to "severe sanctions."

Section 1226 of the FY2017 National Defense Authorization Act (S. 2943, P.L. 114-328) requires the DNI, as well as the Secretary of State and the Secretary of the Treasury, to each submit quarterly reports to Congress on Iranian missile launches in the one preceding year, and on efforts, if any, to impose sanctions on entities assisting those launches. The provision sunsets on December 31, 2019.

Iran asserts that conventionally armed missiles are an integral part of its defense strategy and the tests will continue. Iran argues that it is not developing a nuclear weapon and therefore is not designing its missile to carry a nuclear weapon. Iranian officials say they will not negotiate any new curbs on Iran's missile program.

U.S. and Other Missile Defenses

Successive U.S. Administrations have sought to build up regional missile defense systems. The United States and Israel have a broad program of cooperation on missile defense as well as on defenses against shorter range rockets and missiles such as those Iran supplies to Lebanese Hezbollah. Through sales of the Patriot system (PAC-3) and more advanced "THAAD" (Theater High Altitude Area Defense) to the Gulf states, the United States has sought to construct a coordinated GCC missile defense system.

The United States has sought a defense against an eventual long-range Iranian missile system by emplacing missile defense systems in various Eastern European countries and on ship-based systems. The United States has helped Israel develop the Arrow missile defense system that is intended to intercept Iranian (or other) ballistic missiles launched at Israel. Other Israeli systems developed with U.S. help, including Iron Dome and David's Sling, are intended to intercept rockets launched by Iranian allies and proxies such as Hezbollah and Hamas. The FY2013 national defense authorization act (P.L. 112-239) contained provisions urging the Administration to undertake more extensive efforts, in cooperation with U.S. partners and others, to defend against the missile programs of Iran (and North Korea).

Table 2. Iran's Missile Arsenal

Shahab-3 ("Meteor")	The 600-mile range missile is operational, and Defense Department (DOD) reports indicate Tehran is improving its lethality and effectiveness.
Shahab-3 "Variants"	Iran appears to be developing several extended-range variants of the Shahab, under a variety of names including: Sijil, Ashoura, Emad, Ghadr, and Khorramshahr. These missiles have ranges of about 1,000-1,200 miles, putting the entire Middle East region within reach from Iran. Some use sold fuel and others use liquid fuel. Some Shahab variants inscribed with the phrase "Israel must be wiped off the face of the earth"—were launched on March 8-9, 2016.
BM-25/Musudan Variant	This missile, with a reported range of up to 2,500 miles, is of North Korean design, and in turn based on the Soviet-era "SS-N-6" missile. Reports in 2006 that North Korea supplied the missile or components of it to Iran have not been corroborated, but Iran reportedly tried to test its own version of this missile in July 2016.
Short Range Ballistic Missiles and Cruise Missiles	Iran fields a wide variety of increasingly capable short-range ballistic and anti-ship cruise missiles, according to DOD reports, including the ability to change course in flight. One short-range ballistic missile (the Qiam, with 400 mile range) was first tested in August 2010. Iran has also developed 150-200 mile-range Fateh 110 and 313 and Hormuz solid fuel missiles and a related Khaliji Fars (Persian Gulf) anti-ship ballistic missile. Iran has armed its patrol boats (and supplied allies and proxies) with Chinese-made C-802 anti-ship cruise missiles and Iranian variants of that weapon. Iran also has C-802s and other missiles emplaced along Iran's coast, including the Chinese-made CSSC-2 (Silkworm) and the CSSC-3 (Seersucker). Iran also possesses a few hundred short-range ballistic missiles, including the *Shahab-1* (Scud-b), the *Shahab-2* (Scud-C), and the *Tondar-69* (CSS-8).
ICBMs	An ICBM is a ballistic missile with a range of 5,500 kilometers (about 2,900 miles). After long estimating that Iran might have an ICBM capability by 2010, the U.S. intelligence community has not stated that Iran has produced an ICBM, to date.
Space Vehicles	In February 2009, Iran successfully launched a small, low-earth satellite on a Safir-2 rocket (range about 155 miles). Iran claimed additional satellite launches subsequently, including the launch and return of a vehicle carrying a small primate in December 2013. Since March 2016, Iran has been reported to readying the *Simorgh* vehicle for a space launch, and the launch occurred on July 27, 2017.
Warheads	*Wall Street Journal* report of September 14, 2005, said that U.S. intelligence believes Iran is working to adapt the Shahab-3 to deliver a nuclear warhead. Subsequent press reports said that U.S. intelligence captured an Iranian computer in mid-2004 showing plans to construct a nuclear warhead for the Shahab.[41] No further information has been reported since.

Sources: Testimony of U.S. intelligence community officials, 2005-2018; various press.

Conventional and "Asymmetric Warfare" Capability[42]

Iran's leaders have repeatedly warned that Iran would take military action against any country that attacks it. Iran's forces are widely assessed as incapable of defeating the United States in a classic military confrontation, but they could potentially inflict significant damage or casualties on the U.S. military, depending on the character of the confrontation. Iran appears to be able to defend against any conceivable aggression from Iran's neighbors, while lacking the ability to project conventional military power outside the region or across waterways. CENTCOM Commander General Joseph Votel testified on February 27, 2018, that Iran's ground forces are

[41] William Broad and David Sanger, "Relying On Computer, U.S. Seeks to Prove Iran's Nuclear Aims," *New York Times*, November 13, 2005.

[42] For detailed analysis of Iran's military strategy, doctrine, procurement policy, and related issues, see International Institute for Strategic Studies. "Gulf Security after 2020." December 2017.

"improving their ability to quickly mobilize and deploy in response to internal and external threats." Iran's ability to project power flows primarily from its support for friendly governments and proxy forces.

Organizationally, Iran's armed forces are divided to perform functions appropriate to their roles. The Islamic Revolutionary Guard Corps (IRGC, known in Persian as the *Sepah-e-Pasdaran Enghelab Islami*)[43] controls the *Basij* (Mobilization of the Oppressed) volunteer militia that has been the main instrument to repress domestic dissent. The IRGC also has a national defense role and it and the regular military (*Artesh*)—the national army that existed under the former Shah—report to a joint headquarters. In June 2016, Supreme Leader Khamene'i replaced the longtime Chief of Staff (head) of the Joint Headquarters with IRGC Major General Mohammad Hossein Bagheri, an early recruit to the IRGC who fought against Kurdish insurgents and in the Iran-Iraq War. The appointment of an IRGC officer to head the joint headquarters again demonstrates the IRGC's dominance within Iran's military and security structure. On the other hand, Rouhani's August 2017 appointment of a senior *Artesh* figure, Brigadier General Amir Hatami, as Defense Minister for Rouhani's second term cabinet, suggests that the *Artesh* remains a viable and respected institution in the defense establishment. The *Artesh* is deployed mainly at bases outside cities and has no internal security role.

The IRGC Navy and regular Navy (Islamic Republic of Iran Navy, IRIN) are distinct forces; the IRIN has responsibility for the Gulf of Oman, whereas the IRGC Navy has responsibility for the closer-in Persian Gulf and Strait of Hormuz. The regular Air Force controls most of Iran's combat aircraft, whereas the IRGC Air Force runs Iran's ballistic missile programs. Iran has a small number of warships on its Caspian Sea coast. Since 2014, Iran sent warships into the Atlantic Ocean on a few occasions as a demonstration of growing naval strength. In August 2018, the hardline IRGC General Alireza Tangsiri was appointed commander of the IRGC Navy.

Asymmetric Warfare Capacity

Iran compensates for its conventional military deficiencies by expanding a capacity for "asymmetric warfare." Administration reports and testimony continue to assess that Iran is developing forces and tactics to control the approaches to Iran, including the Strait of Hormuz, and that the IRGC-QF remains a key tool of Iran's "foreign policy and power projection." Iran's naval strategy appears to be center on developing an ability to "swarm" U.S. naval assets with its fleet of small boats and large numbers of anti-ship cruise missiles and its inventory of coastal defense cruise missiles (such as the Silkworm or Seersucker). It is also developing increasingly lethal systems such as more advanced naval mines and "small but capable submarines," according to DOD reports and the August 2018 report to Congress required by the Countering America's Adversaries through Sanctions Act. Iran has added naval bases along its coast in recent years, enhancing its ability to threaten shipping in the strait. As discussed further later in this report, IRGC Navy vessels frequently conduct "high-speed intercepts" or close-approaches of U.S. naval vessels in the Persian Gulf, sometimes causing U.S. evasive action or warning shots.

Iran's arming of regional allies and proxies represents another aspect of Iran's development of asymmetric warfare capabilities. Arming allies and proxies helps Iran expand its influence with little direct risk, gives Tehran a measure of deniability, and serves as a "force multiplier." Iran's provision of anti-ship and coastal defense missiles to the Houthi rebels in Yemen, discussed further below, could represent an effort by Tehran to project military power into the key Bab el-Mandeb Strait chokepoint. In the event of confrontation, Iran could try to retaliate against an

[43] For a more extensive discussion of the IRGC, see Katzman, Kenneth, "The Warriors of Islam: Iran's Revolutionary Guard," *Westview Press*, 1993.

adversary through terrorist attacks inside the United States or against U.S. embassies and facilities in Europe or the Persian Gulf. Iran could also try to direct Iran-supported forces in Afghanistan or Iraq to attack U.S. personnel there. Iran's support for regional terrorist groups and other armed factions was a key justification for Iran's addition to the U.S. list of state sponsors of terrorism ("terrorism list") in January 1984.

Military-to-Military Relationships

Iran's armed forces have few formal relationships with foreign militaries outside the region. Iran's military-to-military relationships with Russia, China, Ukraine, Belarus, and North Korea generally have focused on Iranian arms purchases or upgrades, but Iran and Russia are cooperating militarily in Syria to assist the Asad regime. According to the August 2018 report to Congress mandated by the Countering America's Adversaries through Sanctions Act, Iran "has obtained missile and aircraft technology from foreign suppliers, including China and North Korea. In August 2016, Iran allowed Russia's bomber aircraft, for a brief time, to use Iran's western airbase at Hamadan to launch strikes in Syria—the first time the Islamic Republic gave a foreign military use of Iran's military facilities.[44]

Iran and India have a "strategic dialogue" and some Iranian naval officers reportedly underwent some training in India in the 1990s. Iran's military also conducted joint exercises with the Pakistani armed forces in the early 1990s. In September 2014, two Chinese warships docked at Iran's port of Bandar Abbas, for the first time in history, to conduct four days of naval exercises,[45] and in October 2015, the leader of Iran's regular (not IRGC) Navy made the first visit ever to China by an Iranian Navy commander. In August 2017, the chief of Iran's joint military headquarters made the first top-level military visit to Turkey since Iran's 1979 revolution.

Iranian Arms Transfers and U.N. Restrictions

Sales to Iran of most conventional arms (arms on a U.N. Register of Conventional Arms) were banned by U.N. Resolution 1929. Resolution 2231, which supersedes Resolution 1929, requires (for a maximum of five years from Adoption Day—until October 17, 2020) Security Council approval for any transfer of weapons or military technology, or related training or financial assistance, to Iran. The Resolution names the weapons systems subject to the restriction as

> Battle tanks; armored combat vehicles; large caliber artillery systems; combat aircraft; attack helicopters; warships; missiles or missile systems, as defined by the U.N. Register of Conventional Arms, or related material, including spare parts...and the provision to Iran.. of technical training, financial resources or services, advice, other services or assistance related to the supply, sale, transfer, manufacture, maintenance, or use of arms and related materiel....

Defense Minister Hossein Dehgan visited Moscow in February 2016, reportedly to discuss possible purchases of $8 billion worth of new conventional arms, including T-90 tanks, Su-30 aircraft, attack helicopters, anti-ship missiles, frigates, and submarines. Such purchases would require Security Council approval under Resolution 2231, and U.S. officials have said the United States would use its veto power to deny approval for the sale.

[44] A provision of the House version of the FY2017 NDAA (Section 1259M of H.R. 4909) required an Administration report on Iran-Russia military cooperation worldwide, but the provision was removed in conference action.

[45] Thomas Erdbrink and Chris Buckley. "China's Navy Sends Ships for Exercises with Iran." *New York Times*, September 22, 2014.

Resolution 2231 also requires Security Council approval for Iranian transfers of any weaponry outside Iran until October 17, 2020. Separate U.N. Security Council resolutions ban arms shipments to such conflict areas as Yemen (Resolution 2216) and Lebanon (Resolution 1701). There is no U.N. ban on arms exports to Syria. As noted in sections on Iran's regional activities below, Iran appears to have violated this restriction on numerous occasions, but the U.N. Security Council has not, to date, agreed on any punishments for these apparent violations.

Defense Budget

Iran's defense budget generally runs about 4% of GDP. Of the defense budget, about two-thirds funds the IRGC and its subordinate units, and about one-third funds the regular military (*Artesh*) and its units. Iran's national budget is about $300 billion. President Trump stated in his May 8, 2018, announcement of the U.S. withdrawal from the JCPOA that Iran's defense budget has increased 40% since the JCPOA has been implemented. Other sources say the increase has been a more modest 30% since 2015.[46] Incorporating the increase, Iran's 2018-2019 defense budget is about $20-25 billion.[47] The increase since the JCPOA was forged is likely due to improved revenues from sales of crude oil and other goods resulting from JCPOA-related sanctions relief. By contrast, GCC combined defense spending is expected by defense industry experts to reach $100 billion in 2019.[48]

[46] https://www.cnn.com/2018/05/12/politics/trump-tweet-iran-military-nuclear-deal/index.html.

[47] https://en.radiofarda.com/a/iran-military-budget-irgc/28980550.html.

[48] "Gulf States' Defence Budgets to Hit $100bn in 2019: report." Al Jazeera, September 6, 2018.

Table 3. Iran's Conventional Military Arsenal

Military and Security Personnel: 700,000 total. Regular army ground force is about 350,000, Revolutionary Guard Corps (IRGC) ground force is about 125,000. IRGC navy is about 20,000 and regular navy is about 18,000. Regular Air Force has about 30,000 personnel and IRGC Air Force (which runs Iran's missile programs) is of unknown size.

Security forces number about 40,000-60,000 law enforcement forces, with another 100,000 Basij (volunteer militia under IRGC control) permanently deployed. Hundreds of thousands of additional Basij could be mobilized in the event or an all-out war.

Tanks: 1,650+ Includes 480 Russian-made T-72. Iran reportedly discussing purchase of Russian-made T-90s.

Surface Ships and Submarines: 100+ (IRGC and regular Navy) Includes 4 Corvette; 18 IRGC-controlled Chinese-made patrol boats, several hundred small boats.) Also has 3 Kilo subs (reg. Navy controlled). Iran has been long said to possess several small subs, possibly purchased assembled or in kit form from North Korea. Iran claimed on November 29, 2007, to have produced a new small sub equipped with sonar-evading technology, and it deployed four Iranian-made "Ghadir class" subs to the Red Sea in June 2011. Iran reportedly seeks to buy from Russia additional frigates and submarines. Iran has stockpiled a wide array of naval mines.

Combat Aircraft/Helicopters: 330+ Includes 25 MiG-29 and 30 Su-24. Still dependent on U.S. F-4s, F-5s and F-14 bought during Shah's era. Iran reportedly negotiating with Russia to purchase Su-30s (Flanker) equipped with advanced air to air and air to ground missiles (Yakhont ant-ship missile). Iran reportedly seeks to purchase Russia-made Mi-17 attack helicopters.

Artillery Rockets. Iran has developed "Explosively Formed Projectiles" (EFPs) anti-tank rockets used to significant effect against U.S. forces in Iraq (2003-11). Iran provides the weapon to its regional allies and proxies.

Anti-aircraft Missile Systems: Iran has 150+ U.S.-made I-Hawk (from Iran-Contra Affair) plus possibly some Stingers acquired in Afghanistan. Russia delivered to Iran (January 2007) 30 anti-aircraft missile systems (Tor M1), worth over $1 billion. In December 2007, Russia agreed to sell five batteries of the highly capable S-300 air defense system at an estimated cost of $800 million. Sale of the system did not technically violate U.N. Resolution 1929, because the system is not covered in the U.N. Registry on Conventional Arms, but Russia refused to deliver the system as long as that sanction remained in place. After the April 2, 2015, framework nuclear accord, Russian officials indicated they would proceed with the S-300 delivery, and the weapon is operational as of 2018. Iran reportedly also seeks to buy the S-400 anti-aircraft system from Russia.

Sources: IISS Military Balance (2017)—Section on Middle East and North Africa, and various press reports; testimony of CENTCOM Commander Gen. Joseph Votel before the House Armed Services Committee on February 27, 2018.

Table 4. The Islamic Revolutionary Guard Corps (IRGC)

The IRGC is generally loyal to Iran's political hardliners and is clearly more politically influential than is Iran's regular military, which is numerically larger, but was held over from the Shah's era. The IRGC's political influence has grown sharply as the regime has relied on it to suppress dissent. A Rand Corporation study stated: "Founded by a decree from Ayatollah Khomeini shortly after the victory of the 1978-1979 Islamic Revolution, Iran's Islamic Revolutionary Guards Corps (IRGC) has evolved well beyond its original foundations as an ideological guard for the nascent revolutionary regime.... The IRGC's presence is particularly powerful in Iran's highly factionalized political system, in which [many senior figures] hail from the ranks of the IRGC...." Its overall commander, IRGC Major General Mohammad Ali Jafari, who has been in the position since September 2007, is considered a hardliner against political dissent and a close ally of the Supreme Leader. He criticized Rouhani for accepting a phone call from President Obama on September 27, 2013, and opposed major concessions in the JCPOA negotiations.

Militarily, the IRGC fields a ground force of about 100,000 for national defense. The IRGC Navy has responsibility to patrol the Strait of Hormuz and the regular Navy has responsibility for the broader Arabian Sea and Gulf of Oman (deeper waters further off the coast). The IRGC Air Force runs Iran's ballistic missile programs, but combat and support military aviation is operated exclusively by the regular Air Force, which has the required pilots and sustainment infrastructure for air force operations.

The IRGC is the key organization for maintaining internal security. The *Basij* militia, which reports to the IRGC commander in chief, operates from thousands of positions in Iran's institutions and, as of 2008, has been integrated at the provincial level with the IRGC's provincial units. As of December 2016, the Basij is led by hardliner Gholam Hosein Gheibparvar. In November 2009, the regime gave the IRGC's intelligence units greater authority, surpassing that of the Ministry of Intelligence.

Through its Qods (Jerusalem) Force (QF), the IRGC has a foreign policy role in exerting influence throughout the region by supporting pro-Iranian movements and leaders. The IRGC-QF commander, Brigadier General Qassem Soleimani, reportedly has an independent channel to Khamene'i. The IRGC-QF numbers approximately 10,000-15,000 personnel who provide advice, support, and arrange weapons deliveries to pro-Iranian factions or leaders in Lebanon, Iraq, Syria, Persian Gulf states, Gaza/West Bank, Afghanistan, and Central Asia. IRGC leaders have confirmed the QF is in Syria to assist the regime of Bashar al-Assad against an armed uprising, and it is advising the Iraqi government against the Islamic State (also known as ISIS or ISIL)—tacitly aligning it there with U.S. forces. Section 1223 of the FY2016 National Defense Authorization Act (P.L. 114-92) required a DOD report any U.S. military interaction with the IRGC-QF, presumably in Iraq. The IRGC-QF commander during 1988-1995 was Brigadier General Ahmad Vahidi, who served as defense minister during 2009-2013. He led the QF when it allegedly assisted Lebanese Hezbollah carry out two bombings of Israeli and Jewish targets in Buenos Aires (1992 and 1994) and is wanted by Interpol. He allegedly recruited Saudi Hezbollah activists later accused of the June 1996 Khobar Towers bombing.

