

# Iran: Background and U.S. Policy

Updated September 29, 2023

Congressional Research Service

<https://crsreports.congress.gov>

R47321



R47321

September 29, 2023

**Clayton Thomas**  
Specialist in Middle  
Eastern Affairs

## Iran: Background and U.S. Policy

Congress has played a key role in shaping U.S. policy toward Iran, authorizing extensive U.S. sanctions, seeking to influence diplomatic engagement with Iran, funding and authorizing support to U.S. partners facing Iranian threats, and enacting legislation that allows Congress to review agreements related to Iran's nuclear program, a key concern for U.S. policymakers. The Iranian government's support for armed proxies and terrorist groups, its human rights violations, and its increasingly close relationships with Russia and China also pose challenges for the United States. Selected issues on which Congress has engaged include:

**Iran's Nuclear Program.** U.S. policymakers have for decades signaled concern that Tehran might seek to develop nuclear weapons, though Iranian leaders deny such ambitions. The 2015 Joint Comprehensive Plan of Action (JCPOA) imposed restraints on Iran's nuclear program in exchange for relief from most U.S. and U.N. Security Council economic sanctions. In 2018, the Trump Administration ceased U.S. participation in the JCPOA and reimposed sanctions that the Obama Administration had lifted. Since the reimposition of U.S. sanctions, Iran has decreased its compliance with the nuclear commitments of the JCPOA. Iran has reportedly slowed some nuclear activities in the context of reported U.S.-Iran diplomatic engagement in 2023 but has also barred some international inspectors.

**U.S.-Iran Diplomatic Engagement.** The Biden Administration sought to revive the JCPOA through indirect talks, but those stalled in fall 2022. In September 2023, the United States and Iran concluded a prisoner exchange and the United States facilitated the transfer of \$6 billion in Iranian funds from South Korea to Qatar. It is unclear to what extent, if at all, the prisoner exchange deal might lay the groundwork for revived nuclear talks; U.S. officials maintain the two issues are not related. Some in Congress have questioned whether the Administration has fulfilled its commitments under the 2015 Iran Nuclear Agreement Review Act (INARA, P.L. 114-17), which mandates congressional review of agreements related to Iran's nuclear program and provides for consideration of legislation to block their implementation.

**Nationwide Protests.** The September 2022 death of 22-year-old Mahsa Amini, who was arrested by Iran's Morality Police for allegedly violating Iran's mandatory *hijab* (or head covering) law and died after reportedly having been beaten in custody, sparked nationwide unrest. The regime racked down violently against protesters, killing hundreds, and restricted internet use. The protests appear to have subsided in 2023 but the grievances underlying them remain unresolved. The Biden Administration sanctioned a number of Iranian officials in response to the crackdown and issued a general license aimed at expanding secure internet access for Iranians.

**Sanctions.** Since 1979, successive U.S. Administrations have imposed economic sanctions in an effort to change various aspects of Iran's behavior, often at the direction of Congress. U.S. sanctions include measures targeting Iran's energy sector, its arms and weapons-related technology transfers, its financial sector, and various non-oil industries and sectors. Sanctions appear to have had a mixed impact on Iranian behavior.

**Iran's Military.** U.S. officials have expressed concern with the activities of Iran's Islamic Revolutionary Guard Corps (IRGC), which provides arms, training, and support to a network of regional proxies and armed groups. In addition to IRGC support to U.S. adversaries in the Middle East, Iran maintains what U.S. officials describe as "the largest inventory of ballistic missiles in the region" and has developed a range of unmanned aerial vehicles (UAVs, or drones).

**Iran's Foreign Policy.** Iran's government seeks, among other goals, to erode U.S. influence in the Middle East while projecting power in neighboring states. Iran-backed militia forces in Iraq and Syria have carried out rocket, drone, and improvised explosive device (IED) attacks against U.S. and allied forces. Iran has provided weapons to Lebanese Hezbollah, which the group has used in armed conflicts with Israel, and to Houthi militants in Yemen, enabling the Houthis to target Saudi Arabia and the United Arab Emirates. Iran also has taken steps to strengthen its economic and military ties with China and Russia—for example, by exporting UAVs to bolster Russian military operations in Ukraine.

