

## **IRAN NUCLEAR AGREEMENT – SUMMARY AND ANALYSIS**

### **Executive Summary**

On July 14, 2015, Iran and the six powers that have negotiated with Iran over its nuclear program (the United States, the United Kingdom, France, Russia, China, and Germany—collectively known as the “P5+1”) finalized a “Joint Comprehensive Plan of Action,” (JCPOA) that claims to limit Iran’s nuclear program to peaceful purposes, in exchange for broad relief from U.S., European Union (EU), and United Nations sanctions. The Agreement is sweeping: reversing decades of bipartisan U.S. policy, removing Security Council resolutions against Iran’s illicit nuclear program, and endorsing Iran as a nuclear threshold state—able to quickly produce nuclear weapons on an industrial scale in the near future. Nonproliferation experts see the agreement spurring proliferation amongst Iran’s neighbors.

According to the Obama Administration, the Agreement will extend the amount of time that Iran would need to produce enough weapons-grade uranium for one nuclear weapon to a minimum of one year, for 10 years. Currently, the Administration assesses that Iran possesses enough highly-enriched uranium to produce a nuclear weapon within two-three months. Under the Joint Plan of Action reached in November 2013, the world powers conceded on Iran’s demand to enrich uranium, even though that is not explicitly provided for by the Nuclear Non-Proliferation Treaty, to which Iran is a party.

Contrary to initial indications made by Administration officials, the Agreement does not dismantle Iran’s nuclear infrastructure. Even Iran’s enrichment facility at Fordow, buried under a mountaintop, stays open. President Obama had specified this facility as unnecessary for a peaceful nuclear program. Instead of dismantling any centrifuges or Iranian nuclear facilities, the deal temporarily restricts elements of the program. With nuclear restrictions beginning to expire after only eight years, the Agreement grants Iran virtually instant breakout time after 15 years. Experts note that Iran does not have to cheat, like North Korea, in order to get so close to a bomb. Members of Congress had sought a deal lasting multiple decades.

Contrary to assurances made by Administration officials until months before the deal, the Agreement fails to secure the right for inspectors to conduct “anytime, anywhere” inspections of Iranian nuclear facilities. Instead, if International Atomic Energy Agency officials want to inspect a suspicious site in Iran (for example a secret underground facility like Iran has developed in the past), the inspectors need to write a letter to Iranian leaders requesting permission. This begins a complicated and lengthy bureaucratic process, during which Iran has at least 24 days to obfuscate before the adjudication process begins. The entire process – from lodging request to actually visiting the suspect site – could take months.

In major 11<sup>th</sup> hour concessions, the Agreement lifts restrictions on arms sales to Iran after five years, and, after eight, removes the ban on Iran developing ballistic missiles potentially capable of reaching the United States. The Pentagon has expressed its concern. Prior to the Agreement being finalized, the Chairman of the Joint Chiefs of Staff Martin Dempsey testified to Congress that “under *no* circumstances should we relieve pressure on Iran relative to ballistic missile capabilities and arms trafficking.”

U.S. allies in the Middle East, including Israel, are deeply concerned that Iran will use the windfall gained from sanctions relief—up to \$150 billion—to bankroll terrorist activities in the region. These destabilizing activities include sending advanced weapons to Hamas and Hezbollah, Iranian-backed terrorist groups dedicated to the destruction of Israel. The Agreement further mandates the lifting of European Union sanctions on Qasem Soleimani, the head of Iran’s elite Quds Force, responsible for the deaths of hundreds of American troops.

The Agreement is silent on the fate of four Americans being held unjustly in Iranian custody. In June, the House overwhelming passed H.Res. 233 (Kildee-D), which expressed the sense of the House that, “Iran should release all detained United States citizens immediately and provide any information it possesses regarding any United States citizens that have disappeared within its borders.”