As noted, the IRGC is also increasingly involved in Iran's economy, acting through a network of contracting businesses it has set up, most notably *Ghorb* (also called *Khatem ol-Anbiya*, Persian for "Seal of the Prophet"). Active duty IRGC senior commanders reportedly serve on Ghorb's board of directors and its chief executive, Rostam Ghasemi, served as Oil Minister during 2011-2013. In 2009, the IRGC bought a 50% stake in Iran Telecommunication Company at a cost of $7.8 billion, although that firm was later privatized. Then CIA Director Mike Pompeo estimated in 2017 that the IRGC affiliates might control about 20% of Iran's overall economy, but estimates vary widely and the actual figure is widely considered uncertain.

Numerous IRGC and affiliated entities, including the IRGC itself and the QF, have been designated for U.S. sanctions as proliferation, terrorism supporting, and human rights abusing entities—as depicted in CRS Report RS20871, *Iran Sanctions*. The United States did not remove any IRGC-related designations under the JCPOA, but the EU will be doing so in 2023.

Sources: Frederic Wehrey et al.,"The Rise of the Pasdaran," Rand Corporation, 2009; Katzman, Kenneth, "The Warriors of Islam: Iran's Revolutionary Guard," Westview Press, 1993; Department of the Treasury; http://www.newyorker.com/reporting/2013/09/30/130930fa_fact_filkins?printable=true&currentPage=all; https://www.defenddemocracy.org/content/uploads/documents/Transcript_FINAL_Pompeo.pdf.

Iran's Regional and International Activities

The following sections analyze Iran's actions in its region and more broadly, in the context of Iran's national security strategy.

Near East Region

The focus of Iranian security policy is the Near East, where Iran employs all instruments of its national power. Successive Administrations have described many of Iran's regional operations as "malign activities." Director of National Intelligence Dan Coats, in February 13, 2018, delivery of the annual worldwide threat assessment testimony before Congress, assessed that "Iran will seek to expand its influence in Iraq, Syria, and Yemen, where it sees conflicts generally trending in Tehran's favor." Secretary of State Pompeo described a litany of Iranian malign activities in his speech to the Heritage Foundation on May 21, 2018—a speech in which he stipulated as one among many demands for normalization of relations with Iran that the regime cease its malign regional activities.

A key part of stated U.S. strategy toward Iran is to "roll back" Iranian influence in the region. The Administration justified its exit from the JCPOA as an effort to deny Iran the financial resources to exert influence in the region. Specific Administration efforts to counter Iran's regional activities are analyzed in the sections below.

Dollar Value of Iranian Funding to Allies and Proxies. A question that often proves difficult is that of the dollar value of material support that the IRGC-QF provides to Iran's allies and proxies. Published estimates vary widely and are difficult to corroborate. Information from official U.S. government sources sometimes provides broad dollar figures without breakdowns or clear information on how those figures were derived. Section 1230E of the House version of the FY2019 NDAA (H.R. 5515, P.L. 115-232) would require an annual administration report on the amounts spent by the IRGC-QF in the preceding year to support: Hezbollah, Hamas, the Houthis in Yemen, and "proxy forces in Iraq and Syria."

The Persian Gulf

Iran has a 1,100-mile coastline on the Persian Gulf and Gulf of Oman, and intimidating and influencing the Persian Gulf monarchy states have always been a key focus of Iran's foreign policy—even during the reign of the Shah of Iran. In 1981, perceiving a threat from revolutionary Iran and spillover from the Iran-Iraq War that began in September 1980, the six Gulf states formed the Gulf Cooperation Council alliance (GCC: Saudi Arabia, Kuwait, Bahrain, Qatar, Oman, and the United Arab Emirates). U.S.-GCC security cooperation, developed during the 1980-1988 Iran-Iraq War, expanded significantly after the 1990 Iraqi invasion of Kuwait. Prior to 2003 the extensive U.S. presence in the Gulf was also intended to contain Saddam Hussein's Iraq, but, with Iraq militarily weak since the fall of Saddam Hussein, the U.S. military presence in the Gulf focuses on containing Iran and conducting operations against regional terrorist groups. The GCC states host significant numbers of U.S. forces at their military facilities and procure sophisticated U.S. military equipment.

Figure 1. Map of Near East

Source: Created by CRS.

Several of the GCC leaders have accused Iran of fomenting unrest among Shiite communities in the GCC states, particularly those in the Eastern Provinces of Saudi Arabia and in Bahrain, which has a majority Shiite population. At the same time, all the GCC states maintain relatively normal trading relations with Iran, and some have undertaken joint energy and infrastructure projects with it. In 2017, Iran sought to ease tensions with the GCC countries in an exchange of letters and a February 2017 visit by President Hassan Rouhani to Kuwait and Oman, but the same regional issues that divide Iran and the GCC countries thwarted the initiative.

The willingness of Qatar, Kuwait, and Oman to engage Iran contributed to a rift within the GCC in which Saudi Arabia, UAE, and Bahrain—joined by a few other Muslim countries—announced on June 5, 2017, an air, land, and sea boycott of Qatar.[49] The rift has given Iran an opportunity to accomplish a long-standing goal of weakening the GCC alliance. The GCC rift came two weeks after President Donald Trump visited Saudi Arabia and expressed strong support for its policies.

Saudi Arabia[50]

Iranian and Saudi leaders accuse each other of seeking hegemony and to exclude the other from regional influence. Saudi leaders also accuse Iran of supporting Shiite dissidents in the kingdom's largely Shiite Eastern Province. The mutual animosity has aggravated sectarian tensions and

[49] The intra-GCC rift with Qatar has many antecedents beyond differences over Iran policy, as discussed in CRS Insight IN10712, *Qatar and its Neighbors: Disputes and Possible Implications*, by Kenneth Katzman and Christopher M. Blanchard, and CRS Report R44533, *Qatar: Governance, Security, and U.S. Policy*, by Kenneth Katzman.

[50] For detailed information on Saudi Arabia's policy toward Iran, see CRS Report RL33533, *Saudi Arabia: Background and U.S. Relations*, by Christopher M. Blanchard.

contributed to an Iran-Saudi regional war by proxy.[51] Most notably, in 2015, Saudi Arabia led a coalition that intervened in Yemen's internal conflict in an effort to roll back Iranian influence by reducing the territory under the control of Houthi rebels there. Iran's arming of the Houthi rebels in Yemen has increased Iran's potential to threaten the Kingdom militarily, and Saudi Arabia has blamed Iran directly for supplying the Houthis with ballistic missiles that have been fired on the Kingdom on several occasions. The Saudi claims have been backed up by reports from the U.N. panels of experts on the Yemen conflict. In 2017, Saudi leaders unsuccessfully sought to undermine Lebanese Hezbollah's by pressuring Saudi ally and Lebanon Prime Minister, Sa'd Hariri, to expose Hezbollah's pervasive influence over the government of Lebanon. Saudi leaders have sought since mid-2017 to engage Baghdad and various Iraqi factions to draw the country closer to the Arab world and away from Iran.

The Saudi-Iran rift expanded in January 2016 when Saudi Arabia severed diplomatic relations with Iran in the wake of violent attacks and vandalism against its embassy in Tehran and consulate in Mashhad, Iran. The attacks were a reaction to Saudi Arabia's January 2, 2016, execution of an outspoken Shia cleric, Nimr Baqr al Nimr, alongside dozens of Al Qaeda members; all had been convicted of treason and/or terrorism charges. Subsequently, Saudi Arabia and Bahrain broke diplomatic relations with Iran, and Qatar, Kuwait, and UAE recalled their ambassadors from Iran. In December 2016, Saudi Arabia executed 15 Saudi Shiites sentenced to death for "spying" for Iran.

Saudi leaders have criticized the JCPOA's shortfalls in terms similar to those used by the Trump Administration, but Saudi officials publicly support the accord's continuation. Still, Saudi Arabia publicly applauded the Trump Administration's May 2018 exit from the JCPOA. Saudi Crown Prince Mohammad bin Salman Al Saudi, on the eve of a March 20, 2018, meeting with President Trump, stated that Saudi Arabia would acquire a nuclear weapon if Iran does. Saudi Arabia is seeking to forge a civilian nuclear cooperation agreement with the United States, perhaps in part to signal to Iran that it will not have a monopoly in the Gulf on nuclear technology.

Saudi officials repeatedly cite past Iran-inspired actions as a reason for distrusting Iran. These actions include Iran's encouragement of violent demonstrations at some Hajj pilgrimages in Mecca in the 1980s and 1990s, which caused a break in relations from 1987 to 1991. The two countries increased mutual criticism of each other's actions in the context of the 2016 Hajj. Saudi Arabia asserts that Iran instigated the June 1996 Khobar Towers bombing and accuses it of sheltering the alleged mastermind of the bombing, Ahmad Mughassil, a leader of Saudi Hezbollah. Mughassil was arrested in Beirut in August 2015.

United Arab Emirates (UAE)[52]

The UAE is aligned with Saudi Arabia against Iran, opposing extensive diplomatic engagement and as a core member of the Saudi-led coalition combatting the Houthi rebels in Yemen. As noted above, the UAE withdrew its ambassador from Iran in solidarity with Saudi Arabia in connection with the Nimr execution in January 2016. The UAE criticized the deficiencies of the JCPOA, later supported its continuation as a stabilizing force in the region, but then applauded the U.S. pullout from the JCPOA. UAE leaders blamed Iran for arming the Houthis with anti-ship missiles that damaged a UAE naval vessel in the Bab el-Mandeb Strait in late 2016.

[51] Statement for the Record. U.S. Director for National Intelligence James Clapper. Senate Armed Services Committee, February 2015, p. 14.

[52] For detailed information on Iran-UAE relations, see CRS Report RS21852, *The United Arab Emirates (UAE): Issues for U.S. Policy*, by Kenneth Katzman.

The UAE is alone in the GCC in having a long-standing territorial dispute with Iran, concerning the Persian Gulf islands of Abu Musa and the Greater and Lesser Tunb islands. The Tunbs were seized by the Shah of Iran in 1971, and the Islamic Republic took full control of Abu Musa in 1992, violating a 1971 agreement to share control of that island. The UAE has sought to refer the dispute to the International Court of Justice (ICJ), but Iran insists on resolving the issue bilaterally. (ICJ referral requires concurrence from both parties to a dispute.) In 2013-2014, the two countries held direct apparently productive discussions on the issue and Iran reportedly removed some military equipment from the islands.[53] However, no resolution has been announced. The GCC has consistently backed the UAE position.

Despite their political and territorial differences, the UAE and Iran maintain extensive trade and commercial ties. Iranian-origin residents of Dubai emirate number about 300,000, and many Iranian-owned businesses are located there, including branch offices of large trading companies based in Tehran and elsewhere in Iran.

Qatar[54]

Since 1995, Qatar has occupied a "middle ground" between anti-Iran animosity and sustained engagement with Iran. Qatar maintains periodic high-level contact with Iran; the speaker of Iran's *Majles* (parliament) visited Qatar in March 2015 and the Qatari government allowed him to meet with Hamas leaders in exile there. Qatar also pursues policies that are opposed to Iran's interests, for example by providing arms and funds to factions in Syria opposed to Syrian President Bashar Al Asad and by joining Saudi-led military intervention in Yemen (which ceased after Qatar pulled out of Yemen as a consequence of the intra-GCC rift). Qatar has sometimes used its engagement with Iran to obtain the release of prisoners held by Iran or its allies, and strongly refutes Saudi-led assertions that it is aligned with or politically close to Iran. Qatar did withdraw its Ambassador from Iran in connection with the Nimr execution discussed above, but restored relations in August 2017 in large part to reciprocate Iran's support for Qatar in the intra-GCC rift. Iran has increased its food exports to Qatar as Qatar finds alternative sources to imports from Saudi Arabia.

Qatar does not have territorial disputes with Iran, but Qatari officials reportedly remain wary that Iran could try to encroach on the large natural gas field Qatar shares with Iran (called North Field by Qatar and South Pars by Iran). In April 2004, the Iran's then-deputy oil minister said that Qatar is probably producing more gas than "her right share" from the field.

Bahrain[55]

Bahrain, ruled by the Sunni Al Khalifa family and still unsettled by unrest among its majority Shiite population, is a strident critic of Iran. Bahrain's leaders consistently allege that Iran is agitating Bahrain's Shiite community, some of which is of Persian origin, to try to overturn Bahrain's power structure. In 1981 and again in 1996, Bahrain publicly claimed to have thwarted Iran-backed efforts by Bahraini Shiite dissidents to violently overthrow the ruling family. Bahrain has consistently accused Iran of supporting radical Shiite factions within an opposition dominated

[53] http://archive.defensenews.com/article/20140115/DEFREG04/301150034/Source-UAE-Iran-Reach-Accord-Disputed-Hormuz-Islands.

[54] For detailed information on Iran-Qatar relations, see CRS Report R44533, *Qatar: Governance, Security, and U.S. Policy*, by Kenneth Katzman.

[55] For detailed information on Iran-Bahrain relations, see CRS Report 95-1013, *Bahrain: Reform, Security, and U.S. Policy*, by Kenneth Katzman.

by peaceful political societies.[56] On several occasions, Bahrain has temporarily withdrawn its Ambassador from Iran following Iranian criticism of Bahrain's treatment of its Shiite population or alleged Iranian anti-government plots. Bahrain broke ties with Iran in concert with Saudi Arabia in January 2016 over the Nimr execution dispute.

Some reports in indicate that Iran's efforts to support violent factions in Bahrain includes providing weapons, explosives, and weapons-making equipment. In late 2016, Bahraini authorities uncovered a large warehouse containing equipment, apparently supplied by Iran, that is tailored for constructing "explosively-forced projectiles" (EFPs) such as those Iran-backed Shiite militias used against U.S. armor in Iraq during 2004-2011. No EFPs have actually been used in Bahrain, to date.[57] On January 1, 2017, 10 detainees who had been convicted of militant activities such as those discussed above broke out of Bahrain's Jaw prison with the help of attackers outside the jail. In March 2017, security forces arrested a group of persons that authorities claimed were plotting to assassinate senior government officials, asserting that the cell received military training by IRGC-QF. Six Bahraini Shiites were sentenced to death for this alleged plot on December 25, 2017. In late October 2017, 29 Bahrainis were convicted for having links to Iran and conducting espionage in Bahrain. On March 17, 2017, the State Department named two members of a Bahrain militant group, the Al Ashtar Brigades, as Specially Designated Global Terrorists (SDGTs), asserting the group is funded and supported by Iran.[58] In July 2018, the State Department named the Al Ashtar Brigades as a Foreign Terrorist Organization (FTO). The State Department report on international terrorism for 2016, released in July 2017, stated that

> Iran has provided weapons, funding, and training to Bahraini militant Shia groups that have conducted attacks on the Bahraini security forces. On January 6, 2016, Bahraini security officials dismantled a terrorist cell, linked to IRGC-QF, planning to carry out a series of bombings throughout the country.

Tensions also have flared occasionally over Iranian attempts to question the legitimacy of a 1970 U.N.-run referendum in which Bahrainis chose independence rather than affiliation with Iran. In March 2016, a former IRGC senior commander and adviser to Supreme Leader Khamene'i reignited the issue by saying that Bahrain is an Iranian province and should be annexed.[59]

As did Saudi Arabia and the UAE, Bahrain criticized the JCPOA, later supported its continuation as a stabilizing force, but then supported the Trump Administration's withdrawal from the accord.

Kuwait[60]

Kuwait cooperates with U.S.-led efforts to contain Iranian power and is participating in Saudi-led military action against Iran-backed Houthi rebels in Yemen, but it also has tried to mediate a settlement of the Yemen conflict and broker a GCC-Iran rapprochement. Kuwait also exchanges leadership-level visits with Iran; Kuwait's Amir Sabah al-Ahmad Al Sabah visited Iran in June 2014, meeting with Rouhani and Supreme Leader Khamene'i. Kuwait's Foreign Minister visited Iran in late January 2017 to advance Iran-GCC reconciliation, and Rouhani visited Kuwait (and Oman) in February 2017 as part of that abortive effort. Kuwaiti leaders appear to view Iran as

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[56] http://www.aljazeera.com/news/middleeast/2014/01/bahrain-accuses-iran-training-rebels-201413144049814960.html.

[57] Souad Mekhennet and Joby Warrick. "In Bahrain's Militant Cells, U.S. Sees Iran." *Washington Post*, April 2, 2017.

[58] State Department Terrorist Designations of Ahmad Hasan Yusuf and Alsayed Murtadha Majeed Ramadhan Alawi. March 17, 2017.

[59] Gam News, Iran, as reported by Middle East Media Research Institute (MEMRI), March 17, 2016.

[60] For detailed information on Iran-Kuwait relations, see CRS Report RS21513, *Kuwait: Governance, Security, and U.S. Policy*, by Kenneth Katzman.

helpful in stabilizing Iraq, a country that occupies a central place in Kuwait's foreign policy because of Iraq's 1990 invasion. Kuwait has extensively engaged Iraq's Shiite leaders despite criticism of their marginalization of Sunni Iraqis.

Kuwait is differentiated from some of the other GCC states by its integration of Shiites into the political process and the economy. About 25% of Kuwaitis are Shiite Muslims, but Shiites have not been restive there and Iran was not able to mobilize Kuwaiti Shiites to end Kuwait's support for the Iraqi war effort in the Iran-Iraq War (1980-1988). However, on numerous occasions, Kuwaiti courts have convicted Kuwaitis with spying for the IRGC-QF or Iran's intelligence service. Kuwait recalled its Ambassador from Iran in connection with the Saudi-Iran dispute over the Saudi execution of Al Nimr.

Oman[61]

Omani officials assert that engagement with Iran is a more effective means to moderate Iran's foreign policy than to isolate or threaten Iran, and Oman has the most consistent engagement with Iran's leadership of any of the Gulf states. Omani leaders express gratitude for the Shah's sending of troops to help the Sultan suppress rebellion in the Dhofar region in the 1970s, even though Iran's regime changed since then.[62] Iranian President Hassan Rouhani has visited Oman in 2014 and in 2017. Sultan Qaboos visited Iran in August 2013, reportedly to explore with the newly elected Rouhani concepts for improved U.S.-Iran relations and nuclear negotiations that ultimately led to the JCPOA. Since sanctions on Iran were lifted, Iran and Oman have accelerated their joint development of the Omani port of Duqm, which Iran envisions as a trading and transportation outlet for Iran. Since late 2016, Oman also has been a repository of Iranian heavy water to help Iran comply with the JCPOA.