The U.S. government has used various policy tools, including comprehensive sanctions, limited military action, and diplomatic engagement with leaders in Iran and other countries to counter what the U.S. officials describe as Iranian threats to U.S. interests. As of 2023, the Iranian government faces challenges at home but retains considerable influence in the Middle East region, is developing new ties to Russia and China (including via its prospective BRICS membership), and remains able to contest U.S. interests in the region and beyond. In this context, Members of Congress may consider questions related to U.S. and Iranian policy goals, the stability of Iran's government, and efforts to counter Iran's regional influence and deter its nuclear development activities.

## Contents

Overview and Issues for Congress .....	1
U.S.-Iran Relations: Background, Recent Approaches, and Developments in 2023 .....	2
Approaches under the Trump and Biden Administrations .....	2
Trump Administration Policy.....	3
Biden Administration Policy .....	4
Developments in 2023 .....	5
Iran’s Political System.....	8
2022-2023 Political Protests .....	10
U.S. Policy Responses to the Protests.....	10
Iran’s Military: Structure and Capabilities .....	11
Foreign Policy and Regional Activities.....	14
Regional Proxies and Allies .....	15
Iran’s Relations with China and Russia.....	16
Iran’s Nuclear Program.....	18
Issues for Congress.....	20
Sanctions .....	20
Oversight of Negotiations and Possible Nuclear Agreement .....	22
Outlook.....	23

## Figures

Figure 1. Iran at a Glance .....	1
----------------------------------	---

## Tables

Table 1. Select Sanctions Legislation Pertaining to Iran .....	21
----------------------------------------------------------------	----

## Contacts

Author Information.....	25
-------------------------	----

## Overview and Issues for Congress

The Islamic Republic of Iran, the second-largest country in the Middle East by size (after Saudi Arabia) and population (after Egypt), has for decades played an assertive, and by many accounts destabilizing, role in the region and beyond. Iran's influence stems from its oil reserves (the world's fourth largest), its status as the world's most populous Shia Muslim country, and its active support for political and armed groups (including several U.S.-designated terrorist organizations) throughout the Middle East.

**Figure 1. Iran at a Glance**



<b>Geography</b>	Total Area: 1,648,195 sq km (636,372 sq. miles), 2.5 times the size of Texas
<b>People</b>	Population: 87,590,873 (17 <sup>th</sup> largest in the world) % of Population 14 or Younger: 23.5% Religion: Muslim 99.6% (90-95% Shia, 5-10% Sunni), other (Zoroastrian, Christian, and Jewish) 0.3% (2016) Literacy: 85.5% (male 90.4%, female 80.8%) (2016)
<b>Economy</b>	GDP Per Capita (at purchasing power parity): \$19,550 (2023) Real GDP Growth: 2.9% (2022); 3.2% (2023 forecast) Year-on-year Inflation: 45.3% (2023 forecast) Unemployment: 10% (2023 forecast)

**Source:** Graphic created by CRS. Fact information (2023 estimates unless otherwise specified) from Economist Intelligence Unit, International Monetary Fund, and Central Intelligence Agency, *The World Factbook*.

Since the Iranian Revolution that ushered in the Islamic Republic in 1979, Iran has presented a major foreign policy challenge for the United States. Successive U.S. Administrations have identified Iran and its activities as a threat to the United States and its interests. Of particular concern are the Iranian government's nuclear program, its military capabilities, its partnerships with Russia and China, and its support for armed factions and terrorist groups. The U.S. government has condemned the Iranian government's human rights violations and detention of U.S. citizens and others, and has wrestled with how to support protest movements in Iran. The U.S. government has used a range of policy tools intended to reduce the threat posed by Iran, including sanctions, limited military action, and diplomatic engagement. Despite these efforts, Iran's regional influence and strategic capabilities remain considerable and have arguably increased.

