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Options to Cease Implementing the Iran Nuclear Agreement

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Summary

In an October 13, 2017, announcement of a new U.S. strategy on Iran, President Donald Trump asserted that the 2015 multilateral nuclear agreement with Iran, the Joint Comprehensive Plan of Action (JCPOA), does not address the full range of potential threats posed by Iran, or permanently ensure that Iran cannot develop a nuclear weapon. Trump asserted that, by supporting terrorist groups in the Middle East region and furthering its ballistic missile program, “Iran is not living up to the spirit of the deal.” The President also announced that he would not certify to Congress under the Iran Nuclear Agreement Review Act (INARA, P.L. 114-17) that continued U.S. sanctions relief to Iran under the JCPOA is “appropriate and proportionate” to the measures taken by Iran to terminate its illicit nuclear program.

In his statement, the President asked Congress and U.S. allies to work to address the full range of U.S. concerns on Iran. The other powers that negotiated the accord with Iran—Russia, China, France, Britain, and Germany—assert that the JCPOA is succeeding in its core objectives and that its implementation should not be jeopardized. The President said that he might act under his own authority to extricate the United States from the JCPOA if Congress and U.S. allies fail to adequately address his concerns.

This report analyzes some the options the Administration and Congress might use to end or alter U.S. implementation of the JCPOA. These options, which might involve use of procedures in the JCPOA itself or INARA, are not necessarily mutually exclusive. Some potential implications of these options are analyzed as well. For details on the JCPOA and related issues, see CRS Report R43333, *Iran Nuclear Agreement*, by (name redacted) and (name redacted) and CRS Report RS20871, *Iran Sanctions*, by (name redacted) .

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Overview of the Issue

Press reports in August 2017 indicated that President Trump might not certify to Congress that all conditions for certification of compliance under the Iran Nuclear Agreement Review Act (INARA, P.L. 114-17)—which amended Section 135(d)(6) of the Atomic Energy Act of 1954 (42 U.S.C. 2160(e))—are being met.¹ The certification requirements are related to, but separate from, Iran’s nuclear obligations under the July 14, 2015, multilateral nuclear agreement (Joint Comprehensive Plan of Action, JCPOA). On October 13, 2017, the President announced a new U.S. strategy on Iran, and stated that he would not be certifying Iranian compliance under INARA when the next certification was due on October 15, 2017.²

Although the withholding of certification does not automatically end U.S. participation in the JCPOA, the presidential statement has left unclear whether the United States would remain in the JCPOA over the long term. The President has linked continued U.S. participation to congressional and allied action to address the deficiencies in the JCPOA that the President identified in his October 13 statement. There are several mechanisms or methods the Administration might use to cease implementing the JCPOA or to alter its implementation. The JCPOA was between Iran and the “P5+1” group of countries (United States, Russia, China, Britain, France, and Germany).

This report bases its analysis primarily on the text of key documents involved in the issue—the JCPOA itself;³ U.N. Security Council Resolution 2231 of July 20, 2015,⁴ which endorsed the JCPOA; and the Iran Nuclear Agreement Review Act (INARA, P.L. 114-17, of May 22, 2015).

Presidential Decision to Cease Implementing the JCPOA

Since the Trump Administration took office, senior U.S. officials have asserted that the JCPOA does not address the full range of potential threats posed by Iran. On August 1, 2017, Secretary of State Tillerson told a press briefing: “The conversation on Iran does not begin and end with the JCPOA, the nuclear agreement, and I think if there’s one thing I hope I can help people understand it’s that agreement dealt with a very small slice of Iran’s threats, and that was their nuclear program.”⁵ On September 5, 2017, U.S. Ambassador to the United Nations Nikki Haley addressed a Washington, DC, think tank, saying, “The truth is, the Iran deal [JCPOA] has so many flaws that it’s tempting to leave it.”⁶ In his speech to the U.N. General Assembly on September 19, 2017, President Donald Trump said

We cannot let a murderous regime continue these destabilizing activities while building dangerous missiles, and we cannot abide by an agreement if it provides cover for the eventual construction of a nuclear program. The Iran Deal was one of the worst and most

¹ Gardner Harris. “Trump’s Vow to Scrap Nuclear Deal May Have a Hitch: A Compliant Iran.” *New York Times*, August 28, 2017.

