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PACTA SUNT SERVANDA

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PACTA SUNT SERVANDA

(4:00 p.m.)

MR. OXFORD: Good afternoon everyone if we could take our seats we're ready to start.

Good afternoon. My name is Vayl Oxford, a member of the Aspen Institute Homeland Security Group and after a career with the Department of Defense National Security Council and DHS I now serve as the national security advisor at Pacific Northwest National Laboratory.

Today the panel is going to discuss the, what's next, based on the Iranian nuclear deal. Will they abide by the agreement and begin to be reintegrated within the international community? Or as General Votel said this morning, will they continue their ways with sponsoring terrorism and destabilizing different regions?

Moderating this session is Margaret Warner, chief foreign affairs correspondent for the *PBS Newshour*, she actually created the unit that reports internationally. Her accomplishments include producing in-depth crisis reporting from -- and I won't list them all because we'd be here all day. Afghanistan, Pakistan, Iraq, Iran, Syria, France, Gaza, Israel dot, dot, dot -- you get the picture. She did win an Emmy Award for her reporting from Pakistan. And Margaret, over to you.

MS. WARNER: Thank you so much, Vayl. Thanks.

(Applause)

And welcome to everyone, I thought since mine is - ours is the only panel that has a Latin name, I should explain what Pacta Sunt Servanda means, which is agreements must be kept; so I guess that's what we're here to look at. And so to my immediate right -- I'm sure you know everybody but Cliff Kupchan, who is head of the Eurasia Group Practice now at the Eurasia Group, at the Eurasia Practice. And we have Danielle Pletka, who's senior vice president for Foreign and Defense Policy at AEI. Bernadette Meehan, who I've known for many years and

many incarnations, former spokesperson for the NSC, now senior adviser there. And Frank Klotz, who is undersecretary of Energy and also the administrator of the Nuclear Security Administration.

So Frank, why don't I start with you and the number one question. Have both sides essentially kept their end of the deal in one year?

MR. KLOTZ: Well thank you very much for the question. The short answer is yes, and in fact as many of you know the International Atomic Energy Agency has the lion's share of the responsibility for ensuring that Iran complies with every provision of the Joint Comprehensive Plan of Action or the so-called Iran deal. And since implementation day, which was on the 16th of January of this year the IAEA has written two reports and both those reports indicate that Iran is following all the provisions of the JCPOA.

MS. WARNER: So Danielle, going to you. Do you think one of that is true and that the threat is lessened? From your writings I gather, not.

MS. PLETKA: Thank you Margaret, Frank, nice to see you all here it's a pleasure to be back. You know I actually think that Iran has probably managed to keep too much; perhaps not all of the deal to the extent that we are able to verify it. I would have to make a little bit of a footnote to what Frank said, which is that the IAEA no longer reports in the same way about Iran as it did -- don't shake your head -- as it did prior to the JCPOA. And so, we don't have as much detail. In addition, the IAEA is not actually afforded the ability to visit certain sites; so we actually, on the outside, don't have the capacity to judge.

I think the problem for many of us with the JCPOA and it's not really -- it's not worth re-litigating it again and again -- we both had this argument, I had it right on this stage last year. I think it's much more interesting to talk about the impact that it's had in a region.

MS. WARNER: Yes. We will.

MS. PLETKA: Great. I'm here for you. But I would say that the Iranians are very upset they think that we haven't kept to our deal and they're using that to leverage additional concessions from us, additional service from our secretary of state who has traveled around in the service of the Islamic Republic of Iran trying to get people to make deals and make nice with them. And we have also ignored other things that the Iranians have been up to -- perhaps ignored is a little bit strong.

MS. WARNER: But are outside the scope of the agreement.

MS. PLETKA: But outside the scope of the agreement but not outside the scope of what the President presented to us as a package.

MS. WARNER: So Bernadette, time for you to weigh in here.

MS. MEEHAN: Okay. So I would, no surprise to this group, agree with Frank that you know we do believe that Iran has been faithful to the majority of its commitments. With regard to what Danny said about the Iranian complaints about compliance on the US side, what I would say is, we believe obviously as Secretary Lew has said on many occasions that we have fulfilled our requirements with regards to sanctions relief and economic relief.

What we have continually said to the Iranians both in private and in public is that they need to sort of hold up the mirror to themselves and understand that while we have upheld our end of the bargain, this idea that business would come rushing in is a bit of a fallacy.