Congress has played a key role in shaping U.S. policy toward Iran, providing for extensive U.S. sanctions, providing aid and authorizing arms sales for partners threatened by Iran, seeking to influence negotiations over Iran's nuclear program, and enacting legislation that allows Congress to review related agreements. In 2021-2022, as the Biden Administration engaged in negotiations intended to reestablish mutual compliance with the 2015 Joint Comprehensive Plan of Action (JCPOA), Members expressed a range of views, some in support of and others opposed to renewing the agreement. The prominence of the JCPOA in U.S. policy towards Iran waned in late 2022 as negotiations stalled amid other developments, such as nationwide unrest in Iran. In 2023, the United States and Iran concluded a prisoner exchange and the United States facilitated the transfer of \$6 billion in Iranian assets from South Korea to Qatar, with potential implications for congressional interests and prerogatives.<sup>1</sup>

## **U.S.-Iran Relations: Background, Recent Approaches, and Developments in 2023**

U.S.-Iran relations have been mostly adversarial since the 1979 Iranian Revolution, which deposed Shah Mohammad Reza Pahlavi, an authoritarian monarch who was a close U.S. ally, and led to the establishment of the Islamic Republic. The United States and Iran have not had diplomatic relations since 1980, following the U.S. Embassy hostage crisis.<sup>2</sup>

U.S.-Iran tensions continued in the following decade, punctuated by armed confrontations in the Gulf and Iran-backed terrorist attacks (including the 1983 bombings of the U.S. Embassy and Marine barracks in Beirut). U.S. sanctions, first imposed in 1979, continued apace with the U.S. government designating Iran as a state sponsor of acts of international terrorism in 1984, an embargo on U.S. trade with and investment in Iran in 1995, and the first imposition of secondary sanctions (U.S. penalties against firms that invest in Iran's energy sector) in 1996.

After bilateral relations briefly improved during the late 1990s, tensions rose again in the early 2000s amid reports of Iran's armed support for Palestinian groups and the revelation of previously-undisclosed nuclear facilities in Iran.<sup>3</sup> The United Nations Security Council imposed sanctions on Iran's nuclear program in response to concerns that the program could enable Iranian nuclear weapons development. The Obama Administration sought to address concerns about Iran's nuclear program through continued economic pressure via sanctions as well as through diplomatic engagement.<sup>4</sup> That engagement culminated in the 2015 multilateral nuclear agreement (JCPOA, see below) that placed limits on Iran's nuclear activities in exchange for relief from most economic sanctions.

### **Approaches under the Trump and Biden Administrations**

In comparing recent Administrations' approaches to Iran, various points of continuity and change emerge, with Biden Administration policy apparently adopting elements of both the Obama and Trump Administrations. The Biden Administration has sought diplomatic engagement with Iran, as pursued by the Obama Administration. At the same time, President Biden has kept in place, and added to, sanctions the Trump Administration reimposed after ending U.S. participation in the

---

<sup>1</sup> Michael D. Shear and Farnaz Fassihi, "Inside the Deal to Free 5 American Prisoners in Iran," *New York Times*, September 21, 2023.

<sup>2</sup> For an account of the crisis, see Mark Bowden, *Guests of the Ayatollah* (Atlantic Monthly Press, 2006).

<sup>3</sup> John Ghazvinian, *America and Iran: A History, 1720 to the Present* (Knopf, 2021).

<sup>4</sup> White House, "Statement by the President on Iran," July 14, 2015.

JCPOA. Reported U.S.-Iran diplomacy led to a September 2023 prisoner exchange and the transfer of some Iranian assets.<sup>5</sup> Prospects for more comprehensive engagement, let alone reviving the JCPOA, are uncertain as the Biden Administration pursues “a strategy of deterrence, of pressure, and diplomacy,” according to Secretary of State Antony Blinken.<sup>6</sup>

## **Trump Administration Policy**

As a candidate in 2016, Donald Trump said “my number one priority is to dismantle the disastrous deal with Iran.”<sup>7</sup> Then-President Trump initially certified to Congress in April and July 2017 that Iran was in compliance with the agreement (under an INARA requirement to submit such a report every 90 days).<sup>8</sup> In October 2017 he announced he would not submit another certification of Iranian compliance, saying, “Iran is not living up to the spirit of the deal.”<sup>9</sup> In January 2018, President Trump announced that he would again waive the application of certain energy-sector sanctions as a “last chance” to “secure our European allies’ agreement to fix” the JCPOA.<sup>10</sup> No such deal was reached, and President Trump announced on May 8, 2018, that the United States would cease participating in the JCPOA, reinstating all sanctions that the United States had waived or terminated in meeting its JCPOA obligations. All of those restrictions went back into effect as of November 2018.