## **Key Elements of the Iran Nuclear Agreement**

### **Enrichment and Reprocessing Capabilities**

The ability to enrich uranium to very high levels is the key to producing material needed for a nuclear weapon. Yet it is not necessary for a civilian nuclear power program. Preventing the spread of enrichment technology has been the foundation of U.S. nonproliferation policy for decades. As a result, over 20 countries have peaceful nuclear energy programs *without* a domestic enrichment program. In fact, buying fuel for nuclear power plants abroad, from countries like Russia, is much more cost effective than producing it domestically.

Nevertheless, in the Joint Plan of Action, the interim agreement reached with Iran in November 2013, the world powers conceded to Iran’s demand that it be allowed a uranium enrichment program. If fully and successfully implemented, the final Agreement states that Iran will fully enjoy its right to nuclear energy for peaceful purposes under the relevant articles of the nuclear Non-Proliferation Treaty (NPT) in line with its obligations therein, and the Iranian nuclear program will be treated in the same manner *as that of any other* non-nuclear-weapon state party to the NPT.<sup>1</sup> In other words, treated just the same as Japan or Holland.

Under the Agreement, nonproliferation experts note that Iran could undertake many worrisome nuclear activities that could be permitted under the NPT, as commonly misinterpreted. For example, Iran could enrich on an industrial scale—claiming the desire to sell enriched uranium on the international market, as France does. Iran could also enrich uranium to levels near weapons grade—claiming the desire to power a nuclear navy, as Brazil is doing. *All* of these activities have been deemed permissible under the NPT—and *all* would be endorsed by this agreement after certain provisions expire in 10-15 years.

The final Agreement sets out specific limitations on Iran’s enrichment of uranium for fixed durations. The upshot is that even if Iran defies its history of illicit nuclear activities and complies with this nuclear agreement, Iran will still emerge at the end of 10-15 years with an industrial scale enrichment capacity and the ability to produce many nuclear bombs if the regime wishes to abandon its “peaceful” program. It is worth recalling that Iran’s clandestine nuclear weapons program, apparently under development for over a decade, was exposed by an Iranian opposition group in 2002.

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<sup>1</sup> See Paragraph iv of the Agreement’s “Preamble and General Provisions.”

The Agreement stipulates that Iran will take the following steps:

- **Centrifuge Limitation.** Iran is to use no more than 5,060 first-generation “IR-1” centrifuges to enrich uranium for 10 years.<sup>2</sup> While the White House has touted the reduction of Iran’s installed centrifuges by two-thirds, this belies the vast difference in sophistication between the first-generation “IR-1” centrifuges and the later versions currently under development. As analysts at the Bipartisan Policy Center have noted: “By year eight, however, Iran will be permitted to begin building and stockpiling IR-6 and IR-8 centrifuges for eventual installation and use in its enrichment facilities. This will effectively give Iran a ‘surge capacity’ of advanced centrifuges as soon as the deal’s initial period ends.”<sup>3</sup>
- **Level of Enrichment Limitation.** Iran has agreed to refrain from producing enriched uranium containing more than 3.67% uranium-235 for at least 15 years.<sup>4</sup>
- **Facility Limitation.** Iran has agreed to enrich uranium only at the Natanz commercial-scale facility for 15 years and to refrain during that time from building any new enrichment facilities.<sup>5</sup>
- **Stockpile Limitation.** Iran has agreed to reduce its low-enriched uranium (LEU) stockpile either to 300 kilograms of LEU, containing 3.67% uranium-235, or to down-blend the LEU to the equivalent in other chemical forms, for a 15 year period.<sup>6</sup>
- **Centrifuge R&D.** The Agreement also contains restrictions on Iranian centrifuge research and development (R&D) that last 10 years. Moreover, Iran is to refrain for 10 years from pursuing R&D on any technologies other than gas centrifuge enrichment.<sup>7</sup> However, the Agreement allows Iran to begin production of efficient advanced centrifuges capable of enriching uranium after the end of eight years.<sup>8</sup> This contrasts with the White House’s April 2015 fact sheet that strongly implied research into advanced centrifuges would be delayed for 10 years. Such advanced centrifuges can enrich a greater amount of uranium more rapidly than Iran’s antiquated IR-1 model centrifuges by orders of magnitude. Building and stockpiling advanced centrifuges will effectively give Iran a “surge capacity” once the agreement expires.
- **Fordow Conversion.** Iran has agreed to convert its underground Fordow enrichment facility into “a nuclear, physics, and technology center.” For 15 years, Iran will maintain no more than 1,044 IR-1 centrifuges at Fordow.<sup>9</sup>