We consistently hear in our outreach, which I would not necessarily say is Secretary Kerry or others in the service of the Iranian government but rather the US government maintaining its commitment to uphold this international agreement that we've, you know, signed onto

is simply to say, we consistently hear from US businesses complaints about endemic corruption in Iran; the lack of transparency in Iran, the fear for safety of employees, if you're an American business and you see Iranians continuing to roll up American citizens, dual citizens or not are you going to establish an office there and send personnel there?

So we've continually made the point to the Iranians that it's not just us that needs to fulfill our requirements on that side, they need to take a look at themselves and recognize that without a change in their behavior, whether it's the regime itself, or they're sort of outward facing strategies of engagement with the world, they're not likely to see a lot of the economic benefit that I think they thought they would get when they signed on to the deal.

MS. WARNER: So Cliff Kupchan, I heard the head of the central bank, when he came -- the Iranian Central Bank, he came to Washington and he was almost apoplectic on this point, and that the United States wasn't, and the P5 weren't keeping up their end of the deal, they weren't getting the money they expected, they weren't getting any business. You travel there a lot, you were there recently. How do you assess? Are they holding the mirror up to themselves? Do they know their banking system is 40 years out of date? Do they understand that there's lack of transparency? How do they see it? How do you see it?

MR. KUPCHAN: I think there are two problems going on. The first is that I think both the Iranians and the United States and the P5+1 generally misunderstood the nature of the international banking system, misunderstood just how scared European and Asian banks would be to go into Iran even with the seal of good housekeeping from the United States government. I talked to a lot of these banks. They're scared to hell.

I mean, you know BNP Paribas had a \$9.6 billion fine and so you know capital is a coward and it's not yet comfortable going into Iran; that's the first point.

The second point though is what Bernadette said,

the Iran economy suffers from a banking crisis, NPLs are running 20 percent to 30 percent, endemic corruption, non-performing loans and the corporate sector is completely unstructured. So there are two layers. First, I think Secretary Kerry is doing the right thing, if we don't get investment in there, if Rouhani gets in trouble, if Rouhani goes down we're all in trouble.

MS. WARNER: So in other words going around and encouraging at least European banks to consider to invest.

MR. KUPCHAN: The date for the Iranian election was set, the presidential election is May 27th of next year, if Rouhani loses then we're all going to have a whole different kind of panel next year talking about Israeli strikes again. So I think the secretary is doing the right thing, I think we all have a US national interest in seeing some modicum of success in the Iranian economy. But the reason that's not happening are both because of the nature of the international banking system and because the Iranians got to get their own act together.

Let me just one final thing. I asked a good Iranian friend of mine, give me one example of one investor friendly thing you've done since the JCPOA? He started laughing and he said there isn't one.

MS. WARNER: So let's talk about the impact in the region because there was certainly -- well there were two different predictions about what impact it would have on Iran's actions in the region? I have to say a lot of people told me they expected them to become more aggressive if only to demonstrate that this was not the beginning of a new era.

Danielle how do you see it now? Are they more - are they even more aggressive? Is there any evidence? There's actually been a windfall for the Revolutionary Guard and allowed them to step up activity?

MS. PLETKA: I don't think there's any doubt that the Iranians have become more aggressive, I think we heard that from General Votel this morning, I think we

would have heard it from General Clapper if we talked more about it as well. You know, the Iranians are stepping up their activities in Syria. They have not only put the Islamic Revolutionary Guard Corps in Syria, they've also put, Artesh, their regular military in Syria. They've stepped up the quality and the quantity of weapons that they are providing to Hezbollah. They have stepped up the amount of money that they are providing to Hamas. They are aggressively trying to arm the Houthis and destabilize Yemen. They are aggressively trying to destabilize other Gulf countries.

Some of these are simply opportunities that they've had rather than deliberate, I would say, a deliberate strategy of intervention, for example, in Yemen. Nonetheless, I think that what we have seen and certainly what our allies have seen in the region is an Iran that is not stepping back, an Iran that has not modified its behavior. An Iran that wants to say to the world and particularly to the United States, "Here's what your President said -- you said you'd be a lot better, you said the moderates would be on top. You said Iran might change, guess what, we're not changing."

MS. WARNER: So Bernadette, take us inside as much as you can in terms of the level of at least hope if not expectation that it might be the precursor to a change in attitude and activity.