In articulating a new Iran strategy in May 2018, then-Secretary of State Mike Pompeo said that due to “unprecedented financial pressure” through reimposed U.S. sanctions, U.S. military deterrence, and U.S. advocacy, “we hope, and indeed we expect, that the Iranian regime will come to its senses.”<sup>11</sup> He also laid out 12 demands for any future agreement with Iran, including the withdrawal of Iranian support for armed groups and proxies throughout the region. Iran’s leaders rejected U.S. demands and insisted the United States return to compliance with the JCPOA before engaging on a new or revised accord. The Trump Administration policy of applying “maximum pressure” on Iran after late 2018 took two main forms: additional sanctions and limited military action. After U.S. sanctions were reinstated in November 2018, the Administration designated for sanctions a number of additional entities under existing authorities (e.g., designating Iran’s Central Bank under Executive Order [E.O.] 13224, adding to the Central Bank’s designation as a proliferation entity under E.O. 13382); issued new authorities (e.g., E.O. 13876, sanctioning the office of the Supreme Leader); and designated the entirety of Iran as a “jurisdiction of primary money laundering concern.”<sup>12</sup>

From mid-2019 on, Iran escalated its regional military activities, at times coming into direct military conflict with the United States (such as when Iran shot down an unmanned U.S. surveillance drone over the Persian Gulf in June 2019). Iranian attacks against oil tankers in the Persian Gulf and a September 2019 drone attack against Saudi Arabian oil production facilities

---

<sup>5</sup> Matthew Lee, “The US moves to advance a prisoner swap deal with Iran and release \$6 billion in frozen funds,” Associated Press, September 11, 2023.

<sup>6</sup> U.S. Department of State, “Secretary Antony J. Blinken at a press availability,” August 15, 2023.

<sup>7</sup> “Full transcript: First 2016 presidential debate,” *Politico*, September 27, 2016; Sarah Begley, “Read Donald Trump’s Speech to AIPAC,” *Time*, March 21, 2016.

<sup>8</sup> Sections 135(d)(6) of the Atomic Energy Act of 1954 as added by INARA (P.L. 114-17).

<sup>9</sup> “Transcript: Trump’s Remarks on Iran nuclear deal,” *NPR*, October 13, 2017. The October 2017 decertification triggered a 60-day window for Congress to consider, under expedited procedures per INARA, legislation to reimpose sanctions lifted as part of the U.S. implementation of the JCPOA. Congress did not do so.

<sup>10</sup> White House, “Statement by the President on the Iran Nuclear Deal,” January 12, 2018.

<sup>11</sup> “After the Deal: A New Iran Strategy,” Heritage Foundation, May 21, 2018.

<sup>12</sup> Department of the Treasury, “Financial Crimes Enforcement Network (FinCEN), 31 Code Federal Regulations Part 1010,” 84 *Federal Register* 59302, November 4, 2019.

further increased tensions. Those tensions peaked with the Trump Administration's January 3, 2020, killing of IRGC-Qods Force commander Qasem Soleimani in Baghdad, and Iran's retaliatory ballistic missile strikes against U.S. forces in Iraq.<sup>13</sup> Those strikes left over one hundred U.S. military personnel injured, and attacks by Iran-backed forces in Iraq against U.S. targets continued over the following year. Iran also began exceeding JCPOA-mandated limits on its nuclear activities in 2019, according to the International Atomic Energy Agency (IAEA).

## **Biden Administration Policy**

As a presidential candidate in 2020, Joe Biden described the Trump Administration's Iran policy as a "dangerous failure" that had isolated the United States from its international partners, allowed Iran to increase its stockpiles of enriched uranium, and raised tensions throughout the region.<sup>14</sup> He pledged to "offer Tehran a credible path back to diplomacy" by promising to have the United States rejoin the JCPOA as long as "Iran returns to strict compliance" with it.