Oman has not supported any factions fighting the Asad regime in Syria and has not joined the Saudi-led Arab intervention in Yemen, enabling Oman to undertake the role of mediator in both of those conflicts. Oman has denied that Iran has used its territory to smuggle weaponry to the Houthi rebels in Yemen that Iran is supporting, but U.N. experts have identified land routes through Oman that could be possible channels for Iranian weapons exports to the Houthis.[63] Oman was the only GCC country to not downgrade its relations with Iran in connection with the January 2016 Nimr dispute. And, Oman drew closer to Iran in 2017 because of Iran's support for Qatar in the intra-GCC rift, which Omani leaders assert was the result of misguided action by Saudi Arabia and the UAE.

Iranian Threat to the Gulf and U.S.-GCC Efforts to Counter Iran

The Gulf countries have been considered lynchpins in U.S. strategy over successive U.S. Administrations to contain Iranian power. One key threat that the United States and GCC cooperate to address is the potential threat Iran represents to the long-asserted core U.S. interest in preserving both the free flow of oil and freedom of navigation in the Persian Gulf, which is only about 20 miles wide at its narrowest point. The Strait of Hormuz is identified by the Energy Information Administration as an important possible "chokepoint" for the world economy. Each day, about 17 million barrels of oil flow through the strait, which is 35% of all seaborne traded oil and 20% of all worldwide traded oil.[64] U.S. and GCC officials view Iran as posing a possible

[61] For detailed information on Iran-Oman relations, see CRS Report RS21534, *Oman: Reform, Security, and U.S. Policy*, by Kenneth Katzman.

[62] As reported in author conversations in Oman and with Omani officials, 1988-2015.

[63] See, for example, S/2018/68, Final report of the Panel of Experts on Yemen, January 26, 2018.

[64] http://www.eia.gov/todayinenergy/detail.cfm?id=18991.

threat to both the free flow of oil and freedom of navigation; CENTCOM Commander General Joseph Votel testified before the House Armed Services Committee on February 27, 2018, that: "With little warning, Iran could quickly close the Strait of Hormuz using stockpiles of naval mines and disrupt key maritime chokepoints throughout the region." In mid-2015, Iran stopped several commercial ships transiting the strait as part of an effort to resolve commercial disputes with the shipping companies involved—stoppages possibly intended to demonstrate Iran's potential ability to control the strait.

In early July 2018, Iran's President Rouhani indirectly threatened the free flow of oil in the Gulf should the Trump Administration succeed in compelling Iran's oil customers to cease buying Iranian oil entirely. In late August 2018, the newly appointed IRGC Navy commander Alireza Tangsiri inflamed fears of Iranian action in the Gulf by saying that Iran had "full control" of the Gulf and the Strait of Hormuz.[65] In early August 2018, General Votel stated that the U.S. military is "paying attention" to Iranian military movements in the Gulf. Subsequently, in late August 2018, the newly appointed IRGC Navy commander Tangsiri stated that Ian "has full control" of the gulf and Strait of Hormuz. However, no significant changes in the Iranian naval posture has been reported.

Iran has sometimes challenged U.S. forces in the Gulf, perhaps in part to demonstrate that it is not intimidated by U.S. power. During 2016-2017, according to DNI Coats, about 10% of U.S. Navy interactions with the IRGC-Navy were "unsafe, abnormal, or unprofessional." IRGC-Navy elements conducted numerous "high speed intercepts" of U.S. naval vessels in the Gulf and, in some cases, fired rockets near U.S. warships. During some of these incidents, U.S. vessels have fired warning shots at approaching Iranian naval craft. However, U.S. Navy and other military commanders say that, since August 2017, Iran has largely ceased the naval challenges. The shift in Iranian behavior might have been prompted by concerns that that the Trump Administration might authorize the use of deadly force in future such incidents.

President Trump has stated an intent to counter Iranian actions in the Gulf or more broadly, including potentially with military action. On July 22, President Trump issued the tweet below:

> To Iranian President Rouhani: NEVER, EVER THREATEN THE UNITED STATES AGAIN OR YOU WILL SUFFER CONSEQUENCES THE LIKES OF WHICH FEW THROUGHOUT HISTORY HAVE EVER SUFFERED BEFORE. WE ARE NO LONGER A COUNTRY THAT WILL STAND FOR YOUR DEMENTED WORDS OF VIOLENCE & DEATH. BE CAUTIOUS!

11:24 PM - Jul 22, 2018

U.S.-GCC Cooperation Structures

The Obama Administration sought to add structure to the U.S.-GCC strategic partnership by instituting a "U.S.-GCC Strategic Dialogue" in March 2012. Earlier, in February 2010, then-Secretary Clinton also raised the issue of a possible U.S. extension of a "security umbrella" or guarantee to regional states against Iran.[66] However, no such formal U.S. security pledge was issued.

[65] Fox News, August 27, 2018.

[66] Paul Richter and Alexandra Davis. "U.S. Promises to Beef up Defense Aid to Persian Gulf Allies." *Los Angeles Times*, April 7, 2015.

The JCPOA prompted GCC concerns that the United States might reduce its commitment to Gulf security and President Obama and the GCC leaders held two summit meetings—in May 2015 and April 2016—to reassure the GCC of U.S. support against Iran. The statement following the 2015 summit at Camp David said:

> In the event of [ ] aggression or the threat of [ ] aggression [against the GCC states], the United States stands ready to work with our GCC partners to determine urgently what action may be appropriate, using the means at our collective disposal, including the potential use of military force, for the defense of our GCC partners.[67]

The summit meetings produced announcements of a U.S.-GCC strategic partnership and specific commitments to (1) facilitate U.S. arms transfers to the GCC states; (2) increase U.S.-GCC cooperation on maritime security, cybersecurity, and counterterrorism; (3) organize additional large-scale joint military exercises and U.S. training; and (4) implement a Gulf-wide coordinated ballistic missile defense capability, which the United States has sought to promote in recent years.[68] Perhaps indicating reassurance, the GCC states expressed support for the JCPOA.[69]

The Trump Administration's characterization of Iran as a major regional threat eased GCC state concerns about U.S. policy toward Iran. The GCC states all expressed support for the Trump Administration's relaxation of restrictions on arms sales to the GCC states and de-emphasizing concerns over GCC human rights practices or other issues. Saudi Arabia, the UAE, and Bahrain all publicly supported the Trump Administration exit from the JCPOA, whereas—reflecting divisions within the GCC—Qatar, Kuwait, and Oman expressed "understanding" for the exit. U.S. officials have stated that the intra-GCC rift centered on Qatar is harming the U.S.-led effort to forge a united strategy against Iran, and, since April 2018, President Trump reportedly has been insisting that Gulf leaders resolve the rift.[70]

Building on the exit from the JCPOA, the Trump Administration reportedly is attempting to build a new coalition to counter Iran, composed of the GCC states plus Egypt, Jordan, and possibly also Morocco. The Administration reportedly sought to unveil this "Middle East Strategic Alliance" (MESA) in advance of a planned U.S.-GCC summit on October 12-13, 2018. However, because of the ongoing intra-GCC dispute and other factors, the meeting has been postponed until an unspecified time in 2019.[71]

U.S. Forces in the Gulf and Defense Agreements.

The GCC states are pivotal to U.S. efforts to counter Iran militarily. There are about 35,000 U.S. forces in the Gulf region currently, most of which are stationed at military facilities in the GCC states that the United States accesses under formal defense cooperation agreements (DCAs) with Kuwait, Bahrain, Qatar, and the UAE; a facilities access agreement with Oman; and memoranda of understanding with Saudi Arabia. U.S. defense agreements with the GCC states also reportedly provide for the United States to preposition substantial military equipment, to train the GCC

[67] https://www.whitehouse.gov/the-press-office/2015/05/14/us-gulf-cooperation-council-camp-david-joint-statement.

[68] https://www.whitehouse.gov/the-press-office/2015/05/14/annex-us-gulf-cooperation-council-camp-david-joint-statement.

[69] State Department, Joint Statement of the U.S.-GCC Foreign Ministers Meeting. August 3, 2015; https://www.whitehouse.gov/the-press-office/2015/09/04/joint-statement-meeting-between-president-barack-obama-and-king-salman.

[70] https://www.reuters.com/article/us-usa-gulf/in-call-with-saudi-king-trump-demanded-quick-end-to-gulf-rift-u-s-officials-idUSKBN1HI332.

[71] Jack Detsch. "Trump Shelves Gulf Talks Until Next Year." Al Monitor, September 6, 2018.

countries' forces; to sell arms to those states; and, in some cases, for consultations in the event of a major threat to the state in question.[72] Some U.S. forces in the Gulf are aboard a U.S. aircraft carrier task force that is in the Gulf region nearly constantly. The Defense Department also uses authority in Section 2282 of U.S.C. Title 10 to program Counterterrorism Partnerships Funds CTPF) for U.S. special operations forces training to enhance GCC counterterrorism capabilities.

Arms Sales. U.S. arms sales to the GCC countries have improved GCC air and naval capabilities and their interoperability with U.S. forces. With the exception of post-2011 uprising Bahrain, the United States has tended to approve virtually all arms purchase requests by the GCC states, including such equipment as combat aircraft, precision-guided munitions, combat ships, radar systems, and communications gear. Congress has generally not sought to block such sales, although a Senate vote in June 2017 nearly blocked a sale of precision-guided munitions to Saudi Arabia over its tactics in its war effort in Yemen. And, the intra-GCC rift has slowed the process of concluding new arms sales to the GCC states: Senate Foreign Relations Committee Chairman Bob Corker has said he would withhold informal concurrence on major new arms sales to the GCC states until the rift is resolved.

The following sections discuss specific U.S.-Gulf defense relationships.[73]

- *Saudi Arabia*. The United States and Saudi Arabia have utilized memoranda of understanding, limited in scope, to enable a few hundred U.S. military personnel to train the military, National Guard (SANG), and Ministry of Interior forces in Saudi Arabia. The Saudi force has about 225,000 active duty personnel, with about 600 tanks, of which 200 are U.S.-made M1A2 "Abrams" tanks. The Saudi Air Force flies the F-15.
- *Kuwait*. The United States has had a DCA with Kuwait since 1991, and over 13,000 mostly U.S. Army personnel are stationed there, including ground combat troops. Kuwait has hosted the U.S.-led headquarters for Operation Inherent Resolve (OIR), the military component of the campaign against the Islamic State. U.S. forces operate from such facilities as Camp Arifjan, south of Kuwait City, where the United States prepositions ground armor including Mine Resistant Ambush Protected (MRAP) vehicles, as well as from several Kuwaiti air bases. U.S. forces train at Camp Buehring, about 50 miles west of the capital. Kuwait has a small force (about 15,000 active military personnel) that relies on U.S. arms, including Abrams tanks and F/A-18 combat aircraft. The Trump Administration stated during the September 2017 visit to Washington, DC, of Kuwait's Amir that it would proceed with selling Kuwait 32 additional F/A-18s.
- *Qatar*. The United States has had a DCA with Qatar since 1992, which was revised in December 2013. Nearly 10,000 U.S. military personnel, mostly Air Force, are in Qatar, manning the forward headquarters of U.S. Central Command (CENTCOM), which has responsibility for the Middle East and Central Asia; a Combined Air Operations Center (CAOC) that oversees U.S. combat aircraft missions in the region; the large Al Udeid Air Base; and the *As Saliyah* army

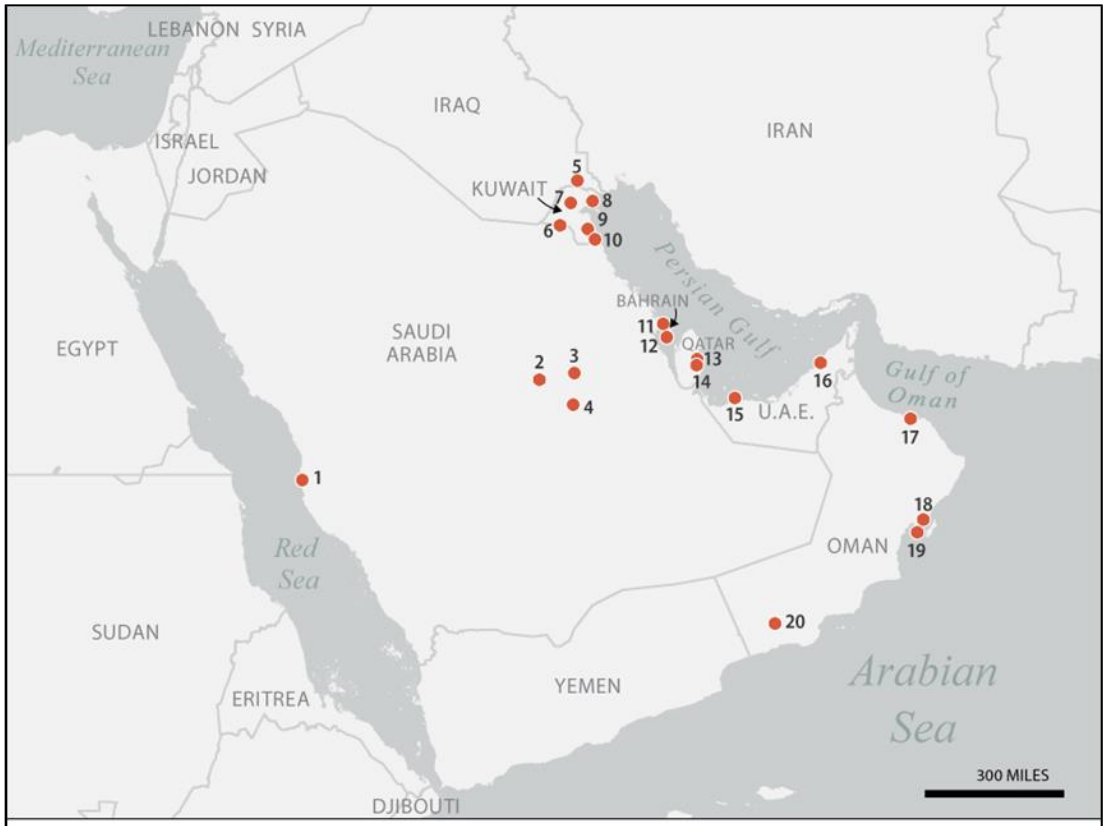
[72] The texts of the DCAs and related agreements are classified, but general information on the provisions of the agreements has been provided in some open sources, including http://www.strategicstudiesinstitute.army.mil/pdffiles/pub185.pdf. Section 1234 of the FY2016 NDAA (P.L. 114-92) required a report within 120 days of enactment (by March 30, 2016) on any U.S. security commitments to Middle Eastern countries, including the GCC, and the U.S. force posture required for those commitments.

[73] The U.S. deployments in the Gulf are discussed in greater detail in CRS reports on the individual GCC states. Information in this section is derived from author visits to the GCC states since 1993 and conversations with U.S. and Gulf state diplomats. See also International Institute for Strategic Studies, "The Military Balance, 2015."

prepositioning site where U.S. tanks are prepositioned. Qatar's armed force is small with about 12,000 active military personnel. Qatar has historically relied on French military equipment, including Mirage combat aircraft, but in late 2016, the Obama Administration approved selling up to 72 F-15s to Qatar. The F-15 deal, with an estimated value of $21 billion, was formally signed between Qatar and the Trump Administration on June 14, 2017. Qatari officials say they will expand Al Udeid air base and are allowing fixed housing and other facilities to be built on the base to better accommodate U.S. personnel deployed there.

- *UAE.* The United States has had a DCA with UAE nearly continuously since 1994. About 5,000 U.S. forces, mostly Air Force and Navy, are stationed in UAE, operating surveillance and refueling aircraft from Al Dhafra Air Base, and servicing U.S. Navy and contract ships which dock at the large commercial port of Jebel Ali. The UAE armed forces include about 63,000 active duty personnel. Its ground forces use primarily French-made tanks purchased in the 1990s, but its air forces are equipped with F-16s the country has bought from the United States in recent years. The UAE has stated that it wants to buy the F-35 Joint Strike Fighter, but U.S. officials have indicated that the potential sale would be evaluated in accordance with U.S. policy to maintain Israel's Qualitative Military Edge (QME). The Trump Administration said in early 2018 that it is considering providing the UAE with advanced briefings on the aircraft. The UAE is the only GCC state to date that has taken delivery of the THAAD anti-missile system.
- *Bahrain*. The United States has had a DCA with Bahrain since 1991. More than 8,000 U.S. personnel, mostly Navy, operate out of the large Naval Support Activity facility that houses the U.S. command structure for U.S. naval operations in the Gulf. U.S. Air Force personnel also access Shaykh Isa Air Base. Bahrain has only about 6,000 active military personnel, and another 11,000 internal security forces under the Ministry of Interior. The United States has given Bahrain older model U.S. M60A3 tanks and a frigate ship as grant "excess defense articles," and the country has bought U.S.-made F-16s with national funds. The Obama Administration told Congress in late 2016 that it would not finalize approval of a Bahrain request to purchase additional F-16s unless the government demonstrates progress on human rights issues, but in March 2017, the Trump Administration dropped that condition and is proceeding with the sale, while maintaining a ban on arms sales to Bahrain's internal security forces.
- *Oman*. The United States has had a "facilities access agreement" with Oman since April 1980, under which a few hundred U.S. forces (mostly Air Force) are deployed at and have access to Omani air bases such as those at Seeb, Masirah Island, Thumrait, and Musnanah. Oman has a 25,000-person force that has historically relied on British-made military equipment. The United States has provided some M60A3 tanks as excess defense articles, and Oman has bought F-16s using national funds.
- *Assistance Issues*. The GCC states are considered wealthy states and most receive little or virtually no U.S. assistance. The least wealthy Gulf states Bahrain and Oman receive a few million dollars per year in Foreign Military Financing (FMF) and International Military Education and Training Funds (IMET). Small amounts of State Department funds are provided to all the Gulf states for counterterrorism/border security programs (nonproliferation, anti-terrorism, de-mining and related, NADR, funds)

Figure 2. Major Persian Gulf Military Facilities



Military Facilities

Saudi Arabia

1. **Jeddah.** Used by the U.S. Military Training Mission and for some U.S. air operations.
2. **King Khalid Military City.** U.S. military presence is minimal.
3. **Eskan Village.** Hosts U.S. military personnel.
4. **Riyadh Air Base.** One of the most important regional bases due to its strategic location.

Iraq

5. **Umm Qasr.** Iraq's only major port on the Persian Gulf.

Kuwait

6. **Ali Al Salem Air Base.** Used by the U.S. Air Force
7. **Camp Buehring.** U.S. ground forces training center.
8. **Camp Patriot.** Hosts the one and only Amphibious Seabees group.
9. **Camp Arifjan.** Primary headquarters for U.S. operations in Kuwait.
10. **Ahmed Al Jaber Air Base.** Used by the U.S. Air Force.

Bahrain

11. **Naval Support Activity Bahrain.** HQ of the U.S. Fifth Fleet, responsible for the Red Sea, Arabian Sea and Persian Gulf.
12. **Shaykh Isa Air Base.** Used by U.S. to support aerial operations.

Qatar

13. **Al Udeid.** HQ for U.S. Central Command and U.S. Air Force Central Command. Can accommodate up to 120 aircraft and 10,000 troops.
14. **As Sayliyah Facility.** Facility used by the U.S. Army.