MS. MEEHAN: Sure. So I would start by saying I don't disagree with anything that Danny said in terms of Iran's behavior, I would in fact add to the list that they continue to threaten the existence of Israel, which is obviously a huge concern for us, and the other major concern for us in addition to destabilizing activity in the region support for terrorism is of course the continuing testing of the Ballistic Missile Program, which is of course in violation of UN Security Council resolutions as well.

So I wouldn't disagree that they continue to be a malign actor in the region with somewhat devastating consequences. But I will remind that none of this was unexpected, none of this was not predicted by the US



government by intelligence, by the Israelis, by other allies and partners. I would say that certainly we expected there would be some additional aggression for the reasons that Danny and you both laid out, but I would also remind people that the nuclear deal was always meant to be a silo issue. This was only meant to address the nuclear issue and I think sometimes that gets lost a little bit in the rhetoric and the debate, well they're still continuing to test ballistic missiles and they're still continuing to destabilize in Syria and Iraq and Yemen with the Houthis.

That is all true and that is why we continue to maintain sanctions on human rights abuses, maintain sanctions on entities and individuals engaged in terrorist activities and to push back on them in involvement as they've been drawn into the diplomacy with Syria, but again, the core of the nuclear agreement was to prevent Iran from acquiring a nuclear weapon. And I think thus far a year into that agreement almost two or three years since the interim deal that has proven to be a success thus far. So I think we can't lose sight of that as the core issue and of course we continue to deal with the issues that surround and continue to confound us.

Mr. KUPCHAN: I could not agree more with that we can't lose sight of the fact of that, you know, up until a year ago one of the aspects of Iranian behavior that dominated our strategic planning, our terms about the region and stability in the region and the possibility of war in the region, was Iran's pursuit of a nuclear weapon capability. And what this Iranian deal; the JCPOA does, is take that off the table.

A lot of other issues are still on the table, but it has effectively rolled back and blocked Iran's pursuit of a nuclear weapon. I mean some of the numbers are breathtaking in their size and scope. I mean at one point they had 19,000 centrifuges that's been reduced down to 5,068, two-thirds reduction in the number of gaseous diffusion centrifuges they have. They have reduced the amount of enriched uranium, they have from -- by nearly 98 percent, they can only have 300 kilograms of enriched uranium at 3.67 percent, that is I'll tell you as part of the NNSA that is not nearly enough enrichment to even

think about constructing a nuclear weapon. So this is very, very important and it takes us off the table for 15 or more years.

MS. WARNER: Well that leads to -- and Cliff wants to jump in here. A hot new topic that's just been introduced is finally the publication I guess to the Associated Press of the side deal between Iran and the IAEA and what -- I have not read it myself but from all the accounts, what it really says is after -- in about 10 years or 10 and a half years from now in fact Iran is going to be able to switch out all those old centrifuges for ones that are much, much more powerful; much, much faster or will reduce the time that has now been -- that they can have enough fissile material from the current year back to six months. Cliff, what about that?

MR. KUPCHAN: Well let me answer that quickly and then I'd like to disagree a little bit with --

MS. WARNER: Well go ahead and disagree first, remember we are bonding.

MR. KUPCHAN: Let me disagree first assuming Danny is not going to hit me again.

MS. PLETKA: It's how you disagree?

MR. KUPCHAN: Look, embedded in this agreement -- I disagree with I think what Bernadette said too here, even though we're kind of the same party but so what. I think there's a big bet that the United States is making that's embedded in this nuclear agreement, which is that over a 10 year period the forces that the agreements going to unleash is going to change Iran for the better.

Now that may or may not be true, but I know that people who are on the negotiating team had that as a second level bet, and I think it's a pretty good bet having been to Iran many, many times. It's a remarkable vibrant wonderful country with a pretty horrible leadership. And you know I think Rouhani in some ways because he's not Khatami the previous president who very aggressively pushed more slowly may get away with change.

I think it's a bet that I would take and if we don't come out on the right side of it, we got great intel, we can do what needs to be done later.

Now so -- and plus I don't see Iran doing anything much worse now than they were doing before the deal, I don't think they've gotten worse. As to the AP article, it basically referred to what's called the "Additional Protocol to Iran Safeguards Agreement" which was negotiated during the JCPOA negotiations, contains the number of centrifuges Iran can build in years 11 to 13. This wasn't really news. The United States says that as of year 13 all bets were off as a breakout time. It wasn't secret, these are normally confidential documents. That being said I think some of the onus is on the US and then they goofed a little bit.

MS. WARNER: What do you mean by that?

