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Transcript

**IRAN: ASSESSING PROSPECTS FOR A  
COMPREHENSIVE AGREEMENT**

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**GEORGE PERKOVICH**

For months we've been saying what are we going to do on Iran, what do you want to do on Iran. At one point we contacted two of the lead Iranian negotiators who we know and said would you like to come to the Carnegie conference. This gave us some indication - they said we probably won't be available then. They were right. We talked about US officials talking about this issue, they also said they wouldn't be available but if it wasn't done weren't going to talk about it.

We gradually focused on the congress, in particular the Senate. Our interest in that grew with the dissemination of a letter by 47 of our Senators to the Supreme Leader of Iran that this would be great to talk about.

So we went about securing the participation of one of the leaders in the Republican Party who didn't sign the letter and who had been a very engaged and open leader on this topic. He was interested to do it. Then as we had announced at the end of last week Senator Tim Kaine who is the ranking minority member in the Foreign Relation Committee and the Sub Committee on the Middle East agreed to be here.

The idea was that we were going to have a conversation with them. Subsequently it's turned out as often happens with the Senate that they are voting now. And you don't win re-election for the Senate if you miss votes because then your opponent's runs commercials taking pictures of you at a conference like this hanging out with people like you rather than voting on the behalf of their constituents back home.

As a consequence both senators are up on the Hill voting and what I propose to do, don't worry, we've moved up the reception so you will get drinks sooner than had been previously planned. I also understand that if I were standing over there rather than here I'd be a dead man by now due to the stampede to the bar.

What we thought we would do is at least have kind of a group discussion about Iran, asking you and discussing amongst ourselves some of the questions that I was going to ask the Senate. On a lot of these issues, at least I feel, similar to the discussion, the session that we just had, these are highly debatable propositions that your policy in a way depends upon.

What I'm going to suggest is I will raise some of these questions and we'll basically just have a discussion. We have a number of the volunteers whom I had thanked and whom you had thanked earlier around, so we've got a lot of microphones and we can do this in a pretty efficient way.

The first question that I was going to ask the senators but now I will ask you, do any of you think that it is feasible to motivate Iran to accept an agreement that allows them to do no enrichment? Does anybody think that that's feasible? If you do seriously then we want to understand and take us through how that would work. Somebody must think it's feasible. If that many people in the US Senate think that that should be our position it's very interesting that nobody here thinks it is.

**UNIDENTIFIED SPEAKER**

[Inaudible]

**GEORGE PERKOVICH**

All right, but that's useful and helpful but that isn't the position that...what's that?

**ARIEL (ELI) LEVITE**

[Inaudible] 2000 military assets before, because if you don't bomb them they would restart it so I mean it would never work. And I think even with the sanctions you can't do that so it's no way.

**GEORGE PERKOVICH**

The proposition when there was a Prime Minister of Israel on the Hill is not that you get them to accept zero enrichment by bombing them it's that they agree... Eli, if anybody can come up with this it will be he, but let's see.

**ARIEL (ELI) LEVITE**

At the beginning of the negotiations the Iranians had floated ideas that there would be some kind of a consortium on their territory. It would not be indigenous Iranian production exclusively in some fashion and so on.

If you ask me should the position have been, now in retrospect, rather than allowing an indigenous Iranian production of say 6,000 or whatever it is to accept an international consortium that enriches on their territory. I would have gone for that arrangement. I think that what we miss out is by framing it as an Iranian indigenous one of zero as distinguished by an international consortium.

**GEORGE PERKOVICH**

It's March 24th and depending on how you count the deadline it's either March 31st or July 1st or whatever so has that opportunity passed?

**ARIEL (ELI) LEVITE**

The question is whether one can actually talk about an evolution. Where you would say all right, 6,000 we tolerated but at the stage where you want to scale it up to 60,000 it can no longer remain Iranian.

**GEORGE PERKOVICH**

That's a different proposition.

**ARIEL (ELI) LEVITE**

But that's not in the discussion.

**GEORGE PERKOVICH**

No, great, he's creative. So there weren't a lot of takers on that which is interesting because there's a widely felt position on the Hill that that really is the benchmark and the standard, is no enrichment, there's legislation saying basically that a deal that allows any enrichment won't be acceptable. So that's interesting.