United Arab Emirates

15. **Fujairah.** Located right next to the Strait of Hormuz. Used by the U.S. Navy.
16. **Al Dhafra.** Used by the U.S. Air Force and the French Air Force.

Oman

17. **Seeb.** Used by U.S. Air Force.
18. **Masirah Island.** Used by U.S. Air Force, including as a military storage depot.
19. **Al Musnanah.** Used by the U.S. Air Force.
20. **Thumrait.** Used by U.S. Air Force.

Source: http://www.darkgovernment.com/news/wp-content/uploads/2012/01/persian-gulf.jpg.

Table 5. Military Assets of the Gulf Cooperation Council Member States

	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	UAE
Total Manpower	8,200+	15,500+	42,600+	11,800	225,000+	63,000
ARMY and NATIONAL GUARD						
Personnel	6,000	11,000	25,000	8,500	175,000	44,400
Main Battle Tanks	180	293	154	39	600	467
AIFV/APC	225	789	206	230	3,011	1,957
Artillery	151	218	233	91+	771	579+
Attack Helicopters	—	—	—	—	15	—
SAMs	91	136+	48	75	1,805	N/A
NAVY						
Personnel	700	2,000	4,200	1,800	13,500	2,500
Destroyers /Frigates	1	—	3	—	7	—
Submarines	—	—	2	—	—	10
Patrol/Coastal Combatants	64	52	46	23	83	141
Amphibious Landing Craft	1	4	—	—	8	—
AIR FORCE						
Personnel (Air Defense)	1,500	2,500	5,000	1,500	20,000 (16,000)	4,500
Fighter Aircraft	33	39	15	12	261	138
Attack Helicopters	28	16	—	8	—	37
MISSILE DEFENSE						
Patriot PAC-2	Yes	Yes	—	Yes	Yes	Yes
Patriot PAC-3	Yes	Yes	—	Yes	Yes	Yes
THAAD	—	—	Considering	Considering	Sale approved by Dept. of State (10/17)	Delivered

Sources: *The Military Balance*, 2017, published by the International Institute for Strategic Studies, and various press; https://www.reuters.com/article/us-usa-saudi-missiles/u-s-approves-possible-15-billion-sale-of-thaad-missiles-to-saudi-arabia-idUSKBN1CB2IN

Notes: AIFV = Armored Infantry Fighting Vehicle, APC = Armored Personnel Carrier, SAM = Surface-to-Air Missile, THAAD = Terminal High Altitude Area Defense.

Iranian Policy on Iraq, Syria, and the Islamic State[74]

Iran's policy has been to support the Shiite-led governments in Iraq and Syria against armed insurgencies or other domestic strife that might threaten those governments. That policy faced a significant challenge from the Islamic State organization, a Sunni radical Islamist movement that used internal dissension to capture significant territory in both of those countries in 2014, but which has been beaten back substantially by a U.S.-led coalition as well as Iran-supported government and militia forces in both countries. Iran has taken advantage of the Islamic State's defeats to improve Iran's regional strategic position.

Iraq

In Iraq, the U.S. military ousting of Saddam Hussein in 2003 removed a long-time antagonist and produced a government led by Shiite Islamists with long-standing ties to Iran.[75] The June 2014 offensive led by the Islamic State organization at one point brought Islamic State forces to within 50 miles of the Iranian border. Iran responded by supplying the Baghdad government as well as the *peshmerga* forces of the autonomous Kurdistan Regional Government (KRG) with IRGC-QF advisers, intelligence drone surveillance, weapons shipments, and other direct military assistance.[76] And, Iranian leaders reportedly acquiesced to U.S. insistence that Iran's longtime ally Maliki be replaced by a different Shiite Islamist, Haider al-Abadi, who pledged to be more inclusive of Sunni leaders.[77] Iran, as does the United States, supports the integrity of Iraq and opposed the September 25, 2017, KRG referendum on independence.

Iran might yet suffer a political setback in Iraq with the strong May 12, 2018, election showing of Iraqi nationalist Moqtada al-Sadr's faction, although the strongly pro-Iranian Shiite militia commander Hadi al-Ameri's faction unexpectedly won the second most number of seats in the Iraqi parliament. Abadi's "Victory" faction finished an unexpectedly weak third, and coalition negotiations that might determine the level of Iran's ongoing influence in Iraq are ongoing.

Iranian involvement in Iraq could yet complicate longer-term stability there. The IRGC-QF arms, trains, and advises several Shiite militias that earlier fought the United States during 2003-2011. Iran's supplies of these groups with rocket-propelled munitions, such as Improvised Rocket Assisted Munitions (IRAMs) contributed to the deaths of about 500 U.S. military personnel during those years.[78] Iran has typically appointed members of or associates of the IRGC-QF as its Ambassador to Iraq. In late August 2018, there were unconfirmed reports that Iran had transferred short-range ballistic missiles to some of its Shiite militia allies in Iraq, possibly for the purpose or projecting force further into the region.[79] Secretary of State Michael Pompeo reacted to the reports by stating in a tweet that he is:

> "Deeply concerned about reports of #Iran transferring ballistic missiles into Iraq. If true, this would be a gross violation of Iraqi sovereignty and of UNSCR 2231. Baghdad should determine what happens in Iraq, not Tehran.

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[74] For information, see CRS Report R43612, *The Islamic State and U.S. Policy*, by Christopher M. Blanchard and Carla E. Humud.

[75] Michael Gordon, "Iran Supplying Syrian Military Via Iraqi Airspace," *New York Times*, September 5, 2012.

[76] "Iran News Agency Reports Death of Iranian Pilot in Iraq." Radio Free Europe/Radio Liberty. July 5, 2014.

[77] Babak Dehghanpisheh. "Iran Dramatically Shifts Iraq Policy to Confront Islamic State." *Reuters*, September 2, 2014.

[78] http://www.militarytimes.com/story/military/capitol-hill/2015/07/14/iran-linked-to-deaths-of-500-us-troops-in-iraq-afghanistan/30131097/.

[79] "Exclusive: Iran Moves Missile to Iraq in Warning to Enemies." Reuters, August 31, 2018.

Current estimates of the total Shiite militiamen in Iraq number about 110,000-120,000, of which about two-thirds are members of Iran-backed militias.[80] Collectively, all of the Shiite militias are known as Popular Mobilization Forces or Units (PMFs or PMUs). In addition to receiving Iraqi government funds, the PMFs reportedly receive funds from Iran and from various parastatal organizations in Iran.[81] The outcome of the May 2018 national election might determine whether the militias are fully incorporated into the security structure or remain largely autonomous.

The commanders of the most powerful Iran-backed militias, including Asa'ib Ahl Al Haq (AAH) leader Qais Khazali, the Badr Organization's Hadi al-Amiri (see above), and Kata'ib Hezbollah's Abu Mahdi al-Muhandis, are said to wield significant political influence. They have close ties to Iran dating from their underground struggle against Saddam Hussein in the 1980s and 1990s, and the commanders have publicly pressured Abadi to reduce reliance on the United States and ally more closely with Iran. Some of these commanders advocate a U.S. withdrawal from Iraq now that the Islamic State has been mostly defeated in Iraq.

Sadrist Militias and Their Offshoots

Several of the Iran-backed militias are offshoots of the "Mahdi Army" militia that the junior Shiite cleric Moqtada Al Sadr formed in 2004 to combat the U.S. military presence in Iraq. As the U.S. intervention in Iraq ended in 2011, the Mahdi Army evolved into a social services network but, in response to the Islamic State offensive in 2014, it reorganized as the "Salaam (Peace) Brigade," with about 15,000 fighters.

One Mahdi Army offshoot, Kata'ib Hezbollah (KAH) was designated by the State Department as a Foreign Terrorist Organization (FTO) in June 2009. KAH has an estimated 20,000 fighters.[82] In July 2009, the Department of the Treasury designated it and its commander, Muhandis, as threats to Iraqi stability under Executive Order 13438. Muhandis was a Da'wa party operative during Saddam's rule, and was convicted in absentia by Kuwaiti courts for the Da'wa assassination attempt on the ruler of Kuwait in May 1985 and the 1983 Da'wa bombings of the U.S. and French embassies there. After these attacks, he served as leader of the Badr Corps of the IRGC-backed Supreme Council for the Islamic Revolution in Iraq (SCIRI), but he broke with the group in 2003 because of its support for the U.S. invasion of Iraq. He joined the Mahdi Army during 2003-2006 but then broke to form KAH.

AAH leader Qais al-Khazali headed the Mahdi Army "Special Groups" breakaway faction during 2006-2007, until his capture and incarceration by U.S. forces for his alleged role in a 2005 raid that killed five American soldiers. During his imprisonment, his followers formed AAH. After his release in 2010, Khazali took refuge in Iran, returning in 2011 to take resume command of AAH while also converting it into a political movement and social service network. AAH resumed military activities after the 2014 Islamic State offensive, and has about 15,000 fighters.

The Badr Organization

The Badr Organization, the armed wing of the Islamic Supreme Council of Iraq (ISCI, formerly SCIRI), the mainstream Shiite party headed now by Ammar al-Hakim. did not oppose the 2003-11 U.S. intervention in Iraq. The Badr forces (then known as the Badr Brigades or Badr Corps) received training and support from the IRGC-QF in its failed efforts to overthrow Saddam during the 1980s and 1990s. The Badr Organization largely disarmed after Saddam's fall and integrated

[80] http://www.foxnews.com/politics/2016/08/16/us-officials-up-to-100000-iran-backed-fighters-now-in-iraq.html.

[81] Ned Parker. "Power Failure in Iraq as Militias Outgun State." Reuters, October 21, 2015.

[82] http://www.aljazeera.com/indepth/opinion/2016/02/iraq-popular-demobilisation-160224050939178.html.

into the political process, supporting the United States as a facilitator of Iraq's transition to Shiite rule. Its leader is Hadi al-Amiri, an elected member of the National Assembly who advocates for government reliance on the Shiite militias. The Amiri-led faction, called "Conquest," won the second-highest number of seats in the May 12, 2018, Iraqi election, positioning Amiri to wield significant influence in the next government. Badr has an estimated 20,000 militia fighters.[83]

Iran-Backed Militias Formed after the 2011 U.S. Withdrawal

Some reputedly Iran-backed Shiite militias formed after the U.S. withdrawal. One such militia formed in 2013 to assist the Asad regime—the Harakat Hezbollah al-Nujaba or "Nujaba Movement," led by Shaykh Akram al-Ka'bi. In Syria, the group increased its presence on the Aleppo front in 2016 to help the Asad regime recapture the whole city. Ka'bi was designated as a threat to Iraq's stability under E.O. 13438 in 2008, when he was then a leader of a Mahdi Army offshoot termed the "Special Groups." Another Shiite militia, the "Mukhtar Army," formed in 2013 to help the government suppress Sunni protests. It was led by Wathiq al-Battat, who reportedly was killed in late 2014.[84] The Mukhtar Army claimed responsibility for a late October 2015 attack on Iranian dissidents inhabiting the "Camp Liberty" facility, discussed below. These militias might total 10,000 personnel.

U.S. Policy to Curb Iranian Influence in Iraq

U.S. policy has been to try to counterbalance Iranian influence in Iraq by working with Iraqi leaders who are well-disposed to the United States and relatively nonsectarian. U.S. officials initially refused to support Iraqi Shiite militias in the anti-Islamic State effort, but U.S. policy after 2015 supported those PMFs identified by U.S. officials as not backed by Iran. October 2017, then-Secretary of State Rex Tillerson called on Iran-backed militias to disarm and for their Iranian advisors to "go home."[85] Although Abadi's office publicly rebuked that U.S. call, the Trump Administration reportedly has worked with Abadi to integrate the militias into the official security forces or demobilize and merge into the political process. The United States supported Abadi's re-election bid in Iraq as contributing to efforts to counter Iran's influence there, and there is uncertainty over the degree of influence the United States will have in Iraq after a post-election government is formed. Still, most factions appear to have accommodated to the concept of a continued U.S. military role and presence there, even if a continued U.S. presence is intended, at least in part, to contain Iranian influence in the country.

Syria[86]

Iranian leaders characterize Syrian President Bashar al Asad as a key ally, despite Asad's secular ideology, and Iran has sustained a major effort to keep him in power. The reasons for Iran's consistent and extensive support for Asad include: (1) Syria's cooperation is key to Iran's arming and protection of Hezbollah; (2) the Asad regime has been Iran's closest Arab ally in a region where most governments oppose Iran; (3) a Sunni opposition government hostile to Iran might come to power if Asad fell; and (4) the Asad regime can help block Sunni extremist groups from attacking Hezbollah in Lebanon from across the Syria border. Most observers conclude that Iran's

[83] http://www.aljazeera.com/indepth/opinion/2016/02/iraq-popular-demobilisation-160224050939178.html.

[84] http://www.longwarjournal.org/archives/2014/12/leader_of_iran-suppo.php.

[85] https://www.reuters.com/article/us-usa-gulf-tillerson-iraq/go-home-tillerson-tells-iranian-backed-militias-in-iraq-idUSKBN1CR0JR.

[86] For more information on the conflicts in Syria, see CRS Report RL33487, *Armed Conflict in Syria: Overview and U.S. Response*, coordinated by Carla E. Humud.

strategic interest in the Asad regime's survival is sufficiently compelling that Iran will resist any Russian or other attempts to persuade it to completely withdraw Iranian forces from Syria. In late August 2018. Iran and Syria signed a military cooperation agreement, perhaps suggesting Iranian intent to remain militarily in Syria for the indefinite future.

Iranian support to Asad against the rebellion is extensive, including the provision of substantial funds, weapons, and IRGC-QF advisors to the Syrian regime. After 2012, Iran gradually escalated its intervention to the point where regional security sources estimated that, by late 2015, it was deploying nearly 2,000 military personnel in Syria, including IRGC-QF, IRGC ground force, and even some regular army special forces personnel.[87] The deployment of Iranian regular army forces in Syria was significant because Iran's regular military has historically not deployed beyond Iran's borders since the 1980-88 Iran-Iraq War. The IRGC-QF recruited a reported 50,000-80,000 Shiite fighters to operating under Iranian command in Syria,[88] including about 7,000 Hezbollah militiamen, Iraqi militias such as Harakat Hezbollah al-Nujaba, and brigades composed of Afghan and Pakistani Shiites. These militias advanced east to the point where they can potentially help Iran form a secure supply corridor from Iran to the Lebanon. On several occasions, Iran-backed forces approached U.S. training locations for Syrian forces in southeast Syria combatting the Islamic State and were subjected to U.S.-led fire to halt their advances.

Iran's extensive involvement in Syria has alarmed Israeli leaders who now apparently perceive Iran as using Syrian territory to exert greater leverage against Israel—adding to the threat posed by Hezbollah on Israel's northern border. Israel accuses Iran of constructing bases in Syria, including rocket and missile factories that can safely supply Hezbollah. Among the bases Iran reportedly is present in Syria include Tiyas and al Shayrat airfields near Homs, Damascus airport, Nayrab airfield near Aleppo, and a base at al-Qiswah. Iran tested Israel's capabilities in February 2018 by launching a drone over Israeli territory, which Israel shot down but which precipitated an Israel-Syria clash that resulted in the downing of one Israeli combat aircraft. Further clashes in April and May, culminating in a large Israeli strike on Iranian facilities in Syria, including those locations mentioned above, during May 9-10, 2018, have sparked widespread concerns that a broader Israel-Iran war could erupt. The clashes also indicate that Israel has not succeeded in influencing Russia to compel Iran-backed forces to withdraw to areas far from Israeli-controlled territory.[89] Persuading Russia to do so has been a focus of Prime Minister Benjamin Netanyahu's several meetings with Russia's President Vladimir Putin in 2017 and 2018, and most recently on July 11, 2018.

Iran has not hidden its involvement or its losses in Syria. Deaths of high-ranking IRGC commanders in battles in Syria have been widely publicized in state-run media. Their deaths have been portrayed by the regime as heroic sacrifices on behalf of the Iranian revolution and Iran's national interests. At least 2,100 Iranian military personnel have died in Syria, including several high-level IRGC-QF commanders.[90] Iranian and Iran-controlled forces are likely to play a role in any Syrian government offensive to recapture Idlib province, the last major bastion of opposition forces. A September 7, 2018, Tehran summit attended by President Rouhani, President Putin, and

[87] Dan Williams. "Israel Says 55 Iranians Killed in Syria's War." *Reuters*, November 19, 2015; American Enterprise News Round Up. April 4, 2016; FY2016 DOD report on the military power of Iran, released January 2017 (unclassified summary).

[88] Department of State, Country Reports on Terrorism 2016. See also: Institute for the Study of War. "Iranian Strategy in Syria," by Will Fulton, Joseph Holliday, and Sam Wyer. May 2013.

[89] Amos Yadlin. "How to Understand Israel's Strike on Syria." *New York Times*, September 9, 2017.

[90] Pasdar Toll in Syria Heavier than all U.S. Deaths in Mideast. Iran Times, March 16, 2018.

Turkey's President Recep Tayyip Erdrogan reportedly did not agree to Turkish requests for a ceasefire in Idlib, which would spare civilians there a battle for the province.

Financial Support

As noted above, estimates of Iran's spending to support Asad's effort against the rebellion vary widely. In June 2015, the office of the U.N. Special Envoy to Syria Staffan de Mistura, estimated Iran's aid to Syria, including military and economic aid, to total about $6 billion per year.[91] An Iranian opposition group asserted, in a 2016 publication, that "over the past 5 years, the Tehran regime has budgeted about 100 billion dollars for the war most of it sent to Syria under cover from [Supreme Leader Ali] Khamenei's office to expedite its dispatch."[92] That estimate suggests that Iran is spending $20 billion per year to assist Asad—a figure approximating Iran's entire defense budget for one calendar year and which, in that context, may seem inordinately high.

Iranian aid to Syria is difficult to gauge with precision, in part because it includes a combination of economic aid (for which some figures, such as lines of credit, are publicly available in official statements), subsidized oil and commodity transfers, as well as military aid (for which numbers are difficult to obtain). From 2013-2017, Iran extended nearly $7 billion in credits to the Asad government,.[93]which were used to finance Iranian imports including crude oil, foodstuffs such as wheat and canned goods, and agricultural and industrial inputs. In early 2017, Syria also permitted significant new Iranian investments in its telecom, agriculture, and mining sectors.[94]

Prior to the Russian intervention, Iran participated in multilateral diplomacy on a political solution in Syria and put forward proposals for a peaceful transition in Syria. In 2015, Iran attended meetings of and did not publicly dissent from joint statements issued by, an international contact group on Syria, which included the United States. Iran was invited to participate in this "Vienna process" after the United States dropped its objections on the grounds that, in the wake of the July 2015 Iran nuclear agreement, Iran could potentially contribute to a Syria solution. However, Russia's intervention in Syria created the potential for Iran to achieve its maximum goals in Syria, and in 2016-2018, Iran has apparently continued to pursue those goals in negotiations brokered by Russia and Turkey ("Astana Process"). However, the August 2018 Administration report on Iran mandated by the Countering America's Adversaries through Sanctions Act said that Iran "is not playing a constructive role in Syria…despite Iran's status as a 'guarantor' of the Astana ceasefire zones ostensibly in place…" In the event that there is a political transition, Iran will presumably seek to establish a government that would allow it to continue to use Syria to supply Hezbollah.