These steps pertain to Iran’s development of a nuclear weapon through uranium enrichment. Yet Iran has pursued a second track by which to develop a nuclear weapon: by reprocessing weapons-grade plutonium.

- **Arak Reactor.** Iran is to redesign and rebuild the heavy-water Arak reactor based on a design agreed to by the P5+1 so that it will not produce weapons-grade plutonium. Iran is to export the

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<sup>2</sup> See Paragraph 2 of the Agreement’s “Nuclear – Enrichment, Enrichment R&D, Stockpiles.”

<sup>3</sup> See Paragraph 3, Id.

<sup>4</sup> See Paragraph 5, Id.

<sup>5</sup> Id.

<sup>6</sup> See Paragraph 7, Id.

<sup>7</sup> See Paragraph 3, Id.

<sup>8</sup> See Paragraph 4, Id.

<sup>9</sup> See Paragraph 6, Id.

spent fuel from this reactor and all other nuclear reactors to a country of Iran's choosing.<sup>10</sup> Iran commits, for 15 years, and does not intend to thereafter reprocessing spent reactor fuel.<sup>11</sup> Furthermore, Tehran has also committed to refrain from accumulating heavy water "beyond Iran's needs"; Iran is to "sell any remaining heavy water on the international market for 15 years" and to refrain indefinitely from building heavy-water moderated reactors.<sup>12</sup> Even so, the White House stated in April 2015 that "Iran has committed indefinitely to not conduct reprocessing or reprocessing research and development on spent nuclear fuel."

### **Resolving Questions of Iran's Suspected Past Nuclear Weapons Development**

Multiple U.N. Security Council resolutions require Iran to address its past work relevant to nuclear weapons, such as research about a nuclear payload for missiles. Until May 2015, the U.S. position was that Iran had to fully disclose that history before there would be any sanctions relief. Instead, the Agreement calls for a "Roadmap for Clarification of Past and Present Outstanding Issues," in which Iran has pledged to answer all outstanding questions the IAEA has about the "possible military dimension" (PMD) of Iran's nuclear program and research by October 15, 2015.<sup>13</sup> So far, Iran has been stonewalling the IAEA on these questions for many years and has only answered part of two out of 12 outstanding questions. Under the deal, the IAEA is to issue its assessment of these answers by December 15, 2015.<sup>14</sup>

Nonproliferation experts note that resolving this issue is critical to verification efforts going forward. Moreover, critics question the strength of this provision. It is unclear whether Iran would face any consequences for failing to meet the October 15 deadline. Nor is there any indication in the agreement whether Iran would face consequences if the IAEA judges its answers to be unsatisfactory or if it's discovered that Iran has in fact engaged in nuclear weapons research contrary to the regime's longstanding assurances.

### **Inspections/Verification**

While the Obama Administration repeatedly promised "anytime, anywhere" inspections of Iran's suspected nuclear facilities, Iran's Supreme Leader, Ayatollah Khamenei, declared that inspectors would not have access to Iranian military sites. The resulting deal offers a verification arrangement that is widely viewed as inadequate. Far from "anytime, anywhere," international inspectors will face a lengthy and bureaucratic process to request permission to inspect Iranian sites that are not declared as official nuclear development sites. While inspectors can request access to suspicious military sites under the agreement, the Iranian Minister of Defense has reiterated that military sites will be off limits to inspectors.