² White House Office of the Press Secretary. “Remarks by President Trump on Iran Strategy.” October 13, 2017.

³ The text of the JCPOA can be found on the website of the Department of State at <https://www.state.gov/e/eb/tfs/spi/iran/jcpoa/>.

⁴ The text of Security Council Resolution 2231 is at the following link: http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/s_res_2231.pdf.

⁵ Department of State. Remarks by Secretary of State Rex Tillerson at a Press Availability, August 1, 2017.

⁶ Ambassador Nikki Haley’s Remarks on Iran and the JCPOA. American Enterprise Institute, September 5, 2017.

one-sided transactions the United States has ever entered into. Frankly, that deal is an embarrassment to the United States, and I don't think you've heard the last of it, believe me.⁷

On October 13, 2017, President Trump announced a new U.S. strategy on Iran,⁸ based on a six-month policy review of all aspects of Iran policy, including the JCPOA. The President held out the possibility that he might terminate U.S. participation in the JCPOA if certain conditions are not met, stating that

By its own terms, the Iran Deal was supposed to contribute to “regional and international peace and security.” And yet, while the United States adheres to its commitment under the deal, the Iranian regime continues to fuel conflict, terror, and turmoil throughout the Middle East and beyond. Importantly, Iran is not living up to the spirit of the deal.... That is why I am directing my administration to work closely with Congress and our allies to address the deal's many flaws so that the Iranian regime can never again threaten the world with nuclear weapons.... However, in the event we are not able to reach a solution working with Congress and our allies then the agreement will be terminated. It is under continuous review, and our participation can be cancelled by me, as President, at any time.

The President appears to be attempting to use potential U.S. nonparticipation in the JCPOA as leverage to garner the support of Congress and of other P5+1 governments to address key concerns, including the expiration of nuclear restrictions of the JCPOA, Iran's missile program, and Iran's support for regional armed factions. The latter two aspects of Iranian behavior are not addressed in the JCPOA, but are subject to restrictions by United Nations Security Council Resolution 2231. The Resolution requires that, for a maximum period ending in October 2020, any Iranian importation of specified weapons systems requires explicit approval of the Security Council and exportation of any arms from Iran is banned. For a maximum period ending in October 2023, the Resolution calls on (but does not require) Iran to refrain from developing, including testing, ballistic missiles “designed to be capable of delivering nuclear weapons.” These restrictions would end, earlier than the maximum deadlines, upon a “Broader Conclusion” by the International Atomic Energy Agency (IAEA) that all nuclear material in Iran remains in peaceful activities.⁹ And, these provisions of Resolution 2231 have not had significant effect: Iran has engaged in numerous ballistic missile tests since the JCPOA began implementation in January 2016. Both Obama and Trump Administration officials have termed the tests as “defiant of” and “inconsistent with” the Resolution rather than outright violations. Iran continues to openly supply several governments and factions in the Middle East region with arms, appearing to clearly violate Resolution 2231.

The JCPOA does not specifically provide for any party to the agreement to “withdraw.”¹⁰ Although European and other diplomats argue that Resolution 2231 makes the agreement binding on all parties under the U.N. Charter, officials in the Obama Administration asserted that the JCPOA is a nonbinding political commitment,¹¹ and Trump Administration officials continue to

⁷ White House Office of the Press Secretary. Remarks by President Trump to the 72nd Session of the United Nations General Assembly. September 19, 2017.

⁸ White House Office of the Press Secretary. “Remarks by President Trump on Iran Strategy.” October 13, 2017.

⁹ These restrictions are contained in Annex B of Resolution 2231.

¹⁰ Some of this section is taken from a legal analysis of this option provided in: CRS Report R44761, *Withdrawal from International Agreements: Legal Framework, the Paris Agreement, and the Iran Nuclear Agreement*, by (name redacted)

¹¹ Letter from Julia Frifield Assistant Secretary of State for Legislative Affairs, to then-Rep. Mike Pompeo, November 19, 2015.

make that assertion. As President Trump noted in his October 13 speech, he could announce a cessation of U.S. implementation of the accord and he could reimpose all or some of the U.S. sanctions that were revoked or suspended to implement the deal. He could reinstate those sanctions imposed by Executive Order, decline to continue waiving provisions of sanctions laws, or redesignate for sanctions entities that were “de-listed” from sanctions to implement the JCPOA. It is unlikely that the President would require the approval of Congress for these courses of action.