On the question of verification, and there are a lot of verification experts here so there is a piece of it I wanted to ask about and maybe we can get a discussion. I think it's fairly well understood what would be desirable and probably necessary in terms of access in Iran. In particular to build confidence that there would not be undeclared facilities.

The question that I think has been a struggle, and it's harder, maybe people here know how to answer it, is how do you simultaneously get the discretion, the opportunity, the permission as it were, to have that kind of inspections regime and reassure the Iranians that there will be some kind of due process?

In other words it won't be a constant fishing expedition and intelligence gathering expedition. An unending process of saying now we want to go here, now we want to go there. A kind of constant process. That's one of the concerns they have is if it's unending and there's no kind of rule to guide the process of deciding when and where you get to go, what country would accept that?

Do people have an idea about how you could meet both of those interests, international interests for lots of access to lots of places, including potentially military facilities and in Iranian and other countries interests and having some kind of due process. Are there any analogies, what do people who work on verification think? Ed Levine.

### **ED LEVINE**

You could build a little bit of ambiguity into the verification scheme by saying the IAEA had unlimited rights but would be expected to exercise those rights in a manner that did not unnecessarily impede, fill in the blank. Then you have a joint commission to which Iran could take its concerns if the IAEA were inspecting in too much of a random and impeding basis. Now that would now give them much because they would probably lose anything where push came to shove, but it would give them the opportunity to complain, march and chowder.

### **GEORGE PERKOVICH**

Thoughts on that? Does anybody know, has anybody leaked kind of what's being thought of about this? This is one of those topics that with all of the focus on enrichment there hasn't been much, at least public discussion on this, and I know it's super important. Is there anybody who won't go to jail for telling us, have an idea, or be prosecuted if not go to jail? Anybody got more of a sense, Ed has an idea, anything else on this? Yes. Mustafa.

### **MUSTAFA KIBAROGLU**

This is Mustafa Kibaroglu from MEF University Istanbul. I have been studying Iran's nuclear program for the last 20 years and I have written extensively on the issue. And I believe including your first question there are two precedents, one is the EU3 process back in 2003 - 2005, and also there is this so called notorious Tehran Declaration thing.

The latter of which was a confidence building measure, a deal cut with the work of Turkey, Brazil, and of course Iran, which aimed at building confidence that would be followed by several other steps that have not been mentioned in the text of the declaration. Through my conversations with people who were involved in the process more was to come including putting a cap on enrichment at a later stage and soon to follow, not in the far distant future.

Iranians, well by the way I can say this quite publicly because I have written extensively, as I said I personally believe that Iran wants to have the bomb. But they are also clever enough not to take any steps further at a time when they are already being treated as if they has nuclear weapons already, not only being treated as a high class prestigious state, P5+1 negotiations. But also they are being really scared; Gulf countries in the region are scared to death seeing Iran advancing its capability.

So what would they gain by weaponising their capabilities? They would probably be punished if they did this. However they will gain by staying at the threshold level or maybe close to the threshold. As has been the case with the E.U.-3 experience back in the 2003- 2005 period and also which was the only case that I know of that included Iran's signature on it, since the beginning of the millennium.

In my opinion the declaration was a wasted effort but it was an important effort. Iran may agree to some conditions provided that they are taken more seriously and they are given more roles in the geopolitical...

**GEORGE PERKOVICH**

But that's a different issue, Mustafa, that's an issue about the logic of why they would do something or uphold it. But I think what we're clear about at least here, but I think internationally is this is going to be based on distrust and...

**MUSTAFA KIBAROGLU**

Let me finish by saying, George, that they allowed a verification during this 2003-2005 process. Also with respect to the Parchin military base they said a facility one time inspection and they allowed 88 people. Well of course maybe at a time when there was nothing to be found there. So I think this - you mentioned whether there was an analogy, whether there is a precedent, I believe these are the two cases where some people can draw some lessons for the future.

**GEORGE PERKOVICH**

There's a lady who I can't see but I saw her hand, there you go.