Less than a month after taking office, the Biden Administration offered to restart talks with Iran to revive the JCPOA and appointed Robert Malley as Special Envoy for Iran. When Iran refused to engage directly with the United States until the United States decreased sanctions pressure, the Biden Administration turned to indirect negotiations facilitated by the EU and other JCPOA partners. During multiple subsequent rounds of talks, negotiators reported slow and uneven progress, with talks sometimes paused for weeks or months at a time. In August 2022, reports indicated that all sides were close to achieving agreement before stalling over Iran's reported revival of some demands that the other parties had considered closed issues.<sup>15</sup> The Iranian government's violent crackdown against nationwide unrest the following month further diminished the prospects of a new agreement, though Biden Administration officials were reportedly unwilling to formally end negotiations.<sup>16</sup>

President Biden has said, "Iran will never get a nuclear weapon on my watch," and Administration officials have told Congress that a negotiated settlement akin to the JCPOA is the best way to achieve that goal.<sup>17</sup> Administration officials also argue that it is not possible to resolve the challenge of Iran's nuclear program militarily, while maintaining that all U.S. options remain available.<sup>18</sup> In its October 2022 National Security Strategy, the Administration laid out its policy toward Iran, stating the United States would "pursue diplomacy to ensure that Iran can never acquire a nuclear weapon, while remaining postured and prepared to use other means should diplomacy fail," and that "we will respond when our people and interests are attacked."<sup>19</sup> The Strategy also states, "we will always stand with the Iranian people striving for the basic rights and dignity long denied them by the regime in Tehran." Other Biden Administration courses of action related to Iran, as laid out below, include military deployments and occasional strikes against

---

<sup>13</sup> For more, see CRS Report R46148, *U.S. Killing of Qasem Soleimani: Frequently Asked Questions*.

<sup>14</sup> Joe Biden, "There's a smarter way to be tough on Iran," *CNN*, September 13, 2020.

<sup>15</sup> Ishaan Tharoor, "Is the Iran deal worth salvaging?" *Washington Post*, August 26, 2022; "Iran nuclear talks in 'stalemate,' says EU foreign policy chief," *Arab News*, September 15, 2022.

<sup>16</sup> Nahal Toosi, "'Everyone thinks we have magic powers': Biden seeks a balance on Iran," *Politico*, October 25, 2022.

<sup>17</sup> White House, Remarks by President Biden and President Rivlin of the State of Israel Before Bilateral Meeting, June 28, 2021; Senate Foreign Relations Committee Holds Hearing on US-Iran Policy, CQ Congressional Transcripts, May 25, 2022.

<sup>18</sup> Senate Foreign Relations Committee Holds Hearing on US-Iran Policy, CQ Congressional Transcripts, May 25, 2022.

<sup>19</sup> White House, *National Security Strategy*, October 12, 2022.



Iran-related targets; sanctions designations and enforcement actions; and security cooperation with regional partners.

## Developments in 2023

In 2023, points of conflict between the United States and Iran have continued, with Iranian or Iran-backed attacks against commercial shipping in the Gulf and against U.S. forces in Syria, additional U.S. military deployments, and the continued application of U.S. sanctions, including the interdiction of a tanker transporting Iranian oil. At the same time, the Biden Administration has reportedly engaged directly with Iranian diplomats in an attempt to decrease tensions. In September 2023, the United States and Iran conducted mutual prisoner releases and the United States facilitated the transfer of \$6 billion in Iranian funds from South Korea to Qatar.<sup>20</sup>

**Attacks on Gulf Shipping.** The United States seeks to safeguard freedom of navigation in the Persian Gulf, which has long been a flashpoint for U.S.-Iran tensions, including in 2023.<sup>21</sup> U.S. Naval Forces Central Command's Fifth Fleet, based in Bahrain, said in a July 2023 statement that "Iran has harassed, attacked or seized nearly 20 internationally flagged merchant vessels" since 2021.<sup>22</sup> This includes the Iranian seizure of two tankers in April-May 2023 and the attempted seizure of two more in July 2023.<sup>23</sup> Iran's April-May seizures came weeks after the United States confiscated the *Suez Rajan*, a Marshall Islands-flagged tanker suspected of carrying Iranian crude oil to China in violation of U.S. sanctions.<sup>24</sup> The *Suez Rajan* has been anchored off Texas since May, though reportedly companies initially refused to offload the oil in light of threatened Iranian reprisals.<sup>25</sup> In mid-August 2023, several Members of Congress reportedly wrote to President Biden requesting additional information on the Administration's efforts to transfer and sell the seized oil.<sup>26</sup> The vessel reportedly began offloading its cargo in late August.<sup>27</sup>

Some U.S. officials have indicated that such Iranian actions in the Gulf may not be closely related to developments in other policy areas; as one unnamed U.S. official told *Al-Monitor*, "There's a level of disorganization and randomness in how they do things."<sup>28</sup> Then-Under Secretary of

<sup>20</sup> "U.S. reaches deal with Iran to free Americans for jailed Iranians and funds," op. cit.