A decision to reimpose most or all U.S. sanctions would likely encounter criticism from officials of other JCPOA parties, as well as Iran. European Union diplomats view the JCPOA as a binding international commitment. In the immediate aftermath of President Trump’s October 13 speech, Britain, France, and Germany (the three European countries that negotiated the JCPOA alongside the United States) issued a statement that “Preserving the JCPOA is in our shared national security interest,” while expressing a willingness to work with the United States to address concerns about Iran’s ballistic missile program and regional activities.¹²

Iranian leaders indicate within the JCPOA how they would expect to react to a unilateral U.S. decision to reimpose those sanctions that were lifted or suspended. Paragraph 26 states: “... Iran has stated that it will treat such a reintroduction or reimposition of the sanctions specified in Annex II, or such an imposition of new nuclear-related sanctions, as grounds to cease performing its commitments under this JCPOA in whole or in part.”¹³ Following President Trump’s October 13, 2017 speech, Iranian President Hassan Rouhani stressed that Iran intended to remain in the JCPOA and to continue complying with it.

Use of JCPOA Provisions

The Trump Administration could conceivably use provisions of the JCPOA itself to cease U.S. implementation of its commitments under the agreement. Paragraph 36 of the JCPOA outlines a complex “Dispute Resolution Mechanism” under which any party to the agreement can assert that another party is violating the accord and seek to resolve the issue. The JCPOA mechanism outlines a process by which Iran can resolve such a dispute but provides that, “if the complaining participant deems the issue to constitute significant nonperformance, then that participant could treat the unresolved issue as grounds to cease performing its commitments under this JCPOA....”¹⁴ The dispute resolution mechanism also provides for the United States to be able to “snap back” all U.N. sanctions that were in place prior to Implementation Day of the JCPOA (January 16, 2016).¹⁵ The United States is a veto-wielding permanent member of the U.N. Security Council, and the dispute resolution mechanism enables any veto-wielding member to block a U.N. Security Council resolution that would continue the lifting of U.N. sanctions.

The dispute resolution mechanism generally refers to the ability of any party to complain about potential nonperformance of only those issues that are directly addressed in the JCPOA—and not issues that are not covered by the agreement, such as ballistic missiles development or Iran’s regional activities. The International Atomic Energy Agency (IAEA) is the international body that is charged with monitoring and verifying Iran’s nuclear commitments. A U.S. accusation of Iranian noncompliance—in the absence of supporting evidence from the IAEA—would

¹² Declaration by the Heads of State and Government of France, Germany, and the United Kingdom. October 13, 2017.

¹³ Paragraph 26 of the JCPOA.

¹⁴ Paragraph 36 of the JCPOA.

¹⁵ Paragraph 37 of the JCPOA.

undoubtedly raise questions among other parties to the JCPOA about the U.S. accusations against Iran. The text of the JCPOA dispute resolution mechanism does not address the ability of any JCPOA party to accuse another of violating non-nuclear aspects of the accord.

Iranian Compliance with the JCPOA

On January 16, 2016, IAEA Director General Yukiya Amano reported to the agency's Board of Governors that Iran had implemented the nuclear measures required for the JCPOA's "Implementation Day." The agency has continued to monitor Iranian compliance with the agreement's nuclear-related requirements; all subsequent reports, the most recent of which Amano issued on August 31, 2017, document Iranian compliance with these obligations.¹⁶ Although the IAEA reports findings of its inspection and monitoring activities and the JCPOA-established Joint Commission monitors the parties' implementation of the agreement, compliance determinations are national decisions. Secretary of State Rex Tillerson certified on July 17, 2017, that Iran had complied with the JCPOA and had "not taken any action, including covert activities, that could significantly advance its nuclear weapons program"—a reiteration of past U.S. assessments.