**LAURA ROCKWOOD**

Yes, Laura Rockwood, as you might imagine George. I've heard this idea of a supra-commission, a joint commission that might be put in place that would second guess the IAEA's verification. I would propose that is extremely counterproductive if what you want is an IAEA that is technically credible, supported by its member state, and not to be second guessed by a political body. An example of where it worked very well was 2003 and Iraq.

Now it certainly wasn't the IAEA's fault that the world went to hell in a hand basket so I don't think imposing a supra-commission above the IAEA's technical judgement is a good idea. In fact I think it is a counter productive and bad idea in the long term, not to put too fine a point on it.

**GEORGE PERKOVICH**

Thank you, that's very helpful. It's always helpful what not to do because I think people have been tempted by that idea but then...Any more, Bob Einhorn, thank you.

**ROBERT EINHORN**

A lot of people talk about anywhere anytime inspections. That's happened once, it happened in the case of a country that was defeated on the battlefield, that was Iraq in the first Gulf War. The result was Security Council Resolution 687 created the IAEA action team in UNSCOM.

You had a number of alpha males who were in charge of inspecting Iraq with no notice, they were breaking in the doors and so forth. If a country hasn't been defeated in the battlefield you're not going to get those kind of inspection rights.

We know that the IRGC has been opposed to inspectors having access to military installations. Any agreement that prevented inspectors going to military installations would be unacceptable to any of the P5+1 countries.

There are a number of precedents that can be drawn upon, there is the additional protocol and its complementary access which does provide access to military installations if there's a reason to go there. There's a CWC which has intrusive verification.

My own view, and I agree with Laura that nobody should substitute for the IAEA, they have great expertise in the nuclear area, but this should be a sui generis inspection regime. I think it has to meet particular needs in a country that has a rather chequered track record in terms of compliance. I think it has to be very very robust but there are managed access arrangements that have been employed by a number of different inspection organisations.

In the US Russia, US Soviet arms control experience you have incredibly intrusive verification arrangements. You can take off the top of nose cones of missiles and count warheads. They may be shrouded with different kinds of cassis. That's reciprocal so it's more difficult; Iran is loathe to go well beyond inspection arrangements that other countries are unwilling to accept.

It's prepared to do the additional protocol. It's probably prepared to go beyond additional protocol, it's not prepared to say beyond additional protocol. It will say we're accepting a broad interpretation of the additional protocol.

I think this is one of the things that if there is a political framework worked out by the end of this month one of the things that's going to take a lot of time is working out these inspection arrangements by the end of June.

My own view is don't grab a model from some convention, establish a sui generis approach that has no part of Iran off limits although allows Iran to conceal items that are generally sensitive and not related to the subject matter of this agreement.

## **GEORGE PERKOVICH**

Any other ideas on this, and probably I belabour and Bob made a reference, I mean he talked about the framework agreement or comprehensive agreement whose deadline was either yesterday or 31st or, I don't know any other definitions of it. But then there are supposed to be the technical negotiations thereafter.

I think insofar as the US Congress is going to be important in this process and I think if Senator Corker and Senator Kaine had been here they both would have said Congress is going to have to play a role. It's not just Senator Corker who has a bill to this effect but Senator Kaine the Democrat has also taken that position.

They are definitely going to fixate on verification and it's a little hard to imagine how any verification will be sufficient for some of them. This is going to be a really, really difficult issue that we generally have a focus on. Bob has an approach and Laura cautioned us on what not to do. Any others who have been thinking hard on this particular issue? All right, well I'm sure when we debate it in the Congress you will be provoked to think about it some more and let's all look forward to that.

Another issue that's come up is duration. We heard the Prime Minister of Israel, we've heard other people say, Sunset Clause, you never - what's that, how could this lapse? It needs to be

forever or at least as long as there's the Islamic Republic of Iran and they haven't changed their government.

A rather narrower question for this expert group is does anybody have a basis for demanding an indefinite agreement or an agreement that doesn't have a boundary in time? Is there a basis in the NPT that anybody sees or UN Security Council resolutions? There are lots of experts here in this. What would you anchor a demand that it be forever or unending on? Or is there not a basis for that? Anybody? Yes sir.