U.S. Policy to Limit Iranian Influence in Syria

A stated U.S. goal in Syria is to limit Iranian influence there, in part to help protect Israel and in part as a component of a larger U.S. strategy of rolling back Iran's regional influence. Then-Secretary of State Rex Tillerson devoted much of a January 17, 2018, speech on U.S. policy

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[91] Eli Lake. "Iran Spends Billions to Prop Up Asad," *Bloomberg View*, June 9, 2015.

[92] "How Iran Fuels Syria War." National Council of Resistance of Iran, U.S. Representative Office, 2016. The National Council of Resistance of Iran is an umbrella group dominated by an Iranian opposition organization called the Mojahedin-e-Khalq Organization (MEK).

[93] "Iran Grants USD 1 Billion to Damascus." *Syria Report*, January 24, 2017; "Factsheet: Syria-Iran Economic Relations since 2013," *Syria Report*, July 13, 2015.

[94] "Revolutionary Guards Get Hold of Syrian Mobile Phone Licence as Part of Broader Tehran Grab on Economic Assets." *Syria Report*, January 17, 2017.

toward Syria to explaining that the United States would maintain, for an unspecified time, 2,000 U.S. troops in Syria in part for the purpose of diminishing Iranian influence in Syria and denying Iran's "dreams of a northern arch" (from Iran to the Mediterranean).[95] He explained that, a U.S.-Russia de-escalation agreement for southwest Syria "... addresses Israel's security by requiring Iranian-backed militias, most notably Hezbollah, to move away from Israel's border." However, the goal of limiting Iranian influence appeared to be contradicted, to some extent, by President Trump's stated intent to withdraw all U.S. forces from Syria. In early September 2018, U.S. officials indicated that the U.S. forces in Syria would stay for the foreseeable future, in part to exercise leverage to reduce Iran's presence in Syria. Still, the U.S. forces have not been ordered – to pre-emptively attack Iranian or pro-Iranian forces in Syria, raising questions about how the United States will a demands, stated by Secretary of State Pompeo in his May 21, 2018, speech at Heritage Foundation, that "Iran must withdraw all forces under Iranian command throughout the entirety of Syria."[96] The Administration has supported Israeli strikes on Iranian positions in Syria that is part of Israel's effort to deny Iran the opportunity to conduct an extensive military infrastructure there.

Hamas, Hezbollah, and other Anti-Israel Groups[97]

A significant component of Iran's policy in the region is to pressure Israel strategically, as discussed below.

Israel

Iran's leaders assert that Israel is an illegitimate creation of the West and an oppressor of the Palestinians—a position that differs from that of the Shah of Iran, whose government maintained relatively normal relations with Israel. Supreme Leader Khamene'i has repeatedly described Israel as a "cancerous tumor" that should be removed from the region. In a September 2015 speech, Khamene'i stated that Israel will likely not exist in 25 years—the time frame for the last of the JCPOA nuclear restriction to expire.[98] These statements underpin Israeli assertions that a nuclear-armed Iran would be an "existential threat" to Israel.

Iran's leaders routinely state that Israel presents a serious strategic threat to Iran and that the international community applies a "double standard" to Iran in that Israel has faced no sanctions even though it is the only Middle Eastern country to possess nuclear weapons and not to become a party to the Nuclear Non-Proliferation Treaty (NPT). Iran's leaders regularly cite Israeli statements that Israel retains the option to unilaterally strike Iran's nuclear facilities, and assert that Israel's purported nuclear arsenal is a main obstacle to establishing a weapons-of-mass-destruction (WMD) free zone in the Middle East.

Iran materially supports nonstate actors such as Hamas and Hezbollah that have undertaken armed action against Israel, possibly as an attempt to apply pressure to Israel to compel it to make concessions. Alternately, Iran might be attempting to disrupt prosperity, morale, and perceptions of security among Israel's population. Iran's material support for militant anti-Israel groups has long concerned not only Israel but successive U.S. Administrations. For more than two decades,

[95] Department of State. Secretary of State Rex Tillerson. Remarks on the Way Forward for the United States Regarding Syria. January 17, 2018.

[96] State Dept. "After the Deal: A New Iran Strategy." Secretary of State Mike Pompeo before the Heritage Foundation. May 21, 2018.

[97] For more information, see CRS Report R41514, *Hamas: Background and Issues for Congress*, by Jim Zanotti; and CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti.

[98] http://www.cnn.com/2015/09/10/middleeast/iran-khamenei-israel-will-not-exist-25-years/.

the annual State Department report on international terrorism has asserted that Iran provides funding, weapons (including advanced rockets), and training to a variety of U.S.-designated FTOs, including Hezbollah, Hamas, Palestinian Islamic Jihad—Shiqaqi Faction (PIJ), the Al Aqsa Martyrs Brigades (a militant offshoot of the dominant Palestinian faction Fatah), and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC).

Israel and the Obama Administration disagreed over the JCPOA—Prime Minister Benjamin Netanyahu called it a "historic mistake," and, in September 2017 and in March 2018, he reportedly urged President Trump to seek to renegotiate it or to terminate U.S. participation in it. Netanyahu's policy preference was adopted when the Trump Administration exited the JCPOA on May 8, 2018. Israel retains the option of a military strike on Iran's nuclear facilities should Iran responds to the U.S. exit by abrogating the JCPOA and resuming the nuclear activities prohibited or limited by the agreement. Israel also counters Iran forces and allies and proxies directly, using its own forces and U.S.-supplied military and intelligence technology, as demonstrated in its repeated strikes on Iranian and Iran-supported militia forces in Syria.

Hamas[99]

U.S. officials assert that Iran gives Hamas funds, weapons, and training. Hamas seized control of the Gaza Strip in 2007 and has since administered that territory, but it ceded formal authority over Gaza in June 2014 to a consensus Palestinian Authority (PA) government and turned over further authority to the PA as part of an October 2017 reconciliation agreement. Hamas terrorist attacks within Israel have decreased since 2005, but Hamas has used Iran-supplied rockets and other weaponry during three conflicts with Israel since 2008, the latest of which was in 2014. Smaller scale trading of rocket attacks and air strikes have taken place in the summer of 2018.

Iran's support to Hamas has been estimated to be as high as $300 million per year (funds and in-kind support, including weapons) during periods of substantial Iran-Hamas collaboration,[100]but is widely assessed at a baseline amount in the tens of millions per year. CRS has no way to corroborate the past or current levels of Iranian funding to Hamas.

The Iran-Hamas relationship was forged in the 1990s as part of an apparent attempt to disrupt the Israeli-Palestinian peace process through Hamas attacks on buses, restaurants, and other civilian targets inside Israel. However, in 2012, their differing positions on the ongoing Syria conflict caused a rift. Largely out of sectarian sympathy with Sunni rebels in Syria, Hamas opposed the efforts by Asad to defeat the rebellion militarily. Iran reduced its support to Hamas in its brief 2014 conflict with Israel as compared to previous Hamas-Israel conflicts in which Iran backed Hamas extensively. Since then, Iran has apparently sought to rebuild the relationship by providing missile technology that Hamas used to construct its own rockets and by helping it rebuild tunnels destroyed in the conflict with Israel.[101] Hamas leaders restored the group's relations with Iran during a Hamas delegation visit to Tehran in October 2017.

Hezbollah

Lebanese Hezbollah, which Iranian leaders portray as successful "exportation" of Iran's Islamic revolution, is Iran's most significant nonstate ally. Hezbollah's actions to support its own as well

[99] For more information, see CRS Report RL34074, *The Palestinians: Background and U.S. Relations*, by Jim Zanotti.

[100] Robert Tait, "Iran Cuts Hamas Funding Over Syria." *Telegraph*, May 31, 2013.

[101] Stuart Winer. "Iran Boasts of Rocket Aid to Palestinians, Hezbollah." *The Times of Israel*, February 3, 2015; and, http://www.wsj.com/articles/iran-rekindles-relations-with-hamas-1429658562.

as Iranian interests take many forms, including acts of terrorism and training and combat in countries in the region.[102] Recent State Department reports on international terrorism state that "the group generally follows the religious guidance of the Iranian Supreme Leader, which [is] [Grand Ayatollah] Ali Khamenei."[103]

Iran's close relationship to the group began when Lebanese Shia clerics of the pro-Iranian Lebanese Da'wa (Islamic Call) Party—many of whom had studied under the leader of Iran's revolution, Grand Ayatollah Ruhollah Khomeini—began to organize in 1982 into what later was unveiled in 1985 as Hezbollah. IRGC forces were sent to Lebanon to help develop a military wing, and these IRGC forces subsequently evolved into the IRGC-QF. The IRGC-QF and its commander, IRGC Major General Qasem Soleimani, have been designated for U.S. sanctions under Executive Order 13224.

Illustrating the degree to which Iranian assistance has helped Hezbollah become a potential global terrorism threat, the State Department report on international terrorism for 2016 repeated assertions that Hezbollah continues to be "capable of operating around the world."According to the State Department and many other assessments, Iran assisted Hezbollah to several terrorist attacks that are depicted in the table above.

Iranian leaders have long worked with Hezbollah as an instrument to pressure Israel. Hezbollah's attacks on Israeli forces in Israel's self-declared "security zone" in southern Lebanon contributed to an Israeli withdrawal from that territory in May 2000. Hezbollah fired Iranian-supplied rockets on Israel's northern towns and cities during the July-August 2006 war with Israel, and in July 2006 Hezbollah damaged an Israeli warship with a Chinese-made C-802 anti-ship missile of the type that Iran reportedly bought in significant quantity from China in the 1990s. Hezbollah's leadership asserted that it was victorious in that war for holding out against Israel.[104]

Hezbollah has become a major force in Lebanon's politics, in part due to the arms and funding it gets from Iran. Hezbollah now plays a major role in decisionmaking and leadership selections in Lebanon. Hezbollah's militia rivals the Lebanese Armed Forces (LAF). However, there has been vocal criticism of Hezbollah in and outside Lebanon for its support for Asad, which has diluted Hezbollah's image as a steadfast opponent of Israel and has embroiled it in war against other Muslims. In November 2017, the resignation of Prime Minister Sa'd Hariri appeared intended to expose and undermine Hezbollah's influence in Lebanon—a move he undertook immediately after close consultations with Riyadh. The resignation was rescinded by popular pressure in Lebanon and did not diminish Hezbollah's position. Hezbollah's allies increased their number of seats as a result of April 2018 parliamentary elections in Lebanon, although the number of seats held by Hezbollah itself stayed at the 13 it held previously.

Iranian Financing and other Support to Hezbollah

Iranian financial support for the group probably fluctuates: Iran likely has provided high levels of aid to the group since its combat intervention in Syria and at times such as the 2006 Hezbollah war with Israel, whereas financial support likely wanes when the group is not involved in significant operations.[105] The State Department report for 2016 asserted that Iran provides "the

[102] See Ben Hubbard. "Hezbollah Wields Rising Power as Iran's Enforcer." *New York Times*, August 28, 2017.

[103] Department of State. Bureau of Counterterrorism and Countering Violent Extremism. Country Reports on Terrorism: 2016.

[104] "Nasrallah Wins the War." *The Economist*, August 17, 2006.

[105] Author conversations with various experts and U.S. officials in Washington, DC, 1985-2017.

majority of financial support for Hezbollah in Lebanon," and "has trained thousands of [Hezbollah] fighters at camps in Iran." The State Department report for 2015 contained a specific figure, stating that Iran has provided Hezbollah with "hundreds of millions of dollars."[106] However, on June 5, 2018, Under Secretary of the Treasury for Terrorism and Financial Intelligence Sigal Mandelker cited a figure of $700 million in Iranian support to Hezbollah per year[107]—far higher than specific figures previously cited in any U.S. official reports. The higher figure could represent a U.S. reassessment of its previous estimates, or perhaps reflect a large increase due to Hezbollah's extensive combat on various battlefronts in Syria.

Similarly, the number of IRGC-QF advisers working with Hezbollah has apparently fluctuated according to the operational level of activity of the group. In the early 1980s, Iran was widely reported to have a few thousand IRGC personnel helping to establish what became Hezbollah. More recently, Hezbollah has become more self-sufficient[108] and able to assist IRGC-QF operations elsewhere, such as in Syria, Iraq, and Yemen.[109] In Syria, the IRGC-QF has facilitated Hezbollah's extensive involvement on behalf of the Asad regime, whose continuation in power is in the interests of both Iran and Hezbollah. Syria is the key conduit through which the IRGC-QF has historically armed and assisted Hezbollah.

Regarding weapons transfers, the State Department report on international terrorism for 2016 says that, according to the Israeli government, since that conflict, Hezbollah has stockpiled more than 130,000 rockets and missiles,[110] presumably supplied mostly by Iran. Some are said to be capable of reaching Tel Aviv and other population centers in central Israel from south Lebanon. The State Department report adds that Israeli experts assert that Iran also has transferred to Hezbollah anti-ship and anti-aircraft capabilities.[111]

U.S. Policy to Reduce Iran's Support for Hezbollah

The Trump Administration has followed its predecessors in trying to disrupt the Iran-Hezbollah relationship, although without evident success. The United States has not acted against Hezbollah militarily, but it has publicly supported Israeli air strikes in Syria that are intended, at least in part, to disrupt Iranian weapons supplies to Hezbollah. In January 2015, apparently in response to one of these air strikes, Hezbollah attacked an Israeli military convoy near the Lebanon-Israel-Syria tri-border area, killing two Israeli soldiers, but the incident did not result in an escalation. The United States has imposed sanctions on Iranian entities involved in supplying Hezbollah as well as on Hezbollah and its related entities, although without apparent effect in light of the fact that such entities do not generally operate in the international financial or commercial system. Congress is considering additional legislation, including H.R. 3329 and S. 1595, what would seek to sever Hezbollah's access to the global financial system, although the effect of such sanctions might be minimal insofar as major international banks already shun Hezbollah.

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[106] Department of State. Bureau of Counterterrorism and Countering Violent Extremism. Country Reports on Terrorism; 2015

[107] Treasury Under Secretary for Terrorism and Financial Intelligence Sigal Mandelker Delivers Remarks at the Foundation for Defense of Democracies. CQ Newsmaker Transcripts. June 5, 2018.

[108] Ibid.

[109] Ben Hubbard. *New York Times*, op. cit.

[110] State Department terrorism report for 2016, op. cit.

[111] Ibid.

Yemen[112]

Iranian leaders have not generally identified Yemen as a core Iranian security interest, but Iranian leaders appear to perceive Yemen's instability as an opportunity to acquire additional leverage against Saudi Arabia and U.S. interests. A 2011 "Arab Spring"-related uprising in Yemen forced longtime President Ali Abdullah Saleh to resign in January 2012. Iran reportedly assisted the Zaydi Shiite revivalist movement known as the "Houthis" (Ansar Allah) in its seizure of the capital, Sana'a that forced Saleh's successor, Abd Rabu Mansur Al Hadi, to flee. In March 2015, Saudi Arabia assembled an Arab coalition that, with logistical help from U.S. forces, has recaptured some territory lost to the Houthis but not yet achieved a political solution to the conflict there.[113]

Many observers assess that Iran's influence over the Houthis is limited and that Iran's support for the Houthis has been modest. Some Houthi sources estimate Iran has supplied the group with "tens of millions of dollars" total over the past few years.[114] However, the increasingly sophisticated nature of Iran's support for the Houthis could suggest that Iran perceives the Houthis as a potential proxy to project power on the southwestern coast of the Arabian Peninsula. Iranian weapons shipments to the Houthis are banned by Resolution 2231 on Iran and also by Resolution 2216 on Yemen, discussed above.

A July 2016 report on Iran by the U.N. Secretary-General reiterated the assertion[115] made previously by U.N. experts, that Iran has shipped arms to the Houthis. Among the systems Iran is providing are anti-ship cruise missiles that are of increasing concern to U.S. commanders. The Houthis fired anti-ship missiles at UAE and U.S. ships in the Red Sea in October 2016, and which prompted U.S. strikes on Houthi-controlled radar installations. Iran subsequently deployed several warships to the Yemen seacoast as an apparent sign of support for the Houthis. In January 2017, the Houthis damaged a Saudi ship in the Red Sea—an action that contributed to the February 1, 2017, Trump Administration statement putting Iran "on notice" for its regional malign activities. The degree of U.S. concern about Iran's supplies of missiles to the Houthis was reflected in U.S. CENTCOM commander General Joseph Votel's March 29, 2017, testimony before the House Armed Services Committee, referring to the Bab el-Mandeb Strait:

> It is a choke point, it is a major transit area for commerce, not only ours but for international ships. About 60 to 70 ships go through there a day. What we have seen, I believe, that the—with the support of Iran, we have seen the migration of capabilities that we previously observed in the Straits of Hormuz, a layered defense, consists of coastal defense missiles and radar systems, mines, explosive boats that have been migrated from the Straits of Hormuz to this particular area right here, threatening commerce and ships and our security operations in that particular area.

Saudi Arabia, with U.S. and some U.N. backing, accuses Iran of providing the ballistic missiles that the Houthis have fired on Riyadh on several occasions. A December 8, 2017, report by the U.N. Secretary General on implementation of Resolution 2231 generally supports those allegations as well as allegations that Iran had shipped other weapons to the Houthis.[116] U.S.

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[112] For more information, see CRS Report R43960, *Yemen: Civil War and Regional Intervention*, by Jeremy M. Sharp.

[113] Ali al-Mujahed and Hugh Naylor. "Yemen Rebels Defy Saudi-led Attacks." *Washington Post*, March 28, 2015.

[114] Jay Solomon, Dion Nissenbaum, and As Fitch, "In Strategic Shift, U.S. Draws Closer to Yemeni Rebels." *Wall Street Journal*, January 29, 2015.

[115] Report of the Secretary-General on the Implementation of Security Council Resolution 2231 (2015). U.N. Document Number S/2016/589, July 12, 2016.

[116] Fourth Report of the Secretary-General on the Implementation of Security Council Resolution 2231 (2015).

Ambassador to the U.N. Nikki Haley cited that report in a December 14, 2017, presentation to the Security Council that asserted definitively that Iran had given the Houthis the missiles fired on Riyadh.[117] A report by a U.N. panel of experts in January 2018 reportedly found that two missiles fired on Saudi Arabia by the Houthis, on July 22 and November 4, 2017, were consistent with the design of Iranian missiles,[118] but the panel did not state definitively who supplied the missiles or how they were transported to Yemen. In late February 2018, Russia blocked a U.N. Security Council resolution from identifying Iran directly as a violator of the U.N. ban on weapons shipments to Yemen (Resolution 2216). Iran has denied providing the Houthis with missiles and assert that they are from a government arsenal assembled before the 2011 civil strife.