Although these reports and Tillerson's certification indicate that Iran has not engaged in any JCPOA-prohibited activities, the agreement describes arrangements for agency inspectors to gain access to Iranian sites, including military sites, other than those that Tehran has declared to the agency, "if the IAEA has concerns regarding undeclared nuclear materials or activities, or activities inconsistent with" the JCPOA. Should such concerns arise, the IAEA is to "provide Iran the basis for such concerns and request clarification." The IAEA could request access to the site if Iran's explanation does not sufficiently clarify the matter. The JCPOA provides for a process to resolve the issue in question if Tehran initially declines to provide access to the site. Iran allowed the IAEA to visit the Parchin military site in September 2015 as part of an agreed process for resolving IAEA concerns about possible past Iranian military-related nuclear activities.

Amano's August report states that the IAEA has continued verification and monitoring of the restrictions described in Section T of the JCPOA, which prohibits a number of nuclear-weapons-related activities.¹⁷ The IAEA has not reported whether it has requested access to any Iranian military facilities, but the agency has a number of methods other than inspections, such as analyzing open source information and receiving intelligence briefings from governments, to monitor Iranian compliance with these and other JCPOA commitments.

U.S. officials have expressed concern regarding Iran's accumulation of heavy water. According to the JCPOA, Iran has committed to refrain from accumulating heavy water "beyond Iran's needs"—an amount which the JCPOA specified is 130 metric tons of "nuclear grade heavy water or its equivalent in different enrichments" prior to commissioning the redesigned Arak reactor. Tehran is to "sell any remaining heavy water on the international market for 15 years." Iran's stock of heavy water has exceeded 130 metric tons on two occasions since the JCPOA began implementation. On February 17, 2016, the IAEA verified that Tehran's heavy water stock had exceeded 130 metric tons; on November 8, 2016, the IAEA verified that Iran's stock of heavy water had again exceeded the JCPOA limit. Iran resolved the issue on both occasions by exporting the excess heavy water. Iran has sent this material to Russia and the United States, shipping at least some of it via Oman. The IAEA verified on August 7, 2017, that Iran had 111 metric tons of heavy water.¹⁸

Use of INARA Provisions

The INARA law gives the Administration a number of options to cease or alter U.S. implementation of the JCPOA.

¹⁶ *Verification and Monitoring in the Islamic Republic of Iran in Light of United Nations Security Council Resolution 2231 (2015)*, GOV/INF/2016/1, January 16, 2016, and *Verification and Monitoring in the Islamic Republic of Iran in Light of United Nations Security Council Resolution 2231 (2015)*. Report by the Director General, International Atomic Energy Agency, GOV/2017/35, August 31, 2017.

¹⁷ Ibid.

¹⁸ Ibid.

Material Breach Report

INARA authorizes the President to provide Congress with “credible and accurate information relating to a potentially significant breach or compliance incident by Iran ...” and, within 30 days of submitting such information, to determine whether the Iranian breach “constitutes a material breach” and whether Iran has “cured such material breach.”¹⁹ Under INARA, an Administration confirmation of an uncured material breach of the JCPOA by Iran would trigger expedited procedures for congressional consideration of legislation that would reimpose those U.S. sanctions that have been waived to implement the JCPOA—and prevent further such waivers. A summary of the expedited procedures is provided in the text box at the end of this report.

An Administration report to Congress of a material breach by Iran would almost certainly prompt other P5+1 parties to question whether U.S. assertions are corroborated by similar findings by the IAEA. The INARA material breach report does not appear to provide for the Administration to accuse Iran of an uncured breach on any grounds other than compliance with the nuclear commitments of the JCPOA. Other P5+1 parties might also question whether the United States has provided information on any potential Iranian breach to the IAEA for further investigation under the dispute resolution mechanism discussed above. If the Administration has not provided such information to the IAEA for investigation, its not doing so would likely raise questions about the credibility of the information or the motives of the Administration in reporting such accusations to Congress separately.²⁰

Compliance Report

INARA requires the Administration to certify, every 90 days, that all of four main conditions of Iranian compliance have been met. The four points are that (1) Iran is verifiably and fully implementing the JCPOA; (2) Iran has not committed an uncured material breach; (3) Iran has not taken any action that could advance a nuclear weapons program; and (4) continued suspension of sanctions (including issuance of waivers of applicable sanctions laws) is (a) appropriate and proportionate to the specific and verifiable measures taken by Iran with respect to terminating its illicit nuclear program and (b) vital to the national security interests of the United States. These provisions raise the possibility of several courses of action.