MR. KUPCHAN: They goofed in two senses. First, just because these are normally confidential numbers doesn't mean they should have been confidential in this case. This was an agreement on which the safety and security of the United States and its allies depends, these should have been made public and I think that's the main reason.

MS. WARNER: So you think in the eagerness to sell the deal the transparency necessary was not used?

MR. KUPCHAN: I don't want to pass judgment on -

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MS. WARNER: Motive? Okay.

MR. KUPCHAN: Russian or Iranian motivation but I think that they should have made it public.

MS. PLETKA: I would just note on the technical point that it was made available to all P5+1 countries for review and a copy was provided to Congress.

MR. KUPCHAN: That's correct.

MS. PLETKA: And I do think that's important

because a lot of sort of the tough negotiations that went into this were not only with the Iranians, but obviously between the supporters and some of the opponents and the Congress did have access to the confidential.

MR. KLOTZ: And to encourage openness and transparency on the part of those countries, which have entered into safeguard agreements with the IAEA, including the Additional Protocol one of the common practices is that the IAEA keeps that information, safeguards confidential, and as Cliff rightly pointed out -- or Bernadette rightly pointed out that information was shared with the P5+1 plus the EU members of the Joint Commission and with members of Congress and their staff.

MS. WARNER: Danielle.

MS. PLETKA: So I'm going to get equal time here right as the one person out of us four, who is a skeptic and I don't even know where to start. Certainly, I'm not going to tangle with Frank on questions of nuclear security because I'm an Iran expert. I'm not a nuclear expert.

But I don't think that it's unfair to characterize the narrative of the JCPOA as one coming from the President not to speak of his advisors who boasted about this rather indiscreetly to the *New York Times* that in fact this was something that was more broad not just about the Iranian Nuclear Weapons Program but about a broader change that it was not just about Iran's nukes. It was also about Iran's broader behavior.

It was also about a balance of power inside Iran. And to boot there was a suggestion that we would step up that in fact if Iran felt empowered by this deal that we would be there to press back. And what our allies; our erstwhile allies in the region will say is, "You said that, you're not doing it. Sure you're offering us lots of arms sales but arms sales are not a re-balancer." That is the problem with an empowered Iran.

Second, the JCPOA -- you may think it's the greatest thing since sliced bread or the best thing since

sliced bread we could have gotten with the Iranians but it does enable the Iranians to continue to work on their nuclear weapons technology all the while. And it limits our ability to understand what is going from the Russians and the Chinese not to speak of everybody else into Fordow and into Arak. The two areas of most concern to us prior to the signature of the JCPOA, because we don't know what's going on there. You may know, okay.

People may suggest that we have perfect intelligence. The guys who've said that we have perfect intelligence are the same guys who didn't know there was going to be coup in Turkey. So my confidence in their level of knowledge about what's going on inside the Iranian Nuclear Weapons Program, which is actually tried to keep secret is limited.

So all of these things I think are a major problem. But I think that the added problem is that the administration seems to have embraced a narrative and maybe this is a problem of perception. Maybe it's a problem that everybody sees it through the prism of this narrative and therefore reads what the President and the secretary of state say to favor Iran, but the way that it appears is that the administration has decided that we will have a new compact in the Middle East and that that compact will be executed through Iran and through Iran's interest.

Does that mean that we're shills for the Islamic Republic? Of course not! Nothing so crude. But when the President says things like, "You'll need to learn to share." No, you don't. We don't need to learn to share. They don't need to learn to share. Iran is a threat to its neighbors. Iran is a threat to us, to our allies, to the Europeans. Nobody needs to learn to share with them.

The changes that we've made in our approach to Syria. Again, there's the appearance, there is the appearance that we are favoring or starting to favor or slipping in the direction that favors Iran and Russia and Assad. Now, maybe that's unfair but I can tell you that that's how everybody in the region sees it and it's how a lot of us see it in Washington.

As to the last point which it think really deserves some statement, which is the notion that we will interfere in Iranian politics to favor Rouhani. We used to say this about Rafsanjani, this is laughable. Look at our own politics we cannot manage. We have two candidates everybody hates. We are suddenly going to manage the Iranian political system and favor one guy over another guy. You have got to be freaking kidding me. So, thank you for the time.

(Applause)

MS. WARNER: Yeah, I think political dysfunction is clearly a sub-theme of this entire gathering and many presentations. Who wants to jump in on that point?

MR. KLOTZ: I do.