#### **UNIDENTIFIED SPEAKER**

Thank you. I think we are constantly increasing the demands for non nuclear weapon states. We see that initially we got a treaty like the NPD where the non nuclear weapon states agreed to undertake some obligations. They were given some rights, like peaceful cooperation but over time we see that there have been increased operations.

We see that initially they had to undertake comprehensive safeguards and later there was the Zanger Committee and then the NSE and then additional protocol and then 1540. On the other hand we see that the rights have not increased, even the rights which were promised at that time have not been conferred on them. I think there is a lack of balance here.

All the states should try to incentivise for the non nuclear weapon states to abide by their obligations because it appears that it has always been coercive. They have been forced into taking on more obligations without the rights being delivered or conferred.

#### **GEORGE PERKOVICH**

In this case, I'm going to go to Mark Fitzpatrick, but in this case Iran was found non compliant with its obligations so I think there are two separate conversations. They'll get merged maybe in the NPT at some point so you identify an important issue but I think on the Iran issue it's also a compliance issue. Mark, on this.

#### **MARK FITZPATRICK**

I have argued in the past that rather an arbitrary deadline the Sunset Clause should have been based on a logical conclusion by the IAEA regarding the additional protocol. That if the IAEA could draw the broad conclusions that would have been the basis for there no longer being doubt and suspicion about non peaceful nuclear activity in Iran.

You asked for any basis for an indefinite...one of the reasons I liked this additional protocol broad conclusion criterion is that as long as there were suspicions, as long as member states were presenting activity the IEA would find it hard to draw that conclusion. There might be states that have a whole pocketful of evidence that they could dole out. That's precisely I guess why Iran rejected this idea, because it might in fact be indefinite in practice.

#### **GEORGE PERKOVICH**

Although you can imagine game theorists or smarter people figuring out if you pull out one of those chips of an allegation and it doesn't come through then they get like speeded up a year. You create an incentive in both directions again. Any others on the duration issue? Yes, Emily.

#### **EMILY LANDAU**

Hi, Emily Landau from the Institute for National Security Studies in Tel Aviv. Many of the things that are being discussed now or what we know is being discussed now in these negotiations is they don't have a referent back into the NPT. I mean the whole problem here is that when there are cases of non compliance the NPT doesn't give answers. It says it goes to the Security Council for sanctions and that's it.

This whole negotiation is something that's being created as the P5+1 go along. I totally do not understand the Sunset provision in general because the key to this negotiation is exposing the clear violation of Iran of the NPT and the violation is its work on military aspects of its nuclear program. Until the P5+1 in their negotiation bring the weaponisation aspect clearly to the table and undercut Iran's narrative according to which it is has done no wrong in the nuclear realm there's no explanation for this Sunset provision.

You have a Sunset provision if you have any degree of confidence that Iran has made a strategic U-turn in the nuclear realm. That it has backed away from its military aspirations. But until you bring that into the conversation, until you squarely confront Iran with the evidence of its wrong doing, until you say to Iran, no, you have done wrong in the nuclear realm and you know what, that's why we're having these negotiations.

That's why we're demanding all of these things, because you cannot be trusted, because you have violated. So to have a Sunset provision until you get those answers makes absolutely no sense because at the end of ten years Iran will conceivably go back to what it was doing before the deal.

**GEORGE PERKOVICH**

If they, quote, came clean or did what you said they could do that in a year and they're whole again and so they go on about the deal, so it could be a one year deal?

**EMILY LANDAU**

No, it's not about making a confession so that everything goes back to normal, it's about exposing the fact that Iran's narrative is in fact incorrect. That Iran has been lying and cheating and deceiving the international community for years and years. That it is lost the trust of the international community and that until it builds that up and shows that it has made a strategic U-turn in the nuclear realm then these provisions will continue.

**GEORGE PERKOVICH**

But that's the idea and what's been negotiated says this is how you build confidence that you've made a U-turn and that we will have confidence that you no longer intend or you would develop nuclear weapon capability. When you accomplish those things, and we can verify it, then we'll feel that that was done. So I don't... your argument, I don't get how that leads to indefinite, it suggests there should be criteria by which they address the concerns that you have but I don't see that that's...