<sup>21</sup> See White House, "Fact Sheet: The United States strengthens cooperation with Middle East partners to address 21<sup>st</sup> century challenges," July 16, 2022.

<sup>22</sup> U.S. Naval Forces Central Command, "U.S. prevents Iran from seizing two merchant tankers in Gulf of Oman," July 5, 2023.

<sup>23</sup> Iranian forces seized the Marshall Islands-flagged *Advantage Sweet* and the Panama-flagged *Niovi* in April-May 2023, and attempted to seize the Marshall Islands-flagged *TRF Moss* and the Bahamas-flagged *Richmond Voyager* on July 5, 2023. "U.S. prevents Iran from seizing two merchant tankers in Gulf of Oman," op. cit. Both tankers, and their crews, appear to remain in Iran.

<sup>24</sup> Nahmeh Bozorgmehr et al., "US seizure of oil vessel triggered Iran tanker capture," *Financial Times*, April 28, 2023.

<sup>25</sup> Ian Talley, "Iranian oil is stuck off coast of Texas, but U.S. firms won't touch it," *Wall Street Journal*, July 18, 2023; "Iran warns against unloading Iranian oil from seized tanker," Reuters, July 20, 2023.

<sup>26</sup> Marc Rod, "Bipartisan group of lawmakers questions administration over seized Iranian oil," *Jewish Insider*, August 16, 2023. Proceeds from the sale of seized Iranian oil have previously been directed to the United States Victims of State Sponsored Terrorism Fund. See CRS In Focus IF10341, *Justice for United States Victims of State Sponsored Terrorism Act: Eligibility and Funding*, by Jennifer K. Elsea.

<sup>27</sup> Jon Gambrell, "A tanker believed to hold sanctioned Iranian oil starts offloading near Texas despite Tehran's threats," Associated Press, August 20, 2023.

<sup>28</sup> Jared Szuba, "Why is US sending 3,000 Navy, Marines forces to Persian Gulf?" *Al-Monitor*, August 7, 2023.



Defense for Policy Colin Kahl told reporters of the July 2023 incidents, “Why the Iranians are doing this at this moment is not at all clear to us.”<sup>29</sup>

**U.S. Military Deployments.** The United States has deployed additional military assets to the Gulf region, including B-52 and B-1 bombers in March and June 2023, respectively, and an Amphibious Readiness Group/Marine Expeditionary Unit that arrived in Bahrain in August 2023. National Security Council Coordinator for Strategic Communications John Kirby said in July 2023 that because Iranian forces had “become more bellicose, more active, and more dangerous” in the Gulf, “the Secretary of Defense wants to make sure, as he should, that we’ve got the proper capabilities and assets, readiness in place to deal with that.”<sup>30</sup> In response to Iranian attacks on commercial shipping, U.S. officials also have reportedly discussed plans to deploy U.S. military forces on commercial vessels requesting such assistance.<sup>31</sup> U.S. naval forces have also interdicted or supported the interdiction of weapons shipments originating from Iran, including in February 2023.<sup>32</sup>

Elsewhere in the Middle East, Iran-backed attacks against U.S. forces have continued in 2023. The most prominent exchange of strikes was in March 2023, when the United States launched air strikes against IRGC-affiliated militia sites in Syria in response to a drone attack that killed a U.S. contractor in eastern Syria.<sup>33</sup> The U.S. military and its partners have also continued to conduct joint military exercises, including some reportedly focused on Iran.<sup>34</sup>

**Prisoner Exchange and Transfer of Iranian Assets.** In September 2023, Iran released five detained U.S. nationals who had been held in Iran for as long as 8 years on what the State Department called “baseless charges.”<sup>35</sup> In exchange, the Biden Administration granted clemency to five imprisoned Iranian nationals who had been charged with or convicted of violating U.S. sanctions and failing to register as a foreign agent.<sup>36</sup> Media outlets had previously reported on the prospective prisoner release arrangement in August 2023.<sup>37</sup> In a statement welcoming the return of U.S. detainees, President Biden thanked the leaders of Qatar and Oman for their role in

---

<sup>29</sup> U.S. Department of Defense, “Under Secretary of Defense for Policy Dr. Colin Kahl holds press briefing,” July 7, 2023.