Experts note the challenges. The former director of the CIA, Michael Hayden, testified in front of the Committee, "We never believed that the uranium at Iran's declared facilities would ever make its way into a weapon. We always believed that that work would be done someplace else, in secret." Former top weapons inspector Charles Duelfer explained to the Committee that after the First Gulf War—even with anytime, anywhere inspections; sanctions remaining on; and the burden of proof on the Iraqis—his team "could not do their job" and were stymied. Yet, the inspections process negotiated by the Obama Administration would have much less authority. Director Hayden further testified: "I would never come

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<sup>10</sup> See Paragraph 8 of the Agreement's "Arak, Heavy Water, Reprocessing."

<sup>11</sup> See Paragraph 12, Id.

<sup>12</sup> See Paragraphs 10, 12, Id.

<sup>13</sup> See paragraph 14 of the Agreement's "Transparency and Confidence Building Measures."

<sup>14</sup> Id.

to you and tell you that American national technical means will be sufficient for verifying this agreement. Without an invasive inspection regime, I would not, while I'm in government or now, tell you, 'It's OK. We'll know enough to give you sufficient warning.' So that really puts the weight of effort on the IAEA's ability to go anywhere at any time.”

Verification/access (for *declared* sites):

- The IAEA will increase its number of inspectors in Iran and use modern verification technologies. In addition, Tehran “has agreed to implement” the Additional Protocol to its safeguards agreement. Iran is also to implement the modified code 3.1 of the subsidiary arrangements to its IAEA safeguards agreement.<sup>15</sup>
- For 15 years, the IAEA will monitor via “daily access” to “relevant buildings” at Natanz the stored Iranian centrifuges and related infrastructure.<sup>16</sup>
- For 20 years, Tehran will allow the agency to verify Iran’s inventory of certain centrifuge components and the manufacturing facilities for such components.<sup>17</sup>
- Additionally, Iran is to allow the IAEA to monitor the country’s uranium mills for 25 years and to monitor Iran’s plant for producing heavy water.<sup>18</sup>

Verification/access (for *undeclared* sites)<sup>19</sup>:

- Far from allowing international inspectors to show up anywhere at any time, the deal provides a lengthy request-for-permission process “if the IAEA has concerns regarding undeclared nuclear materials or activities, or activities inconsistent with” the JCPA.”
- If the international inspectors have such “concerns” at one of these sites, the agency “will provide Iran the basis for such concerns and request clarification.”
- The IAEA is merely allowed to request access to the site if Iran’s explanation did not provide such clarification. In addition, the agency would have to provide Iran with written “reasons for access” and “make available relevant information.”
- Tehran may respond to such a request by proposing “alternative means of resolving the IAEA’s concerns.” If such means do not resolve the IAEA’s concerns or the two sides do not “reach satisfactory arrangements... within 14 days of the IAEA’s original request for access,” Iran “would resolve the IAEA’s concerns through necessary means agreed between Iran and the IAEA.”
- Tehran would make such a decision “in consultation with the members of the Joint Commission” provided for by the JCPA. If the two sides do not reach a resolution, the Commission “would advise on the necessary means to resolve the IAEA’s concerns” if at least a majority of the

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<sup>15</sup> See Paragraph 13, Id.

<sup>16</sup> See Paragraph 71 of Annex I – Nuclear-related measures, “Transparency Related to Enrichment.”

<sup>17</sup> See Paragraph 15 of the Agreement’s “Transparency and Confidence Building Measures.”

<sup>18</sup> Id.

<sup>19</sup> See Paragraphs 74-78 of Annex I.

Commission's members agreed to do so. The Joint Commission would have 7 days to reach a decision; "Iran would implement the necessary means within 3 additional days."

- In short, the Agreement provides a lengthy process for resolving IAEA concerns over suspected nuclear activity at undeclared Iranian facilities consisting of 24 days. This is one of the most critical aspects of the entire Agreement. For it to succeed, the intelligence community will have to provide timely, granular evidence of suspected nuclear activity, which the Joint Commission will have to agree merits confronting Iran in order for inspectors to verify the allegations. In the meantime, without intrusive inspections, Iran may be able to hide or dispose of the activities in question.
- This "speedy resolution" provision expires in *15 years*,<sup>20</sup> just as Iran's program will be expanding rapidly.