Certification Renewed and U.S. Sanctions Waivers Continued

President Trump had the option of certifying that all four INARA compliance conditions are met and renewing the waivers of the several secondary sanctions provisions that were issued to implement the JCPOA. Such waiver renewals must be separately transmitted to Congress to comport with the requirements of the sanctions laws that were waived to implement the JCPOA.²¹

¹⁹ Text of INARA.

²⁰ Richard Nephew. “Will Trump Recertify Iran? Much Hangs in the Balance.” *Bulletin of the Atomic Scientists*, August 23, 2017.

²¹ The latest such waiver notification was transmitted to Congress on July 17, 2017, simultaneous with an Administration certification of Iranian compliance. Letter from Charles Faulkner of the State Dept. Bureau of Legislative Affairs to Senate Foreign Relations Committee Chairman Bob Corker. July 17, 2017. The waivers required are for the following provisions: Section 1244(i), 1245(g), 1246(e), and 1247(f) of the Iran Freedom and Counter Proliferation Act of 2012 (P.L. 112-239) – every 180 days; Section 1245(d) of the National Defense Authorization Act for FY2012 (P.L. 112-81), every 120 days; Sections 212(d)(1) and 213(b)(1) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (P.L. 112-158), every six months; and the Iran Sanctions Act of 1996 (P.L. 104-172), every six months.

The waivers for those laws that were suspended are due for renewal in mid-January 2018, as discussed in CRS Report RS20871, *Iran Sanctions*, by (name redacted) .

Certification Withheld and Some or All U.S. Sanctions Reimposed

The President had the option of withholding certification of Iranian compliance on any of the grounds stipulated by INARA. His October 13, 2017, speech stated that he would withhold certification on the grounds that he cannot certify that continued sanctions relief is “appropriate and proportionate” to the measures taken by Iran to terminate its illicit nuclear program. Explaining this decision, the President argued that the JCPOA provided “urgently needed relief from the intense domestic pressure the sanctions had created” and also allowed Iran to “sprint towards a rapid nuclear weapons breakout” after the time-bound restrictions on Iran’s nuclear program end. President Trump also asserted that Iran has not complied with the “spirit” of the agreement and has violated some JCPOA nuclear-related provisions. The latter claims contradict statements described above from the IAEA, other P5+1 members, and the U.S. government.

Secretary Tillerson wrote in an October 13 letter to Congress that he was “unable to certify” that “continued suspension of [U.S.] sanctions” is “appropriate and proportionate to the specific and verifiable measures taken by Iran with respect to terminating its illicit nuclear program.” Trump “has requested that Congress instead work with the Administration to directly address the JCPOA’s flaws by amending and strengthening the relevant portions” of INARA, the letter said, adding, “[w]e should work together toward a solution that prevents the emergence of a nuclear-armed Iran and prevents Iran from further developing intercontinental ballistic missiles that undermine regional and international peace and security.” U.S. Ambassador Robert Wood stated during an October 23 U.N. meeting that the United States “will work closely with our international partners and the U.S. Congress to explore options for addressing the [JCPOA’s] flaws,” adding that “[i]n the meantime, the United States will continue to meet its commitments under the JCPOA and will hold Iran strictly accountable for each and every one of its commitments as well.”

President Trump did not indicate that he would immediately reimpose sanctions under his own authority as of now. But the decision not to certify Iranian compliance gives Congress the opportunity to act on legislation to reimpose U.S. sanctions under the expedited procedures prescribed in INARA. INARA contains a provision under which sanctions reimposed by the INARA process cannot be waived or otherwise not implemented by the President.

If U.S. sanctions are reimposed, Iran might potentially use the justification in Paragraph 26 of the JCPOA to cease performing its nuclear commitments. Iran’s reaction might depend on whether other parties to the JCPOA, and companies in those countries, reimpose sanctions or exit the Iran market in response to the reimposition of U.S. sanctions.