**EMILY LANDAU**

It's not addressing the concerns, it's making it clear that they've made the strategic U-turn just like Syria did back in 2013. We know when a state has made the strategic U-turn and when it has not. And when Iran continues with the narrative that it has done no wrong obviously it has not made that strategic U-turn.

**GEORGE PERKOVICH**

This gentleman here?

**TIMOTHY STAFFORD**

Thank you, Timothy Stafford from RUSI. My suggestion here is you finesse the indefinite issue by treating this like an arms control treaty where the treaty remains in place indefinitely but both parties or the parties who are signatories have notification of withdrawal from six months.

Iran could say well this is not an indefinite treaty, we can withdraw any time what we want but the international community would have some assurance because A it would get notification and B there would have to be some justification for withdrawing.

**GEORGE PERKOVICH**

I think first of all we're not talking about a treaty but secondly I think one of the issues is at least the Iranian, call it a desire, backed by other countries that at some point they be treated as a normal state under the NPT. In which case they wouldn't, in their view, be constrained by for example how much fuel cycle activity they get.

Now you could negotiate and we would argue you should negotiate that that activity should be commensurate to actual need for reactor fuel and so on. But the idea you're talking about of maintaining those kind of constraints, some of them they want at least in principle not to have after a certain point. So I think that would be tricky.

**SINAN ULGEN**

One idea would be to embed UN Security Council from the start. How that would work is you have a number of pre-defined years, ten years, 15 years, and after, if you want to continue, if the international community wants to continue with the intrusive process you basically mandate the IAEA to produce an assessment of what they have seen so far. Then the UN Security Council gets to vote on whether the extension will be possible or not because then the P5 have the ability to veto.

It basically boils down to whether Russia and China will block the extension where there is evidence that there is still some vagueness about Iran's program. If you have enough confidence that Russia and China will not block this then basically you get a mechanism whereby you can extend the duration of the intrusive inspection for as long as there is unanimity among the P5.

**GEORGE PERKOVICH**

This is consistent in a way process wise with what Emily is saying, so it's rooted in the Security Council basically and it's the Security Council's judgement how to base this. And there are resolutions that the Security Council...Bob come back and then I've one last, Jessica Mathews, and then one last question and were going to go and have a drink. Go ahead.

**ROBERT EINHORN**

Look we can hypothesize anything we want, we can have Emily's U-turn confessions, we could have Mark's broad conclusion by the IAEA, we can have Sinan's UN Security Council, the last one that concedes the agreement is over. And none of this less than 15 years minimum. I mean you can put all of this together but none of this is going to happen. I mean they're already negotiating on duration, they may well have reached agreement on duration.

I think the key issue now is whether there should be a single fixed duration, whether it's ten years, 12 years, 15 years, or whether various provisions should have different durations. The additional protocol which apparently Ron is prepared to sign up to should be permanent. Members who join the additional protocol, they sign up forever.

There should be other things that hopefully would last longer than whatever the fixed duration is. Maybe if there's agreement during duration they can't enrich above 5%. Maybe that should continue indefinitely. Or many if there's a prohibition on reprocessing or having facilities capable of reprocessing for the duration, maybe that should extend beyond.

I'm sure they're looking at various durations for various kinds of positions and I hope it's as long as possible. Unfortunately I think we're beyond the point where we can say all right, this agreement stays in force until Iran makes a full confession which it's not going to do because its religious edict against having nuclear weapons. It's not going to make that confession and I don't think we can really expect it.

### **GEORGE PERKOVICH**

Jessica, and then one last question.

### **JESSICA MATHEWS**

I was going to make the same point Bob just made that we oughtn't to think of it as one date and the obvious way to negotiate a difference between ten years and 20 years is to have a whole series of ending dates for different aspects of the agreement. Secondly I think it's tremendously important to confront sooner rather than later this question of a public confession.

We know from the period when we were negotiating seriously with North Korea that we would be in a period of making significant progress with them and then we would come to the point where we would say now tell us what you did before the diversion. They would play 52 card pick up. Just throw their arms in the air and the talks would break down. And it happened over and over and again.