### **Sweeping Sanctions Relief**

Under the Agreement, Iran will receive an extraordinary financial windfall, almost immediately. Iran will have access to about \$100 billion to \$150 billion in hard currency, mainly oil sales proceeds, which it has been unable to repatriate to its Central Bank. Banks around the world, particularly those in South Korea and Japan holding the funds, have been cooperating with U.S. sanctions by refusing to transfer those assets to Iran. Economists estimate that Iran's economy will grow from 2% to as much as 9% in the first year after sanctions are lifted.

Iran will be able to export crude oil without restriction. Iran estimates that it could likely double its current oil exports of 1.1 mbd within approximately six months. Significant quantities of Iranian oil will likely hit the market immediately after sanctions suspension because Iran has about 50 million barrels of oil stored.

In addition to the promised suspension and termination of identified statutory and executive sanctions, once the deal is implemented, there are a number of ambiguous provisions that may allow Iran to indefinitely challenge the US sanctions regime. First, Iran will be able to flag any sanction that remains in place that it believes should be lifted under the terms of the deal. The issue would then be sent to the Joint Commission for resolution. This may provide a means through which the Iranians can indefinitely challenge US sanctions across the board in a sustained manner.

According to the text of the Agreement, the following sanctions are to be eased:

- Many U.S., virtually all EU, and most U.N. sanctions will be suspended the moment the deal goes into effect ("Implementation Day").<sup>21</sup>
- The U.S. sanctions that are to be suspended are primarily those that sanction foreign entities and countries for conducting specified transactions with Iran.<sup>22</sup> It is these "secondary sanctions" that, in essence, force foreign companies to choose between doing business in the United States or with

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<sup>20</sup> See Paragraph 15 of Agreement's "Preamble and General Provisions."

<sup>21</sup> See Paragraph 24 of the Agreement's "Sanctions."

<sup>22</sup> See Paragraph 21, Id.

Iran. U.S. sanctions that generally prohibit U.S. firms from conducting transactions with Iran are not being altered.

- The sanctions relief in the Agreement includes: (1) energy sanctions, including those that limit Iran’s exportation of oil and sanction foreign sales to Iran of gasoline and energy sector equipment, and which limit foreign investment in Iran’s energy sector; (2) sanctions on foreign banks that conduct transactions with Iranian banks that have been designated for proliferation activities – the core of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA); (3) sanctions on Iran’s auto sector and trading in the *rial*; (4) the EU ban on purchases of oil and gas from Iran; and (5) the ban on Iran’s use of the SWIFT electronic payments system that enables Iran to move funds from abroad to its Central Bank or its commercial banks.<sup>23</sup>
- The United States is to revoke the designations made under various Executive Orders of numerous Iranian economic entities and personalities, including the National Iranian Oil Company (NIOC), various Iranian banks, and many energy and shipping-related institutions.<sup>24</sup> That step would enable foreign companies to resume transactions with those Iranian entities without risking being penalized by the United States.
- The Agreement requires the Administration, within eight years, to request that Congress lift virtually all of the sanctions that will be suspended under the JCPA.<sup>25</sup> The JCPA requires all U.N. sanctions to terminate after 10 years of adoption of the JCPA.<sup>26</sup>
- The Agreement does not require the U.S. to lift its sanctions on Iran for terrorism, human rights abuses, and on proliferation-sensitive technology. Further, the U.S. Administration has pledged to maintain Iran’s designation as a state sponsor of terrorism. That designation triggers numerous U.S. sanctions, including a ban on any U.S. foreign aid to Iran and on U.S. exportation to Iran of controlled goods and services, and a prohibition on U.S. support for international lending to Iran. However, with the lifting of the secondary sanctions, massive foreign investment will likely flow into Iran.
- The Administration has also committed to seek to change any state or local law that might be seen as preventing the full lifting of sanctions under the terms of the deal, such as state-level laws mandating the divestment of state pension funds from companies that violate US sanctions.
- Other U.S. sanctions that are *not* required to be suspended, according to the JCPA, include: (1) E.O. 13224 sanctioning terrorism entities (not specific to Iran); (2) the Iran-Iraq Arms Non-Proliferation Act that sanctions foreign firms that sell arms and weapons of mass destruction-related technology to Iran; (3) the Iran-North Korea-Syria Non-Proliferation Act (INKSNA); and (4) Executive Orders and the provisions of CISADA and the Iran Threat Reduction and Syria Human Rights Act that pertain to human rights or democratic change in Iran. As noted, Iran will also remain on the State Sponsors of Terrorism list, triggering related sanctions.