MS. WARNER: Go right ahead.

MR. KLOTZ: You know on the point that Danny made about verification of course that's always one of the key and central issues associated with any arms control agreement including this one, but I would add from a technical point of view the JCPO provides for unprecedented access by the IAEA to safeguard facilities, use of electronic seals, use of online enrichment monitors --

SPEAKER: So what are they doing at --

MR. KLOTZ: -- continuous presence of IAEA inspectors in facilities and because this agreement obligated Iran to agree to the Additional Protocol now IAEA inspectors can also go to any undeclared facilities, which they may suspect of activities contrary to the JCPOA taking place.

MS. WARNER: Go ahead Danielle - I mean the two facilities she mentioned is it true that you are a little blind about those?

MR. KLOTZ: No, it's not true. As part of the

closing of the books on an investigation process that the IAEA had been undertaking for a number of years before the Iran deal was signed, IAEA inspectors were allowed to go into (inaudible) to determine whether or not any activities had been taking place related to weapons program. The results of that particular investigation were inconclusive. They did find and it's in the report, which the IAEA put out two particles of anthropogenic human modified natural uranium were found, but that wasn't enough to draw any conclusions, but by the way we have concluded even before then -- well before then that Iran was pursuing a nuclear weapons program or a nuclear weapons capability. That's why we entered into these negotiations.

If the IAEA has reason to believe that activities contrary to the JCPOA are taking place at a facility that has not been declared then they have the right under the Additional Protocol to go in and do the types of safeguard works they do.

The other thing that the JCPOA adds, which no other nation has agreed to as part of its Additional Protocol is a timetable to resolve the issue. A lot has been said about 24 days and they can clean things up in 24 days. I will tell you as someone who works in the nuclear security business you can't clean up things in 24 days, you can't clean things up in 24 weeks or 24 months that can't be detected. But that's a relatively quick turnaround in terms of the IAEA and the Joint Commission under the JCPOA to come to a conclusion about any suspicious activities.

MS. WARNER: Cliff, you wanted to jump in?

MR. KUPCHAN: Yeah, Margaret. I'm just concerned -- a little concerned about some of the arguments made and you know to be equably blunt, a little concerned about the audience reaction to hear them, and I have to be honest. Look, first of all it's one thing to bring a wedding cake to Iran like another political party did you know my political party didn't do that.

MS. WARNER: Cliff --

MR. KUPCHAN: Let me finish, and it's another thing to say that we're going to make a long-term structural bet on the evolution of a country if we're wrong because of this agreement we're going to be -- we have more intel and be in better shape to attack them in 2026 than we are right now.

So I think there are structural ways to make a good bet on a country in these near-term interference. Secondly, I really could just beseech those here to question some of your assumptions about the Iranian nation. I mean, and one data point I would use, the first real data point for Iranian domestic politics since the deal was the parliamentary elections, which were held in March and the run-ups in May -- it was in May. The reformers were disqualified and they still won; it's a remarkable country. What they did is they formed alliance with dramatic service centers and they beat the hardliners that Khamenei supported. Khamenei was embarrassed by the elections.

So this is a very dynamic place and I would just implore you not to draw firm and rigid conceptions about what this place is like; it's very, very fluid.

MS. MEEHAN: And I would just like to clarify something from the US government position. You know, there has been a lot of speculation and Cliff was talking from one side and Danny from the other about sort of the purpose of this deal and what are the underpinnings and additional hopes.

Again to keep repeating that point because we've seen it get lost even up here on the panel. The purpose of this agreement was to prevent Iran from getting a nuclear weapon. You can have people who will hope that empowers moderates that Rouhani and you can argue whether he's a moderate or not vis-à-vis others within the system and it supports them and bucks them up, but that was not the ultimate intention of this agreement.

And for all of Iran's malign actions and Danny has done an excellent job of outlining them all for us



doesn't that bring you back to the question of saying if you have someone who destabilizes multiple countries in the Middle East, who supports terrorism, who directly impacts and hurts US interests, isn't it better not to have that group or entity have access to a nuclear weapon?

And I challenge anyone to say it would better to have Iran with all of the activities that they're undertaking have access to a nuclear weapon.

And the last thing I will mention -- and this sort of gets into your lane a little bit is before you know this progress was frozen under the interim agreement and then ultimately the comprehensive agreement, you know, the intelligence analysis which was declassified as part of this process was that Iran from the time they made a decision to break out if they made that decision was two to three months away from being able to make it, acquire enough fissile material for a nuclear weapon.