I think the question will be for the world do we care more about the past or do we care more about the future? We know what we know about what happened in the past. A public confession seems to me to be a terribly unwise obsession as a criterion of success.

Can I just make one other key point? I think Congress has and maybe we also we have been thinking about this, begun to think about the beginning of the 11th year, the first day of the 11th year as the day after tomorrow and forgotten that there's ten years to work on this in the interim.

That there are a whole number of steps that could be achieved in that ten years that go beyond. I mean all of the discussion has been what happens if Iran falls short and what can be added on in terms of punishment. There is plenty of reason in Iran's past history to think that way. But there is also a reason to be thinking about what you can build on this as well.

### **GEORGE PERKOVICH**

We're talking about different things in a way because there's one discussion which is negotiating with Iran and then the other discussion is negotiating with the Congress. I think that's where the duration issue comes up because Bob's right, it's been settled within the negotiation that there's going to be several different breaks but it has a duration. The problem is getting people from Congress to understand that.

That leads me to my last question and it may be Bob that has an answer to that because it's about sanctions. And the question is this, if the P5+1 come to an agreement with Iran, both in terms of a comprehensive framework in the near term and then a much more difficult thing which we underestimate here, actually working out the details.

If those details gets us to July 1st or what have you and the P5+1 are satisfied with those and at that point something happens in Washington to make it look very unlikely that the US will be able to deliver its part of an agreement in terms of sanctions really. If that happened basically and you've got the P5+1 in Iran agreeing and something happens in Washington, my question is would it be possible to maintain the international sanctions regime that has been in place in the last three or four years and is widely credited with getting Iran to the table in the first place?

Can you maintain sanctions if that's what happens? Let me ask it this way, does anybody think that you could maintain sanctions if that's what happens? Yes sir, please, you're a brave man, I really appreciate it!

**UNIDENTIFIED SPEAKER**

Federation of American Scientists, I've been doing some thinking on this. Sanctions work but they've got to have a common denominator. They work if they're international in scope, you see the [00:36:36] [unclear] sanctions were with the US only you have a failure of policy. You see the current economic sanctions, and I'm only talking about banking and insurance things here, you need consensus, you need businesses that are making a calculated risk, too risky to do business with Iran right now because of the threats that I may suffer in New York.

If the rest of the European companies, not countries but companies, decide it's not safe to go back into Iran yet they won't. You can't make them go, even if you waive the sanctions you can't make them go. It's more of an issue of the consensus not just in Washington but amongst our European and Asian allies.

**GEORGE PERKOVICH**

Does that, and I'm really glad you raised that, but does that raise another issue? I mean let's not be coy, to my mind that raises another issue which is a strategic issue for the United States of how long could the United States get away with imposing those kinds of sanctions. We're legally entitled, we say look you want to have your neutrons come through, your electrons come through our territory, you've got to do what we tell you to.

At some point does the rest of the world sort of mobilise and say you know what we'll start dealing with other currencies, we'll create other, like we have now with development banks, we heard Kevin Rudd talk about trading partners. Is that a limiting asset?

**UNIDENTIFIED SPEAKER**

It's a limiting asset and it's a risk but I don't think we're quite there yet to a new world currency or anything like that. Now that is a risk and it is a possibility but I think at this point in time given all that's going on it's a remote possibility.

**GEORGE PERKOVICH**

So Iran could still be squeezed and then people would start thinking we're not going to let that happen again much longer term.

## **UNIDENTIFIED SPEAKER**

Slightly squeezed, if you squeeze too hard, if you get ahead of the international community, if you get tougher, tougher, tougher sanctions the whole thing crumbles in my humble opinion.

## **GEORGE PERKOVICH**

Other views on this? Yes.

## **Farzan Sabet**

Hi, my name is Farzan Sabet. I'm a visiting fellow from Georgetown, visiting from the graduate institute in Geneva. I was just going to say that obviously the current sanctions regimes has two components, one is the international coalition and the other is kind of the financial and economic instruments the US has fashioned and its willingness to use them coercively and extra territorially.

So even if at some point, and this is just based on my experience talking with banks and various financial institution in Geneva even if the deal doesn't happen and it's partially blamed on the US if the international coalition does collapse I still think the US would be able to carry out the sanctions regimes. In part perhaps it won't be as powerful as when it had the consensus but I think it would still be able to move forward with it because the coercive kind of element of the sanctions works especially on private sector entities.