U.S. Policy to Counter Iranian Influence in Yemen

In his May 21, 2018, speech, Secretary Pompeo stipulated as one U.S. demand on Iran that the country "must also end its military support for the Houthi militia and work towards a peaceful political settlement in Yemen." The United States has sought to prevent Iran from delivering weapons to the Houthis by conducting joint naval patrols with members of the Saudi-led coalition. Some weapons shipments have been intercepted. Some reports indicate that, to evade the naval scrutiny, Iran has been transferring its weapons deliveries to a variety of small boats in the northern Persian Gulf, from where they sail to Yemen.[119] The United States also is increasing its assistance to Oman to train its personnel to prevent smuggling through its territory, presumably including the smuggling of Iranian weaponry to the Houthis. U.S. forces have not engaged in any bombing of the Houthis or Iranian advisers in Yemen, although U.S. forces continue to operate on the ground in Yemen against the Al Qaeda in the Arabian Peninsula (AQAP) terrorist group that operates in southeastern Yemen.

Turkey[120]

Iran and Turkey, which share a short border, have extensive economic relations but sometimes tense political relations. Turkey is a member of NATO, and Iran has sought to limit Turkey's cooperation with any NATO plan to emplace military technology near Iran's borders. Iran and Turkey's disputes on some regional issues might be caused, at least in part, by the sectarian differences between Sunni-inhabited Turkey and Shiite Iran. Turkey has advocated Asad's ouster as part of a solution for conflict-torn Syria whereas Iran is a key supporter of Asad. However, following a failed Turkish military coup in July 2016, and mutual concerns over the empowerment of Syrian Kurdish forces, Turkey-Iran differences narrowed. Turkey's President Recep Tayip Erdogan has come to publicly accept that Asad might remain in power in Syria and both countries are integral part of Russia-led talks on an overall political solution for Syria. Iran and Turkey cooperate to try to halt cross border attacks by Kurdish groups that oppose the governments of Turkey (Kurdistan Workers' Party, PKK) and of Iran (Free Life Party, PJAK), and which enjoy safe have in northern Iraq. In August 2017, the first high-level Iranian military visit

S/2017/1030. December 8, 2017.

[117] http://foreignpolicy.com/2017/12/14/nikki-haley-yemen-houthi-rebels-iran-missiles-press-conference-pentagon-skepticism-united-nations-trump-nuclear-deal-diplomacy/.

[118] https://www.washingtonpost.com/world/un-probe-details-fallout-of-proxy-war-in-yemen-between-saudi-coalition-and-iran-/2018/01/11/3e3f9302-f644-11e7-9af7-a50bc3300042_story.html.

[119] https://www.reuters.com/article/us-gulf-kuwait-iran-exclusive-idUSKBN1AH4I4.

[120] For analysis on Turkey's foreign policy and U.S. relations, see CRS Report R44000, *Turkey: Background and U.S. Relations In Brief*, by Jim Zanotti.

to Turkey since the Iranian revolution took place when the chief of staff of Iran's joint military headquarters, Hamid Baqeri, who rose through IRGC ranks, visited Ankara.

Turkey supported the JCPOA, and sanctions relief on Iran has enabled Iran-Turkey trade to expand. Iran supplies as much as 50% of Turkey's oil and over 5% of its natural gas, the latter flowing through a joint pipeline that began operations in the late 1990s and has since been supplemented by an additional line. President Erdogan has indicated that Turkey will not cooperate with the reimposition of sanctions on Iran related to the U.S. exit from the JCPOA.

In the 1990s and early 2000s, Iran and Turkey were at odds over the strategic engagement of Turkey's then leaders with Israel. The Iran-Turkey dissonance on the issue faded after Erdogan's Islamist-rooted Justice and Development Party (AKP) came to power in Turkey. Turkey has since been a significant supporter of Hamas and other Islamist movements.

North Africa

Two countries in North Africa, Egypt and Morocco, have been mentioned as potential members of the planned "Middle East Strategic Alliance" (MESA) to counter Iran

Egypt[121]

Iran's relations with Egypt have been strained for decades, spanning various Egyptian regimes. Egypt is a Sunni-dominated state that is aligned politically and strategically with other Sunni governments that are critical of Iran. Iran broke relations with Egypt shortly after the 1979 peace treaty Egypt signed with Israel. The two countries reportedly have been close to reestablishing full relations numerous times, including after the election of a Muslim Brotherhood leader, Mohammad Morsi, as Egypt's president. Morsi visited Iran in August 2012. However, relations worsened again after the military's overthrow of the Morsi government. Egypt, particularly under the government of President Abd al Fattah Sisi, views Hamas as an Islamist threat and has sought to choke off Iranian and other weapons supplies to that movement. On the other hand, Egypt and Iran have found some common ground on Syria insofar as Sisi has not sought Asad's ouster.

Morocco[122]

In May 2018, Morocco announced that it would sever diplomatic ties with Iran because of alleged Iranian support (via its ally Lebanese Hezbollah) for the Polisario Front, which seeks independence for the Western Sahara.[123] Morocco's foreign minister claimed that Hezbollah had provided surface-to-air missiles to the Polisario; that evidence was reportedly presented to Iran but has not been made public. No other publicly available evidence appears to support of those specific allegations, and both Iran and Hezbollah denied the accusations. Morocco previously cut ties with Iran in March 2009 due to alleged Iranian efforts to spread Shiism in largely Sunni Morocco; diplomatic relations were reestablished in January 2017. Morocco has close relations with Saudi Arabia, which supported Morocco's severing ties with Iran.

An intent to be part of the MESA coalition could give Morocco incentive to be as hardline on Iran as possible, and potential to accuse Iran of activities for which there might not be a lot of

[121] For comprehensive analysis on Egypt, see: CRS Report RL33003, *Egypt: Background and U.S. Relations*, by Jeremy M. Sharp.

[122] For comprehensive analysis on Morocco, see: CRS Report RS21579, *Morocco: Current Issues*, by Alexis Arieff.

[123] Al Jazeera, may 1, 2018. https://www.aljazeera.com/news/2018/05/morocco-cuts-diplomatic-ties-iran-western-sahara-feud-180501173229190.html

independently corroborated evidence. There has been little, if any, evidence that influencing politics or political outcomes in Morocco has been a significant feature of Iran's regional policies or its intent. Iranian leaders rarely, if ever, mention Morocco when they outline Iranian policy in the Middle East region. In part this might be because there are few easily identifiable factions in Morocco that are pro-Iranian or with which the IRGC-QF can work.

South and Central Asia

Iran's relations with countries in the Caucasus, Central Asia, and South Asia vary significantly, but most countries in these regions conduct relatively normal trade and diplomacy with Iran. Some of them face significant domestic threats from radical Sunni Islamist extremist movements similar to those that Iran characterizes as a threat.

Most of the Central Asia states that were part of the Soviet Union are governed by authoritarian leaders. Afghanistan remains politically weak, and Iran is able to exert influence there. Some countries in the region, particularly India, seek greater integration with the United States and other world powers and tend to downplay cooperation with Iran. The following sections address countries that have significant economic and political relationships with Iran.

Figure 3. South and Central Asia Region

Source: Created by CRS.

The South Caucasus: Azerbaijan and Armenia

Azerbaijan is, like Iran, mostly Shiite Muslim-inhabited. However, Azerbaijan is ethnically Turkic and its leadership is secular. Iran and Azerbaijan also have territorial differences over boundaries in the Caspian Sea. Iran asserts that Azeri nationalism might stoke separatism among Iran's large Azeri Turkic population, which has sometimes been restive. Iran has generally tilted toward Armenia, which is Christian, in Armenia's conflict with Azerbaijan over the Nagorno-Karabakh enclave. The relationship is expanding among Iran, Armenia, and Georgia now that Iran is not under international economic sanctions. On December 21, 2016, President Rouhani visited Armenia to discuss a Persian Gulf-Black Sea transit and transport corridor.[124]

For more than two decades, Azerbaijan has engaged in strategic cooperation with the United States against Iran (and Russia), including Azerbaijan's deployments of troops to and facilitation of supply routes to Afghanistan,[125] and counterterrorism cooperation. In the 1990s, the United States successfully backed construction of the Baku-Tblisi-Ceyhan oil pipeline, intended in part to provide non-Iranian and non-Russian export routes. On the other hand, the United States has accepted Azerbaijan's need to deal with Iran on some major regional energy projects. Several

[124] http://www.tehrantimes.com/news/409363/Iran-Armenia-discuss-Persian-Gulf-Black-Sea-corridor.

[125] http://foreignpolicynews.org/2014/04/10/azerbaijans-strategic-relations-united-states/.

U.S. sanctions laws exempted from sanctions long-standing joint natural gas projects that involve some Iranian firms—particularly the Shah Deniz natural gas field and pipeline in the Caspian Sea. The project is run by a consortium in which Iran's Naftiran Intertrade Company (NICO) holds a passive 10% share. (Other major partners are BP, Azerbaijan's national energy firm SOCAR, and Russia's Lukoil.)[126]

The lifting of sanctions on Iran has caused Azerbaijan to alter its policy toward Iran somewhat. In August 2016, Azerbaijan's President Ilham Aliyev hosted Rouhani and Russia's President Vladimir Putin to a "Baku Summit," in which a major topic was a long-discussed "North-South Transport Corridor" involving rail, road, and shipping infrastructure from Russia to Iran, through Azerbaijan. The project is estimated to cost $400 million. And, some press reports indicate that Iranian investors previously or still linked to Iranian governing institutions have engaged in real estate and other projects in Azerbaijan.

Central Asia

Iran has generally sought positive relations with the leaderships of the Central Asian states, even though most of these leaderships are secular and all of the Central Asian states are mostly Sunni inhabited. Almost all of the Central Asian states share a common language and culture with Turkey; Tajikistan is alone among them in sharing a language with Iran. Several have active Sunni Islamist opposition movements, such as the Islamic Movement of Uzbekistan (IMU),[127] giving the Central Asian countries common cause with Iran to prevent Sunni jihadist terrorist actions. The IMU, which is active in Afghanistan, in mid-2015, declared its loyalty to the Islamic State organization.[128]

Iran and the Central Asian states are expanding economic relations, perhaps in part to fit into China's "One Belt, One Road" initiative to build up infrastructure in countries west of China—akin to reviving the old "Silk Road. In December 2014, a new railway was inaugurated through Iran, Kazakhstan, and Turkmenistan, providing a link from the Persian Gulf to Central Asia.[129] And, the lifting of sanctions could position Iran as central to energy and transportation routes linking East Asia with Europe, a vision that was discussed with Iranian leaders during the January 2016 visit to Iran of China's President Xi Jinping.

Along with India and Pakistan, Iran has been given observer status in a Central Asian security grouping called the Shanghai Cooperation Organization (SCO—Russia, China, Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan). In April 2008, Iran applied for full membership in the organization. Apparently in an effort to cooperate with international efforts to pressure Iran, in June 2010, the SCO barred admission to Iran on the grounds that it is under U.N. Security Council sanctions.[130] Some officials from SCO member countries have stated that the the JCPOA removes that formal obstacles to Iran's obtaining full membership, but opposition to Iran's full

[126] For more information, see CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman.

[127] Sebastien Peyrouse. "Iran's Growing Role in Central Asia? Geopolitical, Economic, and Political Profit and Loss Account. Al Jazeera Center for Studies. April 6, 2014. http://studies.aljazeera.net/en/dossiers/2014/04/2014416940377354.html.

[128] Stratfor. "Re-Examining the Threat of Central Asian Militancy" January 21, 2015. http://www.stratfor.com/analysis/re-examining-threat-central-asian-militancy#axzz3PTRMU0el.

[129] http://www.railwaygazette.com/news/news/asia/single-view/view/iran-turkmenistan-kazakhstan-rail-link-inaugurated.html.

[130] Substantially more detail on Iran's activities in Afghanistan is contained in CRS Report RL30588, *Afghanistan: Post-Taliban Governance, Security, and U.S. Policy*, by Kenneth Katzman.

membership among some SCO countries has denied Iran from full membership, to date. Rouhani attended the late May 2018 SCO meeting in China which, among other issues, reportedly discussed how to react to the May 8, 2018, U.S. exit from the JCPOA.[131]

Turkmenistan

Turkmenistan and Iran have a land border in Iran's northeast. Supreme Leader Khamene'i is of Turkic origin; his family has close ties to the Iranian city of Mashhad, capital of Khorasan Province, which borders Turkmenistan. The two countries are also both rich in natural gas reserves. A natural gas pipeline from Iran to Turkey, fed with Turkmenistan's gas, began operations in 1997, and a second pipeline was completed in 2010. Turkmenistan still exports some natural gas through the Iran-Turkey gas pipeline, but China has since become Turkmenistan's largest natural gas customer.

Another potential project favored by Turkmenistan and the United States would likely reduce interest in pipelines that transit Iran. President Berdymukhamedov has revived his predecessor's 1996 proposal to build a gas pipeline through Afghanistan to Pakistan and India (termed the Turkmenistan-Afghanistan-Pakistan-India, or "TAPI" pipeline). In August 2015, Turkmenistan's state-owned gas company was named head of the pipeline consortium and Turkmenistan officials said the project was formally inaugurated in December 2015,[132] with completion expected in 2019. U.S. officials have expressed strong support for the project as "a very positive step forward and sort of a key example of what we're seeking with our New Silk Road Initiative, which aims at regional integration to lift all boats and create prosperity across the region."[133]

Tajikistan

Iran and Tajikistan share a common Persian language, as well as literary and cultural ties. Despite the similar ethnicity, the two do not share a border and the population of Tajikistan is mostly Sunni. President Imamali Rakhmonov has asserted that Iran and Tajikistan face common threats from arms races, international terrorism, political extremism, fundamentalism, separatism, drug trafficking, transnational organized crime, [and] the proliferation of weapons of mass destruction" and that close ties with neighboring states such as Iran would be based on noninterference in each other's internal affairs and the peaceful settlement of disputes, such as over border, water, and energy issues.[134] He indicated intent to expand relations with Iran, but few if any joint projects have materialized.

Some Sunni Islamist extremist groups that pose a threat to Tajikistan are allied with Al Qaeda or the Islamic State. Tajikistan's leaders appear particularly concerned about Islamist movements in part because the Islamist-led United Tajik Opposition posed a serious threat to the newly independent government in the early 1990s, and a settlement of the insurgency in the late 1990s did not fully resolve government-Islamist opposition tensions. The Tajikistan government has detained members of Jundallah (Warriors of Allah)—a Pakistan-based Islamic extremist group that has conducted bombings and attacks against Iranian security personnel and mosques in Sunni areas of eastern Iran. In part because the group attacked some civilian targets in Iran, in November 2010, the State Department named the group an FTO.

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[131] https://www.financialexpress.com/defence/sco-summit-2018-china-to-host-hassan-rouhani-amid-iran-nuclear-deal-upheaval/1183681/

[132] http://www.reuters.com/article/2015/09/15/turkmenistan-pipeline-idUSL5N11L0RE20150915.

[133] State Department, Daily Press Briefing, May 23, 2012.

[134] Center for Effective Dispute Resolution (CEDR), March 16, 2013, Doc. No. CEL-54015758.

Kazakhstan

Kazakhstan, one of the seemingly more stable Central Asian states, is a significant power by virtue of its geographic location, large territory, and ample natural resources. It hosted a round of P5+1-Iran nuclear negotiations in 2013. In September 2014, Kazakhstan's President Nursultan Nazarbayev held talks with President Rouhani and expressed the hope that a JCPOA would be achieved in order to better integrate economically into the Central Asian region.[135] Kazakhstan played a role in the commercial arrangements that produced the late December 2015 shipment out to Russia of almost all of Iran's stockpile of low-enriched uranium, an action that fulfilled a key JCPOA requirement. Kazakhstan's National Atomic Company Kazatomprom supplied Iran with 60 metric tons of natural uranium on commercial terms as compensation for the removal of the material, which Norway paid for.

With sanctions eased, Iran is open to additional opportunities to cooperate with Kazakhstan on energy and infrastructure projects. Kazakhstan possesses 30 billion barrels of proven oil reserves (about 2% of world reserves) and 45.7 trillion cubic feet of proven gas reserves (less than 1% of world reserves). Two major offshore oil fields in Kazakhstan's sector of the Caspian Sea—Kashagan and Kurmangazy—are estimated to contain at least 14 billion barrels of recoverable reserves. Iran and Kazakhstan do not have any joint energy ventures in the Caspian or elsewhere, but after the finalization of the JCPOA in July 2015, the two countries resumed Caspian oil swap arrangements that were discontinued in 2011.[136] The two countries are not at odds over specific sections of the Caspian Sea, but the territorial arrangements of the Caspian are not settled.[137]

Uzbekistan

During the 1990s, Uzbekistan, which has the largest military of the Central Asian states, identified Iran as a potential regional rival and as a supporter of Islamist movements in the region. However, since 1999, Uzbekistan and Iran—which do not share a common border or significant language or cultural links—have moved somewhat closer over shared stated concerns about Sunni Islamist extremist movements, particularly the Islamic Movement of Uzbekistan (IMU) extremist group. In February 1999, six bomb blasts in Tashkent's governmental area nearly killed then President Islam Karimov, who was expected to attend a high-level meeting there. The government alleged that the plot was orchestrated by the IMU with assistance from Afghanistan's Taliban, which was in power in Afghanistan and hosting Osama bin Laden. In September 2000, the State Department designated the IMU as an FTO.[138] The IMU itself has not claimed responsibility for any terrorist attacks in Iran and appears focused primarily on activities against the governments of Afghanistan and Uzbekistan.

Iran-Uzbekistan relations have not changed significantly since the August 2016 death of Uzbekistan's longtime President Islam Karimov and his replacement by Shavkat Mirziyoyev, who was at the time the Prime Minister. Uzbekistan has substantial natural gas resources but it and Iran do not have joint energy-related ventures. Most of Uzbekistan's natural gas production is for domestic consumption.

[135] http://english.farsnews.com/newstext.aspx?nn=13930618000811.

[136] http://en.mehrnews.com/news/109439/Kazakhstan-to-resume-oil-swap-with-Iran.

[137] http://www.eurasianet.org/node/79761.

[138] http://www.state.gov/j/ct/rls/crt/2001/html/10252.htm#imu.

South Asia

The countries in South Asia face perhaps a greater degree of threat from Sunni Islamic extremist groups than do the countries of Central Asia. They also share significant common interests with Iran, which Iran used to foster cooperation against U.S. sanctions. This section focuses on several countries in South Asia that have substantial interaction with Iran.

Afghanistan

In Afghanistan, Iran is pursuing a multi-track strategy by helping develop Afghanistan economically, engaging the central government, supporting pro-Iranian groups and, at times, arming Taliban fighters. An Iranian goal appears to be to restore some of its traditional sway in eastern, central, and northern Afghanistan, where "Dari"-speaking (Dari is akin to Persian) supporters of the "Northern Alliance" grouping of non-Pashtun Afghan minorities predominate. Iran shares with the Afghan government concern about the growth of Islamic State affiliates in Afghanistan, such as Islamic State—Khorasan Province, ISKP, an affiliate of the Islamic State organization that Iran is trying to thwart on numerous fronts in the region. The two countries are said to be cooperating effectively in their shared struggle against narcotics trafficking. President Ghani and Iranian leaders meet periodically.[139]

Iran has sought influence in Afghanistan in part by supporting the Afghan government, which is dominated by Sunni Muslims and ethnic Pashtuns. In October 2010, then-President Hamid Karzai admitted that Iran was providing cash payments (about $2 million per year) to his government.[140] It is not known whether such payments continue. Iran's ally, Dr. Abdullah Abdullah, who is half-Tajik and speaks Dari, is "Chief Executive Officer" of the Afghan government under a power-sharing arrangement with President Ashraf Ghani that followed the 2014 presidential election.