As a result of this agreement it's now about a year or longer that is a tremendous difference.

I would also like to make the point that nothing that we did as part of this deal traded away any of our options. If at any point in time Iran decides to abandon this agreement and decides to pursue a covert program we have economic sanctions at our disposal, we have military power at our disposal, and we also have the Israelis who have the best intelligence in the world who are looking over everything that's happening in Iran and would be privy to if there were attempts to breakout or circumvent the system. Who have also been very proactive in sort of telegraphing what their intentions would be.

So the idea that we have gambled away any of the options that we had is simply a fallacy. What we've gained is 10 to 15 to 20 years with certain protocols of virtual a guarantee, you can never guarantee fully that Iran will not have a weapon, while still maintaining all of the tools at our disposal if they decide to abandon their commitments. And I don't see how that's a bad thing for the United States, because again we still focus on all of these other malign activities that they're undertaking

in the region, but that was never a focus of this agreement.

MS. WARNER: I want to end before we run out of time and I'm waiting for my little signal here, but how -- let me ask how we're in an election year, the Iranians are approaching an election. How enduring really is this agreement? We had a Republican primary in which one of the leaders, Ted Cruz, talked about ripping it up. Donald Trump has said, "It's disastrous." He said, "He could negotiate a tougher deal." Even Secretary Clinton's rhetoric at least about it has been more hardnosed than President Obama's.

So one just practically can either side -- how feasible is it that either side could walk away from this or break it? And two, given the political changes, how do you see the potential for that unfolding? Who wants to start, Cliff?

MR. KUPCHAN: Well, practically this I can just walk away.

MS. WARNER: You can or cannot?

MR. KUPCHAN: You can walk, yeah.

MS. WARNER: Any country can?

MR. KUPCHAN: It's not a treaty you can walk. Yeah, you can get up and leave. I think it's unlikely -- I think from the Iranian perspective the core support that for the deal that included Khamenei is still in place. Yeah, they complain. They're master complainers. They complain about everything. But increased oil revenue annualized from the deal is \$15 billion a year, I don't think they're going to walk.

On the US side, Mrs. Clinton is going to be tougher. She might do ballistic missile sanctions, because I don't think they really care.

MS. WARNER: But you mean if there's a move especially in Congress to push further.

MR. KUPCHAN: If there's a move and there's always move, there's always --

MS. WARNER: There is.

MR. KUPCHAN: -- in Congress there's a new one now with the Menendez-Corker Bill, which I don't think will make it, because there's no presidential flexibility I think it will get vetoed -- whatever, I don't think it'll make it. The question is, is Donald Trump? And look, I mean first he'll try to renegotiate it whatever that means, because nobody will join him, but if the US leaves the deal we should be clear there will be no sanctions regime. There will be European allies furious with us. And there will be an unfettered Iranian nuclear program. Now, if the king of deals thinks that's a good deal I'm confused, so I think the deal has got reasonable longevity.

MS. WARNER: Danielle. Just jump in whoever wants to.

MS. PLETKA: I want everybody to know one important thing. Cliff couldn't think of -- I mean Charlie excuse me.

MR. KUPCHAN: Cliff.

MS. PLETKA: Cliff.

(Laughter)

MS. PLETKA: They're brothers. I'm sorry and I'm getting old and senile -- couldn't think of a bad thing to say about Republicans except to go back to Ollie North, I don't know what's wrong you.

MR. KUPCHAN: Who is Bud McFarlane.

MS. PLETKA: I can think of something worse to say than Ollie North and Bud McFarlane and in the last 23 years, but thank you for thinking back to the key and the cake. I agree, look I agree I think we all agree I think

it's going to be very hard to back away from this deal, I think it was very artfully conceived by the Obama administration and their friends in Tehran, it's all front loaded for the Iranians. I mean it -- it is all front loaded for the Iranians and that means that right now if the United States chooses to walk away all the Iranians need to do is walk away.

I guess what I don't get, what is an enduring mystery to me, is if this is so great standalone so important, why in 13 years won't it matter that the Iranian's can build a nuclear weapon with our okay? Because that's basically what the President said. He said in 13 years the Iranians will have a zero or close to zero breakout time. So okay let's accept this is great but maybe we're going to fail on the side of moderation, maybe they're not going to be better actors. I'm sorry so then it's okay for them to have a nuclear weapon despite the fact that they're continuing to behave this way that to me is one of the biggest mysteries of the arguments that are made about this deal.