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<sup>23</sup> See “Sanctions” in the Agreement.

<sup>24</sup> See Annex 2, “United States.”

<sup>25</sup> See Paragraph 23 of the Agreement’s “Sanctions.”

<sup>26</sup> See Paragraph 34v. of the Agreement’s “Implementation Plan.”

## **Sanctions Surprises - Lifting of U.N. arm embargo on conventional weapons and ballistic missiles; the Quds Force**

In two major, last minute concessions, the Administration agreed to lift both the U.N arms embargo on Iran in five years, and, in eight years, the ban on Iran's development of nuclear-capable ballistic missiles.<sup>27</sup> According to Secretary Kerry, some of the P5 countries—in addition to Iran—wanted these restrictions lifted. Historically, Russia and China have sought to sell these dangerous weapons to Iran.

International technical assistance is critical to advancing Iran's missile program. As Secretary of Defense Ashton Carter recently testified: “The reason that we want to stop Iran from having an I.C.B.M. program is that the ‘I’ in ICBM stands for ‘intercontinental,’ which means having the capability of flying from Iran to the United States.” Countries build ICBMs for one reason—to deliver nuclear weapons.

With the lifting of the arms embargo, Iran will be able to buy and sell conventional weapons. Critics note that this will better allow Iran to bolster the Assad regime in Syria and arm its proxies in the region – including Shiite militias in Iraq. Just prior to this concession, Chairman of the Joint Chiefs of Staff Martin Dempsey testified: “Under no circumstances should we relieve the pressure on Iran” when it comes to the conventional arms embargo.

Under the Agreement—with the backing of the United States—European sanctions on the Iranian Revolutionary Guard Corps (IRGC) and the leader of its elite Quds Force, Qasem Soleimani are *removed* eight years after Adoption Day.<sup>28</sup> Soleimani is responsible for the deaths of hundreds of American troops serving in Iraq. Removing sanctions on Soleimani and the IRGC is so shocking that when the deal was first announced, many thought it was a mistake.

Additionally, sanctions imposed on key Iranian companies and individuals for their work on nuclear weapons are being lifted.

### **Sanctions “Snap-Back”?**

During the course of negotiating the Agreement, President Obama reportedly directed U.S. negotiators to try to focus on ways to put sanctions back in place (“snap back”) if Iran violates the terms of the deal. The outcome is a complicated and lengthy process that would make it very difficult to re-impose widespread global sanctions on Iran in the event of Iranian cheating.

The Agreement contains a complex mechanism for the “snap back” of U.N. sanctions if Iran does not satisfactorily resolve a dispute over its compliance.<sup>29</sup> Under the terms, the United States (or any veto-wielding member of the U.N. Security Council) would be able to block a U.N. Security Council resolution that would continue the lifting of U.N. sanctions despite Iran's refusal to resolve the alleged non-compliance. In that case, “...the provisions of the old U.N. Security Council resolutions would be re-imposed, unless the U.N. Security Council decides otherwise. The language of the snap back clause contains weaknesses. First, just as the Security Council Resolution endorsing the JCPOA will last for ten years after Adoption Day, so too will this particular provision.