Redesignating “De-Listed” Entities for Sanctions

As an alternative to reimposing those sanctions provisions that have been waived or revoked, the Administration could instead restore the “Specially Designated National” (SDN) designation to some of the many entities that were “de-listed” to implement the JCPOA. The entities that were de-listed are those that involve Iran’s civilian economy, such as banks, shipping firms, insurance entities, civilian manufacturers, and energy-related entities. Redesignating such entities would resume the application of some U.S. secondary sanctions to those entities, including provisions of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA, P.L. 111-195) that close the U.S. financial sector to third-country financial institutions that conduct transactions with Iran-related SDNs.

Iran's reaction to redesignation of listed entities would likely depend on how the Administration implemented this option. Redesignation of a few entities that are marginal to Iran's economy might not cause Iran to cease implementing its commitments. However, redesignation of entities that are crucial to Iran's economy, such as the Central Bank of Iran, the Islamic Republic of Iran Shipping Lines (IRISL), Iran Air, or the National Iranian Oil Company (NIOC), could cause Iran to assert that the United States has breached the agreement.

Certification Withheld but Sanctions Are not Reimposed

Despite President Trump's withholding of certification of Iranian compliance, Congress might not act to reimpose sanctions under INARA. INARA does not require the Administration to reimpose U.S. sanctions if there is no certification of compliance. President Trump might renew the waivers of U.S. sanctions laws and otherwise decline to reimpose any sanctions that were suspended to implement the JCPOA, whether or not Congress legislates measures to address the JCPOA's weaknesses. The use of this option would therefore keep the United States in the JCPOA.

If sanctions are not reimposed, Iran is likely to continue to implement its commitments under the agreement. Iranian leaders would undoubtedly challenge a withholding of U.S. compliance certification, but Iran likely would continue to implement the agreement as long as sanctions are not reimposed and its economy is, therefore, not damaged by them.

Expedited Congressional Procedures

In the absence of the required certification, or after a presidential determination of noncompliance or an uncured breach, a House or Senate party floor leader may introduce, within 60 calendar days, a bill (with stipulated text) to reinstate sanctions. The bill is subject to expedited congressional procedures (though each chamber could choose to use its existing procedures instead). Committees that are referred the bill are automatically discharged if it has not been reported after 10 legislative days (House) or session days (Senate).

In the House, on or after the third legislative day after reporting/discharge, a majority could agree to a nondebatable motion to bring up the bill. In the Senate, after reporting/discharge, a majority could agree to a nondebatable motion to bring up the bill; no cloture process, with its associated three-fifths vote threshold, is necessary for the Senate to do so.

House floor consideration is limited to two hours. The Senate limit on floor consideration is 10 hours; thus, a numerical majority could pass the bill without the need for three-fifths to first invoke cloture. (A majority could also agree to a nondebatable motion to spend less time on the bill.) Floor amendments are precluded in both chambers. Other procedures would expedite second-chamber consideration of a bill received from the other house.

A bill agreed to by both chambers is subject to presidential veto, which can be overridden by two-thirds vote in both chambers. (Senate consideration of the veto message is limited to 10 hours; no cloture process would be required to reach the override vote.) For more information, see "Legislation to Reinstate Sanctions" in CRS Report R44085, *Procedures for Congressional Action in Relation to a Nuclear Agreement with Iran: In Brief*, by (name redacted) and (name redacted)

Source: INARA congressional review provisions, 42 U.S.C. 2160(e).

Possible Implications of U.S. Withdrawal

The possible implications of a U.S. decision to cease implementing the JCPOA by reimposing U.S. sanctions on Iran are varied and extensive, and in many ways dependent on the reactions of Iran and of U.S. allies and partners to that decision. Some possible implications are as follows:

- The European Union countries as well as Russia, China, and other major Iran trading partners might continue implementing their JCPOA commitments, as they

have vowed to do in the aftermath of President Trump's October 13, 2017, speech. Furthermore, the EU and other countries could attempt to shield their firms from any U.S. penalties—through such actions as blocking regulations or the World Trade Organization complaint process—for conducting transactions with Iran that violate reimposed U.S. sanctions. Should major international firms remain in the Iran market and Iran's economy not be significantly damaged, it might be possible to sustain the JCPOA without U.S. participation. Yet, Iran's reaction might depend not only on the economic impact of the reimposition of U.S. sanctions, but also on the extent to which Iranian JCPOA supporters, particularly President Hassan Rouhani, can maintain domestic support for the agreement.