MS. WARNER: Would you like to take that --

MR. KLOTZ: Well, let me follow the good example of many of the administration officials who preceded Bernadette and I on the stage and not comment on the specific statements made by presidential candidates of either party, but there is I think one matter of concern and I'll express this in a personal nature.

Many, many decades ago when I studied the history of international relations in graduate school one of the big debates was the so-called great person theory of international relation. So what extent did individual leaders, decision-makers, negotiators change history and to what extent were they just part of an inexorable process.

I think this is the JCPOA personal opinion is a classic case of how individual people mattered in the outcome of that. On our side I can't see that we would have had an agreement without the leadership and vision of people like Secretary Kerry; my boss Secretary of Energy,

Moniz; Under Secretary Wendy Sherman, and as a transition takes place regardless of who wins in our election or in the upcoming Iranian election there maybe a different cast of characters. So one of the first things that will need to be done is to make sure that those interpersonal relationships which have developed through this process in negotiating the treaty and in the implementation phase get quickly re-established between whoever holds those positions.

MS. WARNER: Frank, may I interject. I made a terrible mistake, which was when I hit the 20 minute queue we just kept talking and I didn't include the audience. So we have about six minutes, five minutes. Let's get to questions and I think I'll do two and two. So the blonde woman there and the man there next to her -- I apologize.

MS. BROWNE: Hello. Pamela Browne, Fox News. My question for the panel is about the state of the follow-up with the Iranian nuclear scientists. Specifically, what is the latest you've known in terms of exchanges with the ever so mysterious Dr. Mohsen Fakhrizadeh?

MS. WARNER: And the second question? Maybe let's pick whoever wants to jump in.

MR. FAGIN: Berry Fagin (phonetic), Colorado Springs. I'd like to ask either members of the panel to comment on the effectiveness of cyberpower and in particular Stuxnet in bringing the Iranians to the table?

MR. KUPCHAN: Frank?

MR. KLOTZ: No, we are going to let you talk about those.

MS. MEEHAN: This side of the stage will have no comment on Stuxnet or anything related to that. I don't know if you have anything to say?

MS. WARNER: Well, then Danielle and Cliff.

MR. KUPCHAN: I think Stuxnet, you know, whoever

did it and there's only two countries that could have, was remarkably effective in making the Iranian smell the coffee. There are lots of things that made them bring to the table, I mean ultimately I think the Obama administration gave them a choice between nuclear weapon and an economy and they chose an economy for now. But I think Stuxnet was very important and there was another question.

MS. WARNER: About nuclear scientist -- about Mohsen Fakhrizadeh.

MR. KUPCHAN: Fakhrizadeh wasn't part of the deal. We're not going to get to talk to him and he's probably out teaching somewhere. You know I'm a Democrat I think the deal was good enough and I think it's a great deal. I would have loved to have interviewed the guy - we're not going to get to.

MS. PLETKA: I'm sorry the notion that you would say I'm Democrat I think it was a good deal --

MR. KUPCHAN: Good enough I said it was good enough, I said it was good enough.

MS. WARNER: We're Americans, I don't think it's a bad deal because I'm a Republican or because I was a Republican I think it's a bad deal. I think it's a bad deal because I'm an American. We should have gotten access to Fakhrizadeh, the IAEA should have gotten access, it should have been part of the deal, it's outrageous that it wasn't. And God knows where he is he could be in Russia, he could be in North Korea, he could be in Iran, he could be in Germany, for all we know.

MS. WARNER: Two questions over here Tom Korologos and the gentleman right there that -- yeah.

MR. KOROLOGOS: Hi, Tom Korologos from Washington DC. May I ask if it was such a great deal why didn't it go to Congress?

MS. MEEHAN: So this is not a treaty, right? The role of the Congress is to provide assent and consent

to treaties. It was not that type of agreement. There was a Congressional review period 60 days where the deal was sent up, the Congress had an opportunity to try and veto which of course would have been overridden by the President, but they weren't able to get the votes to even send a veto up to the President. So I think again it's a fallacy that the Congress wasn't involved.

There were extensive -- I wouldn't call them negotiations but consultations with the Congress throughout the process. Extensive negotiations and consultations with both opponents of the deal and proponents of the deal throughout the entire process. Congress did have an opportunity to weigh in, we saw what I think was one of the most bruising and robust debates that we've had on almost any foreign policy issue in my time in government. And so I think it's a bit of a misconception that the Congress wasn't involved in this particular deal.