Even though it engages the Afghan government, Tehran has in the recent past sought leverage against U.S. forces in Afghanistan and in any Taliban-Afghan government peace settlement. Past State Department reports on international terrorism have accused Iran of providing materiel support, including 107mm rockets, to select Taliban and other militants in Afghanistan, and of training Taliban fighters in small unit tactics, small arms use, explosives, and indirect weapons fire.[141] In July 2012, Iran allowed the Taliban to open an office in Zahedan (eastern Iran).[142] In December 2016, Iran invited several Taliban figures to an "Islamic Unity" conference in Tehran. Reflecting apparent concern about the U.S. military presence in Afghanistan, Iran reportedly tried to derail the U.S.-Afghanistan Bilateral Security Agreement (BSA), signed in September 2014, that allowed the United States to maintain troops in Afghanistan after 2014. It prohibits the United States from launching military action against other countries from Afghanistan. In his May 21, 2018, speech, Secretary Pompeo demanded that "Iran, too, must end support for the Taliban and other terrorists in Afghanistan and the region, and cease harboring senior Al Qaeda leaders."

Purported Iranian support to Taliban factions comes despite the fact that Iran saw the Taliban regime in Afghanistan of 1996-2001 as an adversary. The Taliban allegedly committed atrocities against Shiite Afghans (Hazara tribes) while seizing control of Persian-speaking areas of western

[139] "Afghanistan, Iran to Work together Against "Macabre" IS Threat." RFE/RL, April 22, 2015.

[140] Dexter Filkins. "Iran Is Said to Give Top Karzai Aide Cash by the Bagful." *New York Times*, October 23, 2010.

[141] State Department, Country Reports on International Terrorism: 2011. http://www.state.gov/j/ct/rls/crt/2011/195547.htm.

[142] Maria Abi-Habib, "Tehran Builds On Outreach to Taliban," *Wall Street Journal*, August 1, 2012.

and northern Afghanistan. Taliban fighters killed nine Iranian diplomats at Iran's consulate in Mazar-e-Sharif in August 1998, prompting Iran to mobilize ground forces to the Afghan border.

Pakistan[143]

Relations between Iran and Pakistan have been uneven. Pakistan supported Iran in the 1980-1988 Iran-Iraq War, and Iran and Pakistan engaged in substantial military cooperation in the early 1990s, and the two still conduct some military cooperation, such as joint naval exercises in April 2014. The founder of Pakistan's nuclear weapons program, A.Q. Khan, sold nuclear technology and designs to Iran.[144] However, a rift emerge between the two countries in the 1990s because Pakistan's support for the Afghan Taliban ran counter to Iran's support for the Persian-speaking and Shiite Muslim minorities who opposed Taliban rule. Iran reportedly is concerned that Pakistan might harbor ambitions of returning the Taliban movement to power in Afghanistan.[145] In addition, two Iranian Sunni Muslim militant groups that attack Iranian regime targets—*Jundullah* (named by the United States as an FTO, as discussed above) and Jaysh al-Adl—operate from western Pakistan.

A significant factor dividing them is Pakistan's relationship with Saudi Arabia. Pakistan declined a Saudi request that Pakistan participation in the Saudi-led coalition against the Houthis in Yemen, but Pakistan joined Saudi Arabia's 34-nation "anti-terrorism coalition" in December 2015. The coalition was announced as a response to the Islamic State, but Iran asserts it is directed at reducing Iran's regional influence. In January 2017, the former Chief of Army Staff of Pakistan, Raheel Sharif, was appointed military commander of that coalition—an appointment that clearly signaled further Pakistani tilt toward Saudi Arabia. Experts have speculated that if Saudi Arabia sought to counter Iran's nuclear program with one of its own, the prime source of technology for the Saudi program would be Pakistan.

The two nations' bilateral agenda has increasingly focused on a joint major gas pipeline project that would ease Pakistan's energy shortages while providing Iran an additional customer for its large natural gas reserves. As originally conceived, the line would continue on to India, but India withdrew from the project at its early stages. Then-President of Iran Ahmadinejad and Pakistan's then-President Asif Ali Zardari formally inaugurated the project in March 2013. Iran has completed the line on its side of the border, but Pakistan was unable to finance the project on its side of the border until China agreed in April 2015 to build the pipeline at a cost of about $2 billion.[146] U.S. officials stated that the project could be subject to U.S. sanctions under the Iran Sanctions Act,[147] which will take effect again by November 4, 2018. There is little evident movement on the pipeline as of March 2018.

[143] For detail on Pakistan's foreign policy and relations with the United States, see CRS Report R41832, *Pakistan-U.S. Relations*, by K. Alan Kronstadt.

[144] John Lancaster and Kamran Khan, "Pakistanis Say Nuclear Scientists Aided Iran," *Washington Post*, January 24, 2004.

[145] Author conversations with experts in Washington, DC, who consult with Iranian government officials. 2013-15.

[146] http://economictimes.indiatimes.com/news/international/world-news/china-to-build-pakistan-iran-gas-pipeline-pakistan-government/articleshow/46867932.cms.

[147] http://www.thenational.ae/business/energy/big-powers-block-iran-pakistan-gas-pipeline-plans.

India[148]

India and Iran have overlapping histories and civilizations, and they are aligned on several strategic issues. Tens of millions of India's citizens are Shiite Muslims. Both countries have historically supported minority factions in Afghanistan that are generally at odds with Afghanistan's dominant Pashtun community.

As international sanctions on Iran increased in 2010-2013, India sought to preserve its long-standing ties with Iran while cooperating with the sanctions regime. In 2010, India's central bank ceased using a Tehran-based regional body, the Asian Clearing Union, to handle transactions with Iran. In January 2012, Iran agreed to accept India's local currency, the rupee, to settle nearly half of its sales to India. During 2011-2015, India reduced its purchases of Iranian oil—at some cost to its own development—in order to receive from the U.S. Administration exemptions from sanctions. India has increased oil purchases from Iran to nearly pre-2012 levels after sanctions were lifted, and in May 2016 India agreed to transfer to Iran about $6.5 billion that it owed for Iranian oil shipments but which was held up for payment due to sanctions. India's position has generally been that it will only enforce sanctions authorized by U.N. Security Council resolutions, rendering it likely that India will resist U.S. efforts to compel it to comply with reimposed U.S. sanctions such as those that mandate cuts in oil purchases from Iran.

Some projects India has pursued in Iran involve not only economic issues but national strategy. India has long sought to develop Iran's Chabahar port, which would give India direct access to Afghanistan and Central Asia without relying on transit routes through Pakistan. India had hesitated to move forward on that project because of U.S. opposition to projects that benefit Iran. India has said that the implementation of JCPOA sanctions relief in January 2016 paved the way for work to begin in earnest on the Chabahar project. India, Iran, and Afghanistan held a ceremony in May 2016 to herald the start of work on the port based on an Indian pledge of a $500 million investment in it, with Iran to provide the remaining $500 million. Work was slowed by the difficulty equipment suppliers had in obtaining financing for the project, a consequence of hesitancy among banks about whether the United States might still try to sanction the project.[149] However, on December 3, 2017, Iran inaugurated the $1 billion expansion of Chabahar. During a visit to India in June 2018, U.S. Ambassador to the United Nations Nikki Haley said the Administration might consider providing exemptions to U.S. sanctions to enable the Chabahar work to continue because the project is vital to Afghanistan's development and reducing its dependence on Pakistan.[150] India has begun shipping wheat to Afghanistan through this new port. During Rouhani's visit to India in February 2018, in which he and India's Prime Minister Narendra Modi signed memoranda outlining future expanded energy cooperation.

In large part because of distrust between India and Pakistan, in 2009, India withdrew from the Iran-Pakistan gas pipeline project asserting it had concerns about the security of the pipeline, the location at which the gas would be transferred to India, pricing of the gas, and transit tariffs. During economic talks in July 2010, Iranian and Indian officials reportedly raised the issue of constructing a subsea natural gas pipeline, which would bypass Pakistani territory.[151]

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[148] For detail on India's foreign policy and relations with the United States, see CRS Report R42823, *India-U.S. Security Relations: Current Engagement*, by K. Alan Kronstadt and Sonia Pinto.

[149] http://economictimes.indiatimes.com/industry/transportation/shipping-/-transport/india-slow-to-develop-chabahar-port-as-china-races-ahead-at-rival-hub/articleshow/54693856.cms; https://www.reuters.com/article/us-india-iran-ports-idUSKBN19024M.

[150] U.S. Envoy Haley Tells Modi Important to Cut Imports of Iranian Oil. Reuters, June 27, 2018.

[151] http://www.thehindu.com/news/international/world/iran-backs-deepsea-gas-pipeline-to-india/article5466999.ece.

During the late 1990s, U.S. officials expressed concern about India-Iran military-to-military ties. The relationship included visits to India by Iranian naval personnel, although India said these exchanges involved junior personnel and focused mainly on promoting interpersonal relations and not on India's provision to Iran of military expertise. The military relationship between the countries has withered in recent years.

Russia

Iran attaches significant weight to its relations with Russia—a permanent member of the U.N. Security Council, a supplier of arms to Iran, a party to the JCPOA, and a key ally supporting the Asad regime. Russia appears to view Iran as a de facto ally in combating Sunni Islamist extremist movements, which have conducted attacks in Russia. Russian President Vladimir Putin visited Iran on November 23, 2015, to attend a conference of major international natural gas producers, and also held talks with Supreme Leader Khamene'i and President Rouhani, resulting in an announcement of a $5 billion line of credit to Iran for possible joint projects, including additional natural gas pipelines, railroads, and power plants.[152] Rouhani visited Moscow on March 28, 2017, to discuss with President Putin the issues discussed below. During Putin's visit to Tehran on November 1, 2017, the two countries agreed to collaborate on "strategic energy deals" valued at about $30 billion.[153] Russia opposed the U.S. exit from the JCPOA and has said it would not cooperate with reimposed U.S. secondary sanctions on Iran.

U.S. officials express concern primarily with Iran-Russia military cooperation, particularly in Syria. Russia-Iran cooperation has been pivotal to the Asad regime's recapture of much of rebel-held territory since 2015. Yet, the two countries' interests do not align precisely in Syria because Iranian leaders express far greater concern about protecting Hezbollah in any post-Asad regime than do leaders of Russia, whose interests appear to center on preserving the Asad regime and on Russia's overall presence in the Middle East. In August 2016, Iran briefly allowed Russia to stage bombing runs in Syria from a base in western Iran, near the city of Hamadan. The Russian use of the base ran counter to Iran's constitution, which bans foreign use of Iran's military facilities, and Iran subsequently ended the arrangement after Russia publicized it.

Russia has been Iran's main supplier of conventional weaponry and a significant supplier of missile-related technology. In February 2016, Iran's Defense Minister Hosein Dehgan visited Moscow reportedly to discuss purchasing Su-30 combat aircraft, T-90 tanks, helicopters, and other defense equipment. Under Resolution 2231, selling such gear would require Security Council approval, and U.S. officials have said publicly they would not support such a sale. Russia previously has abided by all U.N. sanctions to the point of initially cancelling a contract to sell Iran the advanced S-300 air defense system—even though Resolution 1929, which banned most arms sales to Iran, did not specifically ban the sale of the S-300. After the April 2, 2015, framework nuclear accord was announced, Russia lifted its ban on the S-300 sale. Russia has shipped the system, and Iran has begun deploying and testing it. In January 2015, Iran and Russia signed a memorandum of understanding on defense cooperation, including military drills.[154]

Russia built and still supplies fuel for Iran's only operating civilian nuclear power reactor at Bushehr, a project from which Russia earns significant revenues. In December 2015, Russia was

[152] "Russian President Putin, Iran's Ayatollah Khamenei Meet to Discuss Syria." *Wall Street Journal*, November 23, 2015.

[153] "Russia and Iran Sign $30 bn Energy Agreements." *Financial Times*, November 1, 2017.

[154] Ibid.

the end destination of the shipment out of Iran of almost all of Iran's stockpile of low-enriched uranium—helping Iran meet a key requirement of the JCPOA.

Europe

U.S. and European approaches on Iran converged during 2006-2017 because of shared concerns about Iran's nuclear program. Prior to that time, European countries expressed only modest concern about Iran's policies and were reluctant to sanction it. After the passage of Resolution 1929 in June 2010, European Union (EU) sanctions on Iran became nearly as extensive as those of the United States.[155]In 2012, the EU banned imports of Iranian crude oil and natural gas. In concert with the JCPOA, the EU lifted nearly all of its sanctions on Iran and numerous European businesses resumed their relationships with Iran.[156] The EU opposed the U.S. exit from the JCPOA and are discussing ways in which to continue providing Iran with the economic benefits from the JCPOA and thereby hopefully persuade it to remain in the accord.[157]

Iran has always maintained full diplomatic relations with the EU countries, although relations have sometimes been disrupted as part of EU country reactions to Iranian assassinations of dissidents in Europe or attacks by Iranian militants on EU country diplomatic property in Iran. There are several daily flights from several European countries to Iran, and many Iranian students attend European universities. After the JCPOA was finalized in July 2015, then-British Foreign Secretary Phillip Hammond visited Iran and reopened Britain's embassy there, closed since a 2011 attack on it by pro-government protesters.

During the 1990s, U.S. and European policies toward Iran were in sharp contrast. The United States had no dialogue with Iran at all whereas the EU countries maintained a policy of "critical dialogue" and refused to join the 1995 U.S. trade and investment ban on Iran. The EU-Iran dialogue was suspended in April 1997 in response to the German terrorism trial ("Mykonos trial") that found high-level Iranian involvement in killing Iranian dissidents in Germany, but it resumed in May 1998 during Mohammad Khatemi's presidency of Iran. In the 1990s, European and Japanese creditors bucked U.S. objections and rescheduled about $16 billion in Iranian debt bilaterally, in spite of Paris Club rules that call for multilateral rescheduling. During 2002-2005, there were active negotiations between the European Union and Iran on a "Trade and Cooperation Agreement" (TCA) that would have lowered the tariffs or increased quotas for Iranian exports to the EU countries.[158] Negotiations were discontinued in late 2005 after Iran abrogated an agreement with several EU countries to suspend uranium enrichment.

[155] For information on EU sanctions in place on Iran, see http://eeas.europa.eu/delegations/iran/eu_iran/restrictive_measures/index_en.htm. See also: CRS Insight IN10656, *Iran Policy and the European Union*, by Derek E. Mix and Kenneth Katzman and CRS Insight IN10809, *Doing Business with Iran: EU-Iran Trade and Investment Relations*, by Cathleen D. Cimino-Isaacs and Kenneth Katzman.

[156] For more information on the post-sanctions business relationships between Iran and the EU countries, see CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman.

[157] See: CRS In Focus IF10916, *Efforts to Preserve Economic Benefits of the Iran Nuclear Deal*, by Cathleen D. Cimino-Isaacs, Kenneth Katzman, and Derek E. Mix

[158] During the active period of talks, which began in December 2002, there were working groups focused not only on the TCA terms and proliferation issues but also on Iran's human rights record, Iran's efforts to derail the Middle East peace process, Iranian-sponsored terrorism, counternarcotics, refugees, migration issues, and the Iranian opposition PMOI.

East Asia

East Asia includes three of Iran's five largest buyers of crude oil and one country, North Korea, that is widely accused of supplying Iran with missile and other military-related technology. The countries in Asia have not extensively intervened militarily or politically in the Middle East, and Iran rarely criticizes countries in Asia.

China[159]

China, a permanent member of the U.N. Security Council and a P5+1 party to the JCPOA, is Iran's largest oil customer. During U.N. Security Council deliberations on Iran during 2006-2013, China tended to argue for less stringent sanctions than did the United States, but China's compliance with U.S. sanctions was pivotal to U.S. efforts to reduce Iran's revenue from oil sales. China opposed the U.S. withdrawal from the JCPOA and the government has said it would not abide by reimposed U.S. secondary sanctions by cutting its purchases of Iranian oil.

China faces a potential threat from Sunni Muslim extremists in western China and appears to see Shiite Iran as a potential ally against Sunni radicals. China also appears to agree with Iran's view that the Asad regime is preferable to the Islamic State and other Islamist rebel organizations.

Shortly after Implementation Day of the JCPOA, China's President Xi Jinping included Tehran on a visit to the Middle East region. His trip to Iran generally focused on China's vision of an energy and transportation corridor extending throughout Eurasia ("One Belt, One Road," OBOR), and including Iran, and the two countries agreed to expand trade to $600 billion over the next decade. Iran's burgeoning economic and diplomatic relationships with the Central Asian states appear intended, at least in part, to enable Iran to take advantage of the substantial Chinese investment in the region that is required to implement its OBOR vision. As an example, in February 2016, the first rail cargo from China arrived in Iran via the Kazakhstan-Turkmenistan-Iran link discussed above.

China in the past supplied Iran with advanced conventional arms, including cruise missile-armed fast patrol boats that the IRGC Navy operates in the Persian Gulf; anti-ship missiles; ballistic missile guidance systems; and other WMD-related technology. A number of China-based entities have been sanctioned by the United States, including in 2017, for allegedly aiding Iran's missile, nuclear, and conventional weapons programs.

Japan and South Korea

Iran's primary interest in Japan and South Korea has been to expand commercial relations after sanctions were eased. Neither Japan nor South Korea has been heavily involved in security and strategic issues in the Middle East, but both countries are close allies of the United States. Both countries are wary of Iran's reported military and technology relations with North Korea.

During the period when the United States was implementing the JCPOA, South Korea's then-President Geun-hye Park visited Tehran in May 2016 for the first tour of Iran by a South Korean president to Iran since 1962, accompanied by representatives of 236 South Korean companies and organizations. The two sides signed a number of agreements in the fields of oil and gas, railroads, tourism, and technology, and agreed to reestablish direct flights between Tehran and Seoul.

[159] CRS In Focus IF10029, *China, U.S. Leadership, and Geopolitical Challenges in Asia*, by Susan V. Lawrence.

Japan's Prime Minister Shinzo Abe reportedly had planned to visit Iran in late August 2016, but postponed the visit. During the U.N. General Assembly meetings in New York (September 18-21, 2017), Abe accepted an invitation from President Rouhani to visit Iran, according to Abe's spokesperson., but no date for the visit was announced. The visit, which would have been the first by a leader of Japan to the Islamic Republic, is unlikely now that the United States has exited the JCPOA.

Japanese and South Korean firms are consistently unwilling to risk their positions in the U.S. market by violating any U.S. sanctions on Iran, and these companies are starting to leave the Iran market now that U.S. secondary sanctions are being reimposed.

North Korea

Iran and North Korea have been aligned as "rogue states" subjected to wide-ranging international sanctions. North Korea is one of the few countries with which Iran has formal military-to-military relations, and the two countries have cooperated on a wide range of military and WMD-related ventures, particularly the development of ballistic missile technology. In the past, Iran reportedly funded and assisted in the retransfer of missile and possibly nuclear technology from North Korea to Syria.[160] North Korea also reportedly supplied Iran with small submarines. It is widely suspected that the two continue to cooperate on missile development, and possibly nuclear issues as well, but the extent of the cooperation, if any, is not known from published sources.