- It is possible that governmental efforts to sustain the JCPOA without U.S. participation would fail. Major international firms, when threatened with U.S. penalties or being shut out of the large U.S. market, might exit the Iran market and cause Iran's economy to resume its pre-JCPOA deterioration. Iranian leaders might argue that Iran is no longer benefitting from complying with the JCPOA and then resume those nuclear activities that are restricted under the accord. Iran did not comply with major provisions of U.N. Security Council resolutions while sanctions imposed by those resolutions were in place. Whether and to what extent any post-JCPOA sanctions could induce different Iranian behavior is unclear.
- If the JCPOA does collapse, Iran could resume all or portions of its JCPOA-limited nuclear program by, for example, reinstalling centrifuges, increasing centrifuge production, or producing enriched uranium containing more than the JCPOA-permitted amount of uranium-235. Iran could also undertake new undeclared nuclear activities and/or resume its nuclear weapons program.²² Whether Tehran would be able to do so un-detected would depend on both the nature of the activities, whether and to what extent Iran would disallow IAEA monitoring, and the capabilities of various governments' intelligence services. It is worth noting that, even if Iran were to stop implementing its JCPOA obligations, the government would still be bound by its IAEA comprehensive safeguards agreement and the nuclear Nonproliferation Treaty.
- There is potential for Iran to react to a U.S. pullout from the JCPOA in ways unrelated to the substance of the agreement. Iran could, for example, increase the scope and pace of its ballistic missile tests, perhaps in part to demonstrate that reimposed sanctions do not affect that strategic capability. Iran might also try to expand its support to regional armed factions and groups to enhance Iran's regional reach. However, Iran's regional influence is arguably subject to a wide range of factors other than those related to its financial resources and sanctions relief.
- It is possible President Trump's threat to end U.S. implementation of the JCPOA unless its weaknesses are addressed could produce international support to try to compel Iran to renegotiate the JCPOA or to negotiate a separate agreement. On September 19, 2017, Secretary of State Tillerson indicated that a new negotiation should address U.S. concerns particularly about the expiration of the primary

²² Iran ended its nuclear weapons program in late 2003 and never completed some steps necessary for building such a weapon; CRS is not aware of any public official evidence of a bureaucratic apparatus for developing nuclear weapons. For more information, see CRS Report RL34544, *Iran's Nuclear Program: Status*, by (name redacted)

nuclear restrictions of the JCPOA, as well as about Iran’s missile program and its “destabilizing” actions in the region.²³ During the U.N. General Assembly meetings in September 2017, one P5+1 leader, French President Emmanuel Macron, responded to U.S. criticism of the JCPOA by indicating some support for a new negotiation that might produce a new accord or amended JCPOA that addresses U.S. concerns.²⁴ Macron, however, did not express support for U.S. nonparticipation in the JCPOA. Some press reports indicate that some Iranian officials have expressed in diplomatic meetings a willingness to potentially negotiate new restrictions on Iran’s missile program, for example on allowed ranges of such missiles.²⁵

- Should Congress not enact legislation to reimpose pre-JCPOA sanctions, it is possible that Congress might act on new legislation that might address the weaknesses of the JCPOA. On October 13, Senate Foreign Relations Committee Chairman Bob Corker and Senator Tom Cotton released an outline of legislation that would address some of the President’s concerns by setting up a trigger to automatically reimpose U.S. sanctions at any time that Iran violates existing JCPOA nuclear restrictions—even after the restrictions expire under the JCPOA. As another example, Congress might act on H.R. 1698, which adds sanctions on entities that help Iran’s ballistic missile program and on persons or governments that provide Iran with conventional arms or receive Iranian arms. The House Foreign Affairs Committee marked up that bill on October 12.

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²³ “Iran Nuclear Deal Must Change, Says Tillerson.” *Asia Times*, September 20, 2017.

²⁴ Ibid.

²⁵ <https://www.reuters.com/article/us-iran-nuclear-usa-irgc/iran-hardliners-pragmatists-show-unity-in-response-to-trump-idUSKBN1CF0R0>.

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