## **GEORGE PERKOVICH**

Anybody else on this, Bob? Bob Einhorn spent many, many hours, but he got one case status, no you got global services, going around getting countries to sign up for these sanctions. He was like the traveling dentist going to people to drill so anybody who is entitled to have a view on this it's him.

## **ROBERT EINHORN**

Thank you George for that introduction! Let's spin out this scenario you're talking about. All right, Corker has this bill that says once it's a comprehensive deal within five days it goes to the Congress. Congress has 60 days. During that period it could pass a joint resolution of disapproval.

What that would do would be to essentially to eliminate the president's waiver authority. You have a situation where the P5+1 and Iran have reached an agreement that our partners think it's a good deal and have signed up for it. The President can no longer implement that deal, we have to renege on that deal, he no longer has the authority to suspend sanctions under the deal.

We can at that point decide we're going to continue to implement our national sanctions. We can say to China and India and South Korea and Japan and South Africa, all right, if you insist on continuing to buy crude oil from Iran we're going to cut whatever financial institutions is facilitating that purchase. We're going to cut that institution out from the American financial system.

We can do that legally. That's what we've threatened to do. Up until now all of these partners have gone along. One because they don't want to be cut off from the US financial system but also because they thought Iran was the intransigent party. They joined us in wanting to exert greater leverage on Iran for a more flexible negotiating position but in a situation where we have signed

off, the US administration has signed off and they have signed off on a deal and then clearly we are unilaterally reneging on the deal I think it becomes very hard.

Now does it drop off immediately? Probably no, I mean there are a lot of bank who even in those circumstances are not going to want to get involved with Iran and so forth. But soon you're going to have a China or an India or someone defying on us and saying to hell with you, we're going to buy crude oil or we're going to engage with this sanctioned Iranian bank and so forth.

Then sanctions will begin to erode over time and we will be forced into very tough choices. Are we going to sanction major Chinese and Indian and Japanese banks or tolerate the erosion of sanctions? It's a very difficult situation. Sanctions will not drop off the cliff suddenly but they will erode and fairly quickly.

**GEORGE PERKOVICH**

You get the last word, Ma'am because then we're going to go.

**SALOME ZURABISHVILI**

I have to get the last word because I am the coordinator of the Iran panel on sanctions of the UN so I had to say something.

**GEORGE PERKOVICH**

Thank you, it's like there's a God or something.

**SALOME ZURABISHVILI**

I want to say we would enter a very dangerous situation in which the legitimacy of the system, how it has worked until now, and which has brought us to maybe a solution of a comprehensive agreement would be destroyed by the US going completely unilateral. Whereas until now the strengths of the system has been built on universality, maybe soft universality, without the type of really biting measures like the US has in its own hands.

Or sometimes the EU with SWIFT sanctions. But it was really the fact that you had universality plus that that worked. And universality we have seen when implementing the sanctions that practically no state has even dared to challenge the sanctions even when we knew that they were not that enthusiastic or that convinced. That will be destroyed and that is a very big challenge for the future for the Security Council legitimacy, credibility, and for the system of sanctions. So that's a choice.

**GEORGE PERKOVICH**

Thank you for raising your hand and thank you for enlightening us about that. Well we'll all stay tuned, not just to negotiations but then I think the real fun will start in this town. For those of you who are resident you won't be able to escape it. For those of you who are visitors, enjoy, it should be quite interesting.

Thank you all again for coming to the conference and for being such great colleagues in all of this and now the reception is across the way. Not quite, Toby Dalton!

**TOBY DALTON**

If you've borrowed an iPad and you don't wish to purchase it I suggest you return it. Secondly, as I started yesterday by noting we've tried to do a little bit of innovation for this conference. We have moved location, we had the App, we did the polling, and now we have a survey as part of the App, it will also come to you by email. We'd love to hear from you. We try to make this conference the best that is possible for the community and so we would really appreciate your suggestions. Now the bar is open.

**GEORGE PERKOVICH**

Thank you.