North Korea has not at any time pledged to abide by international sanctions against Iran, but its economy is too small to significantly help Iran. According to some observers, a portion of China's purchases of oil from Iran and other suppliers is re-exported to North Korea. After international sanctions on Iran's crude oil exports were removed, additional quantities of Iranian oil likely began reaching North Korea, most likely via China. However, the expansion of such retransfers are likely limited by the adoption in September 2017 of additional U.N. sanctions limiting the supply of oil to North Korea.

[160] http://www.wsj.com/articles/SB10001424052702303763804579183231117914364.

Latin America[161]

Some U.S. officials and some in Congress have expressed concerns about Iran's relations with leaders in Latin America that share Iran's distrust of the United States. Some experts and U.S. officials have asserted that Iran has sought to position IRGC-QF operatives and Hezbollah members in Latin America to potentially carry out terrorist attacks against Israeli targets in the region or even in the United States itself.[162] Some U.S. officials have asserted that Iran and Hezbollah's activities in Latin America include money laundering and trafficking in drugs and counterfeit goods.[163] These concerns were heightened during the presidency of Mahmoud Ahmadinejad (2005-2013), who made repeated, high-profile visits to the region in an effort to circumvent U.S. sanctions and gain support for his criticisms of U.S. policies. However, few of the economic agreements that Ahmadinejad announced with Latin American countries were implemented, by all accounts.

Figure 4. Latin America

Source: Created by CRS.

President Rouhani has generally expressed only modest interest in further expanding ties in Latin America, perhaps in part because Latin America is not pivotal to Iran's economy.[164] He made his first visit to the region in September 2016 (three years into his presidency) in the course of traveling to the annual U.N. General Assembly meetings in New York. He went to several of the countries that Foreign Minister Zarif did when Zarif met with leaders in Cuba, Chile, Bolivia, Ecuador, Nicaragua, and Venezuela in August 2016—the countries in that region that Ahmadinejad visited during his presidency as well. Iran's officials have stated that the purpose of the visits were to expand economic relations with Latin American countries now that international sanctions on Iran have been lifted.

In the 112th Congress, the Countering Iran in the Western Hemisphere Act, requiring the Administration to develop a strategy to counter Iran's influence in Latin America, was enacted (H.R. 3783, P.L. 112-220). The required report was provided to Congress in June 2013, asserting that "Iranian influence in Latin America and the Caribbean is waning" in part because of U.S. efforts to cause Latin American countries to assess the costs and benefits of closer relations with

[161] For more information on the issues discussed in this section, see CRS Report RS21049, *Latin America: Terrorism Issues*, by Mark P. Sullivan and June S. Beittel.

[162] Ilan Berman. "Iran Courts Latin America." Middle East Quarterly, Summer 2012. http://www.meforum.org/3297/iran-latin-america.

[163] Posture Statement of General John F. Kelly, Commander, U.S. Southern Command, before the 114th Congress, Senate Armed Services Committee, March 12, 2015.

[164] http://www.thedialogue.org/resources/are-iran-trade-ties-important-for-latin-america/.

Iran.[165] Observers have directed particular attention to Iran's relationship with Venezuela (an OPEC member, as is Iran) because of its avowed anti-U.S. posture, and Argentina, because of the Iran-backed attacks on Israeli and Jewish targets there. Iran's relations with Cuba have been analyzed by experts in the past, but the U.S. opening to Cuba that began in late 2014 have eased concerns about Cuba-Iran relations. U.S. counterterrorism officials also have stated that the tri-border area of Argentina, Brazil, and Paraguay is a "nexus" of arms, narcotics and human trafficking, counterfeiting, and other potential funding sources for terrorist organizations, including Hezbollah. Assertions in 2009 by some U.S. officials that Iran was significantly expanding its presence in Nicaragua were disputed by subsequent accounts.[166]

Venezuela[167]

During Ahmadinejad's presidency, Iran had particularly close relations with Venezuela and its president, Hugo Chavez, who died in office in March 2013. Neither Rouhani nor Chavez's successor, Nicolas Maduro, have expressed the enthusiasm for the relationship that Chavez and Ahmadinejad did. Even during the presidencies of Chavez and Ahmadinejad, the United States did not necessarily perceive a threat from the Iran-Venezuela relationship. In July 2012, President Obama stated that Iran-Venezuela ties have not had "a serious national security impact on the United States."[168] Very few of the economic agreements announced were implemented. A direct air link was reportedly restarted by President Maduro in January 2015 in order to try to promote tourism between the two countries.[169] Petroleos de Venezuela (PDVSA)—which operates the Citgo gasoline stations in the United States—has been supplying Iran with gasoline since 2009, in contravention of U.S. sanctions, and PDVSA was sanctioned under the Iran Sanctions Act in May 2011.[170] The United States "de-listed" PDVSA as stipulated in the JCPOA, but it will be "re-listed" in concert with the reimposition of U.S. sanctions on Iran in 2018.

Argentina[171]

In Argentina, Iran and Hezbollah carried out acts of terrorism against Israeli and Jewish targets in Buenos Aires that continue to affect Iran-Argentina relations. The major attacks were the 1992 bombing of the Israeli embassy and the 1994 bombing of a Jewish community center (Argentine-Israeli Mutual Association, AMIA). Based on indictments and the investigative information that has been revealed, there is a broad consensus that these attacks were carried out by Hezbollah operatives, assisted by Iranian diplomats and their diplomatic privileges.

The Buenos Aires attacks took place more than 20 years ago and there have not been any recent public indications that Iran and/or Hezbollah are planning attacks in Argentina or elsewhere in Latin America. However, in February 2015, Uruguay stated that an Iranian diplomat posted there

[165] State Department, "Annex A: Unclassified Summary of Policy Recommendations," June 2013.

[166] "Iran's Rumored 'Mega-Embassy' Set Off Alarms in U.S." Washington Post, June 13, 2009. http://www.washingtonpost.com/wp-dyn/content/article/2009/07/12/AR2009071202337.html.

[167] For more information, see CRS Report R43239, *Venezuela: Issues for Congress, 2013-2016*, by Mark P. Sullivan.

[168] Comments by President Barack Obama on "CNN: The Situation Room," July 11, 2012.

[169] http://panampost.com/sabrina-martin/2015/04/06/iran-takes-venezuelan-money-passes-on-deliveries/.

[170] http://www.reuters.com/article/2011/05/24/us-iran-usa-sanctions-idUSTRE74N47R20110524.

[171] For more information, see CRS Report R43816, *Argentina: Background and U.S. Relations*, by Mark P. Sullivan and Rebecca M. Nelson.

had left the country before Uruguay issued a formal complaint that the diplomat had tested the security measures of Israel's embassy in the capital, Montevideo.[172]

Many in Argentina's Jewish community opposed a January 2013 agreement between Iran and the government of then-President Cristina Fernandez de Kirchner to form a "truth commission" rather than to aggressively prosecute the Iranians involved. In May 2013, the Argentine prosecutor in the AMIA bombing case, Alberto Nisman, issued a 500-page report alleging that Iran has been working for decades in Latin America, setting up intelligence stations in the region by utilizing embassies, cultural organizations, and even mosques as a source of recruitment. In January 2015, Nisman was found dead of a gunshot wound, amid reports that he was to request indictment of Argentina's president for allegedly conspiring with Iran to downplay the AMIA bombing issue. President Kirchner was succeeded in December 2015 by Mauricio Macri, who has not sought to broaden relations with Iran,[173] possibly explaining why Argentina apparently was not on the itinerary for Rouhani's regional visit in 2016.

Africa

Sub-Saharan Africa has not generally been a focus of Iranian foreign policy, perhaps because of the relatively small size of most African economies and the limited ability of African countries to influence the actions of Iran's main regional rivals. Former President Ahmadinejad sought to deepen diplomatic and commercial ties to some African countries, focusing on those that have had historically tense relations with Western powers (such as Sudan, Zimbabwe, and South Africa). Many African countries, however, apparently did not want to risk their relationships with the United States or blowback from domestic Sunni constituencies by broadening relations with Iran.

Figure 5. Sudan

Source: Created by CRS.

The overwhelming majority of Muslims in Africa are Sunni, and Muslim-majority African countries have tended to be responsive to financial and diplomatic overtures from Iran's rival, Saudi Arabia. Amid the Saudi-Iran dispute in January 2016 over the Nimr execution, several African countries that Iran had cultivated as potential allies broke relations with Iran outright, including Djibouti, Comoros, and Somalia, as well as Sudan. Senegal, at one time seen as a primary focus of Ahmadinejad's Africa outreach, and Sudan have supported the Saudi-led military effort against the Iran-backed Houthis in Yemen—in Sudan's case with some forces.[174] The UAE, in particular, has actively sought allies in the Horn of Africa to reduce Iranian influence, including by facilitating UAE operations against the Iran-backed Houthi rebels in Yemen. West Africa's large

[172] "Questions Swirl over Incident Involving Iranian Diplomat in Uruguay." *LatinNews* Daily, February 9, 2015.

[173] http://www.thedialogue.org/resources/are-iran-trade-ties-important-for-latin-america/.

[174] Senegal pledged in 2015 to deploy 2,100 troops in support of the Saudi-led coalition in Yemen, but it has yet to do so.

Lebanese diaspora communities may also be a target of Iranian influence operations and a conduit for Hezbollah financial and criminal activities.

Rouhani has made few statements on relations with countries in Africa and has apparently not made the continent a priority. Tehran appears, however, to retain an interest in cultivating African countries as trading partners—an interest that might increase now that the Trump Administration has decided to exit the JCPOA and reimpose all U.S. sanctions. Iran's leaders also apparently see Africa as a market for its arms exports and as sources of diplomatic support in U.N. forums.[175] African populations may also be seen as potential targets for Iranian "soft power" and religious influence. Iran's Al Mustafa University, which promotes Iran's message and Shiite religious orientation with branches worldwide, has numerous branches in various African countries.[176]

The IRGC-QF has reportedly operated in some countries in Africa, in part to secure arms-supply routes for pro-Iranian movements in the Middle East but also to be positioned to act against U.S. or allied interests, to support friendly governments or factions, and act against Sunni extremist movements. Several African countries have claimed to disrupt purportedly IRGC-QF-backed arms trafficking or terrorism plots. In May 2013, a court in Kenya found two Iranian men guilty of planning to carry out bombings in Kenya, apparently against Israeli targets. In December 2016, two Iranians and a Kenyan who worked for Iran's embassy in Nairobi were charged with collecting information for a terrorist act after filming the Israeli embassy in that city. Senegal cut diplomatic ties with Iran between 2011 and 2013 after claiming that Iran had trafficked weapons to its domestic separatist insurgency.

Sudan

Iran's relations with the government of Sudan, which were extensive since the early 1990s, have diminished substantially since 2014 as Sudan has moved closer to Iran's rivals, Saudi Arabia and the UAE. Sudan, like Iran, is still named by the United States as a state sponsor of terrorism, although U.S. officials have praised the country's counterterrorism cooperation in recent years, possibly to the point where the Administration might decide to remove Sudan from the terrorism list.[177] Iran's relations with Sudan provided Iran with a channel to supply weapons to Hamas and other pro-Iranian groups in the Gaza Strip.[178] The relationship began in the 1990s when Islamist leaders in Sudan, who came to power in 1989, welcomed international Islamist movements to train and organize there. Iran began supplying Sudan with weapons it used on its various fronts, such as in its internal conflicts with rebels in what is now South Sudan as well as in the Darfur region, and the IRGC-QF reportedly armed and trained Sudanese forces, including the Popular Defense Force militia.[179] Some observers say Iranian pilots assisted Sudan's air force, and Iran's naval forces periodically visited Port Sudan. Iran also reportedly played a key role in helping Sudan build its own military industry.[180] Israel repeatedly accused Iran of shipping weapons

[175] On arms sales, see C.J. Chivers."A Trail of Bullet Casings Leads from Africa's Wars back to Iran." *New York Times*, January 11, 2013. https://www.nytimes.com/2013/01/12/world/africa/a-trail-of-bullet-casings-leads-from-africas-wars-to-iran.html?mtrref=www.google.com&gwh=404CEDBD8247A8A74FBA1C19E2589305&gwt=pay.

[176] Iranain American Forum, "Al Mustafa University, Iran's Global Network of Islamic Schools." April 12, 2016. http://iranian-americans.com/irans-export-of-islamic-fundamentalism-al-mustafa-global-training-centers-2/.

[177] State Department, Country Reports n Terrorism: 2016; Jina Moore. "U.S. is Open to Removing Sudan from Terrorism List, Diplomat Says." *New York Times*, November 16, 2017.

[178] Michael Lipin. "Sudan's Iran Alliance Under Scrutiny." VOANews, October 31, 2012. http://www.voanews.com/content/article/1536472.html.

[179] "Did Israel Just Bow Up an Iranian Weapons Factory in Sudan?" *Christian Science Monitor*, October 25, 2012.

[180] See, e.g. Small Arms Survey. "Sudan's Military Industry Corporation Display at the 2015 IDEX Convention."

bound for Gaza through Sudan[181] and, at times, took military action against sites in Sudan that Israel asserted were being used by Iran to arm Hamas.[182]

However, because Sudan is inhabited by Sunni Arabs, it has always been considered susceptible to overtures from Saudi Arabia and other GCC countries to distance itself from Iran. Since 2014, Saudi and UAE economic assistance to and investment in Sudan have caused Sudan to realign. In September 2014, the Sudan government closed all Iranian cultural centers in Sudan and expelled the cultural attaché and other Iranian diplomats on the grounds that Iran was using its facilities and personnel in Sudan to promote Shiite Islam.[183] In March 2015, Sudan joined the Saudi-led Arab coalition against the Houthis in Yemen, appearing to confirm that Sudan has significantly downgraded its strategic relations with Iran. In December 2015, Sudan joined the Saudi-led anti-terrorism coalition discussed earlier. In January 2016, Sudan severed ties with Iran in connection with the Saudi execution of Nimr.

Alternative Scenarios

A key question is how U.S. actions might alter Iran's national security policies in ways more favorable to U.S. interests. To date, no U.S. strategy has reduced Iran's regional influence. Trump Administration officials assert that Iran has increased its regional malign activities since the JCPOA began Implementation Day, and cite that observation as one justification for exiting the accord. However, many experts argue that Iran's expanded regional influence is due more to opportunities provided by the region's conflicts than to an increase in Iran's financial resources.

As noted throughout, Administration efforts against Iran included imposition of sanctions on various Iranian activities; cooperation with regional leaders and groups who seek to limit Iranian influence; and deployment of U.S. forces to intercept Iranian weapons shipments and deter Iranian ground action. As General Votel testified on February 27, 2018, "Countering the Iranian regime's malign influence in the region is a key component of [U.S.] efforts to defend allies from military aggression, bolster [U.S.] partners against coercion, and share responsibilities for the common defense." However, additional U.S. pressure on Iran—particularly if such pressure involves military action—would likely embroil the United States more deeply in regional conflicts. In concert with exiting the JCPOA in May 2018, neither President Trump nor Secretary of State Pompeo cited specific new U.S. steps that would counter Iran's foreign and defense policies, other than attempting to reduce its financial resources through sanctions.

Whether the JCPOA continues to operate despite the U.S. withdrawal from it, those who argue that Iran is an increasingly challenging regional actor maintain that

- Iran is likely to continue to supply its regional allies and proxies with larger quantities of and more accurate weaponry, including rockets and short-range missiles.
- Iran might, through its allies and proxies in Syria and Iraq, succeed in establishing a secure land corridor extending from Iran to Lebanon and in pressuring Israel from the Syrian border as well as the Lebanon border. The

March 9, 2015.

[181] "Were the Israelis Behind the 'Mystery' Air Strike in Sudan?" *Time*, April 6, 2011; "Car Blast in E. Sudan, Khartoum Points to Israel," *Reuters*, May 22, 2012; "Rockets and Meetings," Africa Confidential, May 25, 2012.Weapons Documented in South Kordofan," *Small Arms Survey*, April 2012.

[182] "Israel Navy Intercepts Gaza-Bound Iranian Rocket Ship Near Port Sudan." *Jerusalem Post*, March 5, 2014.

[183] "Sudan Expels Iranian Diplomats and Closes Cultural Centers." *The Guardian*, September 2, 2014.

potential for major Iran-Israel conflict in Syria, and the possibility that clashes could escalate into a broader regional war, is significant.

- A further prolongation of the intra-GCC rift could complicate U.S. efforts to contain Iran militarily and hinder U.S. military operations in the region.
- The lifting of the U.N. ban on arms sales to Iran in October 2020 will enable Iran to modernize its armed forces. Acquiring additional systems could strengthen its capabilities to the point where it can move ground forces across waterways such as the Strait of Hormuz.
- Iran could further increase its assistance to hardline opposition factions in Bahrain, which has apparently been limited to date to only small, militant underground groups.[184]
- Iran might succeed in emerging as a major regional energy and trading hub, both within and outside its participation in China's OBOR initiative, potentially expanding Iran's political influence to an even greater extent.
- Various regional powers might establish or expand military cooperation with Iran, a development that could strengthen Iran's conventional capabilities.

On the other hand, in order to preserve the JCPOA, advance its reintegration into the international community, and avoid clashes with either the United States or Israel, Iran might be induced to shift its policies in ways that benefit U.S. and allied interests. Those who take this view argue that

- Iran might be induced to cooperate in identifying an alternative to Asad in Syria that resolves, or greatly attenuates, the civil conflict there and paves the way for Iran to draw down its forces there.
- Iran might be persuaded to curtail its delivery of additional long-range rockets or other military equipment to Hezbollah and Hamas, although Iran is unlikely under any circumstances to reduce its political support for Hezbollah.
- Iran might support a political solution in Yemen that gives the Houthis less influence in a new government than they are demanding.
- Iran and the UAE might resolve their territorial dispute over Abu Musa and the two Tunbs islands in the Persian Gulf.
- Iran might increase the transparency of its financial system, including addressing all the concerns of the multilateral Financial Action Task Force (FATF) about the use of its banking system for money laundering and terrorism financing.
- Iran might gain admission to the Shanghai Cooperation Organization, which could lead to broader cooperation between Iran and Central Asian states against the Islamic State or other terrorist organizations.
- Iran might seek to finalize major regional economic projects that benefit the whole region, including development of oil and gas fields in the Caspian Sea; gas pipeline linkages between Iran and Kuwait, Bahrain, and Oman; the Iran-Pakistan natural gas pipeline; the development of the Chabahar port; and transportation routes linking Central Asia to China.

Domestic Iranian factors could cause Iran's foreign policy to shift. For example

- As noted, protesters in over 80 Iranian cities in December 2017-January 2018 complained, in part, about the regime's use of resources for foreign intervention

[184] Ibid.

rather than to improve living standards. Fear of future unrest could cause the regime to reduce the scope of its interventions, to cut its defense budget, or limit its missile development program.

- The departure from the scene of the Supreme Leader could change Iran's foreign policy sharply, depending on the views of his successor.

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