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<sup>27</sup> See United Nations Security Council Resolution 2231, Annex B, Paragraphs 3-5.

<sup>28</sup> See Annex 2 of the Agreement.

<sup>29</sup> See Paragraphs 36 and 37 of the Agreement's “Sanctions”.

Moreover, the critical question is whether the cumulative impact of sanctions currently in force could ever be reconstituted after sanctions are lifted. This is because the effect of the sanctions has depended largely on the substantial degree of international enforcement since 2010. A wide range of countries depend on energy and other trade with Iran, making them reluctant to restore cooperation with U.S. sanctions unless Iran commits clear and egregious violations of its commitments. Countries that do not wish to re-impose their sanctions on Iran could argue that, because U.N. Security Council sanctions are lifted, they are no longer bound to cooperate with U.S. sanctions. With lucrative business opportunities already in place, these nations will be hard-pressed to revert to the status quo ante.

### **Rush to the U.N. Security Council**

Less than a week after the Agreement was reached, the United Nations Security Council unanimously adopted Resolution 2231 endorsing the JCPOA. The Obama Administration introduced the Resolution within days of the Agreement's announcement in Vienna, despite bipartisan opposition to this action in the Security Council prior to Congress having a chance to carry out its statutory 60-day review period. Joining Republicans, Democrats, including Senator Ben Cardin, the Ranking Member of the Senate Foreign Relations Committee; Steny Hoyer, the Minority Whip in the House; and Eliot Engel, the Ranking Member of the House Foreign Affairs Committee criticized the Administration's haste to circumvent Congress.

The Security Council Resolution, by endorsing the JCPOA and urging its implementation, implicitly calls on the United States to waive its statutory sanctions on Iran. However, that endorsement does not appear in any of the paragraphs that are clearly drafted to be binding under international law (where the Security Council "Decides, acting under Article 41" of the UN Charter). Thus, although the Administration will likely point to the UN Resolution in urging Members not to be out of step with the "international community," the UN action does not appear to have created a so-called international legal obligation for the U.S. to waive our statutory sanctions.

### **Congressional Review**

Congress enacted, and President Obama signed, the Iran Nuclear Agreement Review Act of 2015 (P.L. 114-17) in May 2015. Because the agreement was reached after July 10, the congressional review period is 60 days from the date of submission to Congress, which is to be within five days of finalization of the accord. The transmission is to include a report assessing the degree to which the United States will be able to verify Iranian compliance, as well as all annexes. No statutory sanctions can be waived for the review period. If a resolution of disapproval is passed by both chambers, President Obama could not waive sanctions for another 12 days during which he would presumably exercise his threat, stated on July 14, to veto a resolution of disapproval. Congress would have 10 days to try to override the veto, during which sanctions could not be waived. So, the maximum period during which statutory sanctions could not be waived is 82 days after receipt of the agreement.

On July 19, pursuant to the statute, the State Department transmitted to Congress the Joint Comprehensive Plan of Action, its annexes, and related materials. These documents include the Unclassified Verification Assessment Report on the JCPOA and the Intelligence Community's Classified Annex to the Verification Assessment Report, as required under the law. As such, the 60-day review period began on July 20.

## **The Clock**

- ✓ Submission date - July 19, 2015.
- ✓ Day 1 of 60 calendar day congressional review - July 20, 2015
- ✓ Day 60 of 60 calendar day congressional review - September 17, 2015.
- ✓ Barring any extensions for further congressional action, the President would be able to take action on the first moment of September 18, 2015.
- ✓ If both Houses pass a joint resolution of disapproval, the prohibition is extended by 12 calendar days.
- ✓ If the President vetoes a joint resolution of disapproval, the extension is 10 calendar days.