MS. WARNER: Right, the gentleman right over there. Yes.

MR. FUERY: Thanks Evan Fuery, Statoil. You can detect from my accent that I don't have a vote or a party in this particular debate. But Danielle, I wonder if you can help me, as I've sort of followed this debate on both sides what I've never heard clearly laid out was what was the better alternative to not having the deal. Because as I recall it was a pretty unstable situation where we were highly reliant on long range surveillance and peaks and troughs of how soon the Israelis were going to bomb Iran, which didn't seem particularly good alternative to the deal?

MS. PLETKA: One of the worst traits of Middle East experts or people like me is that we often revert to bizarre images when we try and describe what we're doing. So you know blood in the sand, buying a carpet and to quote the great Donald Trump you really can't want the deal more than the other side, and I think that was the problem.

So to suggest that somehow the alternative as

the President likes to was a binary sort between war or my deal is I think the wrong set of suggestions. Rather the choice was between what I hoped would have been a better deal, a more defensible deal and this one. And to me that is the testament to bad negotiations, desperation on the part of the American interlocutors, an extremely capable and focused -- and I know them all reasonably well, an extremely focused adversary in the Iranians, and an administration that believed that this was going to be the most important part of its legacy and therefore wanted to get it no matter what. That is never a way to buy anything.

We had those sanctions in place. They were in fact the most I would say -- I think that Cliff is exactly right that the Iranians were choosing between the bomb and the economy and they wanted to choose the economy. It was going badly for them. I think we had huge leverage over them that has all been given up.

MS. MEEHAN: If I could just respond very quickly.

MS. WARNER: So I'll get to Ambassador Westmacott for the last --

MS. MEEHAN: I think we obviously, as a panel, decided we weren't going to re-litigate sort of the past three and a half years. What I would simply say is with all due respect what we consistently hear from opponents is criticism of our approach with a lack of specifics as to what the alternative would have been.

MS. PLETKA: Did you invite me into the room I would have been happy to give you my advice.

(Applause)

MS. WARNER: Ambassador Westmacott, last question. Peter Westmacott?

MR. WESTMACOTT: Thank you very much. I used to be the British Ambassador to the United States and had a certain amount to do with explaining why we, the Brits and



the other six governments involved, it wasn't just the Obama administration, thought that this was as good a deal as we were going to get. It wasn't desperation the deadlines were extended and awful lot of extra work was done on it. And we certainly and the other European countries involved did reach the conclusion that this was a better way of stopping Iran having nuclear weapons than the alternatives some of which from a number of my Israeli friends would have involved dropping a lot of bombs on Iran, which would I think have accelerated the nuclear process and would certainly have made it even more difficult to persuade the Iranians to stop misbehaving in the region, but I don't want to re-litigate all that stuff.

MS. WARNER: Question?

MR. WESTMACOTT: I had one particular question which is, is there any more that the US administration particularly Treasury department could do to draw a clearer distinction between the unilateral US sanctions, which is still place because of human rights and terrorist abuses against Iran and the United States commitment under the JCPOA to lift the multilateral sanctions, because it is the mixing up of those two which is preventing so many of American and European companies and a lot of the international bankers from getting on with the bits of the deal to which the Iranians are entitled under the JCPOA.

And when John Kerry was talking to a lot of bankers in Europe six weeks or so ago they were all saying we'd like to do what you're asking us to do Mr. Secretary, but we don't think that water is yet safe enough for us to go back into business in Iran given our recent experience of the very large penalties we have had to pay because of transgressing US unilateral sanctions. Thank you.

MS. WARNER: Who wants to take this probably in one answer? Bernadette you want to go at it? Cliff?

MS. MEEHAN: So what I would say is you're absolutely right and I think this goes to sort of some of my earlier comments of there is part of the action needs to be on the Iranian side, but you're absolutely right and

we've heard quite a lot of criticism from the American business community despite sort of extensive outreach on behalf of the US government by Treasury, by OFAC, by different actors who are involved on the US government side. I think there needs to be an increase in education and outreach because this isn't something that's going to change overnight, we've seen the same thing with the lifting of sanctions and regulatory changes in Cuba, where there is a just an innate fear of going back in and being whacked with some of these penalties and I think it's a combination of outreach, education and time until we see a change.

MS. WARNER: I hate to cut it off, other panelists want to comment, but thank you for a very lively conversation.

(Applause)

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