## **Appendix A: Timeline for Implementation of the Nuclear Agreement**

The Agreement outlines specified steps that are to take place, as follows:

- **Finalization Day: July 14, 2015.** Iran, China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the High Representative of the European Union for Foreign Affairs and Security Policy and Iran endorse the JCPOA. A U.N. Security Council Resolution that will endorse the JCPOA is to be submitted for adoption.
- **Adoption Day.** 90 days after endorsement of JCPOA by U.N. Security Council, or earlier by mutual consent.
- **Implementation Day.** Upon IAEA-verified implementation by Iran the several stipulated nuclear related measures (ex. reducing centrifuges), the United States, U.N. and EU will cease application of a wide range of sanctions on Iran.
- **Transition Day.** Eight years from Adoption Day or upon “Broader Conclusion” report from the IAEA Director General to the IAEA Board of Governors and U.N. Security Council, whichever is earlier. Additional EU entities removed from sanctions; U.S. required to de-list some additional Iranian entities subject to sanctions and seek legislative termination of sanctions suspended on Implementation Day.
- **UNSCR Termination Day.** 10 years from Adoption Day—provisions and measures imposed in U.N. Security Council Resolution endorsing JCPOA will terminate and Council would no longer be “seized” of the Iran nuclear issue.

## **Appendix B: Timeline of Negotiations**

- **2003:** Multilateral negotiations regarding Iran's nuclear program date back to 2003 after the International Atomic Energy Agency (IAEA) reported on the existence of clandestine nuclear facilities revealed at Natanz. In October of that year, Iran concluded an agreement with France, Germany, and the United Kingdom that contained provisions designed to alleviate international concerns regarding Iran's uranium enrichment and heavy-water reactor programs. Iran temporarily suspended aspects of its nuclear program and signed an Additional Protocol to its IAEA safeguards agreement, but also asserted its right to develop nuclear technology.
- **2006:** In January 2006, Tehran announced that it would resume research and development on its centrifuges at Natanz, and the regime abandoned any pretense of complying with international norms. The years following were marked by a Holocaust-denying Iranian President, Mahmoud Ahmadinejad, who pledged a determination to turbocharge Iran's nuclear capability (this included his development of a secret site buried under a mountain at Fordow) and to annihilate Israel.
- As part of the diplomatic efforts, the U.N. Security Council adopted several resolutions, requiring Iran to cooperate fully with an ongoing IAEA investigation of its nuclear activities, suspend its uranium enrichment program, suspend its construction of a heavy water reactor and related projects, and ratify the Additional Protocol to its IAEA safeguards agreement. Resolution 1929 also requires Tehran to refrain from "any activity related to ballistic missiles capable of delivering nuclear weapons" and to comply with a modified provision (called code 3.1) of Iran's subsidiary arrangement to its IAEA safeguards agreement. Several of these resolutions imposed economic and other sanctions on Iran.
- **2013:** In June, Hassan Rouhani was elected President with a mandate to remove the international sanctions that were crippling Iran's economy. President Obama's team immediately reached out to Rouhani – who had cast himself as a "moderate" – saying they wanted to engage in nuclear diplomacy with Iran. Negotiations with China, France, Germany, Russia, the United Kingdom, and the United States (collectively known as the "P5+1") began to accelerate.
- **Late 2013:** A November 24, 2013 "Joint Plan of Action" (JPA) laid out an approach toward reaching a long-term comprehensive solution to international concerns regarding Iran's nuclear program.
- **2014:** The two sides began implementing the JPA on January 20, 2014. Thanks to the JPA, Iran was able to access a cash windfall - including the repatriation of some \$700 million per month in hard currency from oil sales. Delays ensued, with two deadlines (July and November 2014) missed as world powers were unable to agree on terms.
- **2015:** On May 22, 2015, the Iran Nuclear Agreement Review Act of 2015 became law. The statute requires the Obama Administration to submit to Congress the nuclear agreement with Iran and related materials for a period of review.
- **2015:** On July 14, 2015, Iran and the "P5+1" finalized a "Joint Comprehensive Plan of Action" (JCPOA.)