<sup>30</sup> White House Press Briefing, July 17, 2023.

<sup>31</sup> Lolita Baldor and Jon Gambrell, “US military may put armed troops on commercial ships in Strait of Hormuz to stop Iran seizures,” Associated Press, August 3, 2023.

<sup>32</sup> U.S. Central Command Public Affairs, “U.S. Central Command supports partner forces in major Iranian weapons seizure,” February 2, 2023.

<sup>33</sup> U.S. Department of Defense, “U.S. conducts airstrikes in Syria in response to deadly UAV attack,” March 23, 2023.

<sup>34</sup> Dion Nissenbaum, “U.S. Israel send message to Iran with biggest-ever military exercises,” *Wall Street Journal*, January 26, 2023.

<sup>35</sup> The U.S. nationals are Siamak Namazi, Morad Tahbaz, Emad Shargi, and two others whose names were not disclosed. Two family members of the detained U.S. nationals (Namazi’s mother and Tahbaz’s wife) were also permitted to leave Iran. U.S. Department of State, “Sixth anniversary of Iran’s wrongful detention of Baquer Namazi,” February 22, 2022.

<sup>36</sup> The five Iranian nationals are Mehrdad Moein Ansari, Kambiz Attar Kashani, Reza Sarhangpour Kafrani, Amin Hasanazadeh, and Kaveh Afrasiabi. Elizabeth Hagedorn, “Iran reveals names of 5 citizens sought in US prisoner deal,” *Al-Monitor*, September 11, 2023. Two of the Iranians (Ansari and Kafrani) have returned to Iran, two will reportedly remain in the United States, and one will go to an undisclosed third country. Ellen Knickmeyer et al., “Americans released by Iran arrive home, tearfully embrace their loved ones and declare: ‘Freedom!’” Associated Press, September 19, 2023.

<sup>37</sup> Farnaz Fassihi and Michael Shear, “U.S. reaches deal with Iran to free Americans for jailed Iranians and funds,” *New York Times*, August 10, 2023.

facilitating the agreement and announced new sanctions on Iranian entities responsible for the wrongful detentions.<sup>38</sup> President Biden also stated:

The U.S. State Department has a longstanding travel warning that states: “Do not travel to Iran due to the risk of kidnapping and the arbitrary arrest and detention of U.S. citizens.” All Americans should heed those words and have no expectation that their release can be secured if they do not.

In connection with the exchange, the United States also facilitated the transfer of \$6 billion of Iranian funds from South Korea (where they had been held as payment for pre-2019 exports of Iranian oil to South Korea) to Qatar.<sup>39</sup> In a September 17, 2023, press briefing, one unnamed U.S. official stated that the funds in Qatar will be “available only for transactions for humanitarian goods [namely, food, medicine, medical devices, and agricultural products] with vetted third-party, non-Iranian vendors,” as part of what the Administration has termed “the humanitarian channel in Qatar” or HC.<sup>40</sup> In explaining why the Administration had facilitated the transfer of funds, an unnamed senior U.S. official said that while similar humanitarian transactions were permitted with respect to the South Korea-based funds, “the situation in Korea was unique because of difficulties to convert the Korean currency,” which “made it difficult to actually do humanitarian transactions.”<sup>41</sup> According to the Treasury Department, the Qatari banks operating the humanitarian channel “have committed to stringent due diligence measures,” and the United States “will closely monitor the HC and will take appropriate action should Iran attempt to use these funds for purposes other than permitted humanitarian transactions.”<sup>42</sup>

Observers and some Members of Congress have responded in varying ways to the exchange and transfer of funds. Some characterize the transfer of Iran’s South Korea-based funds to Qatar as a “ransom” that incentivizes hostage-taking.<sup>43</sup> Some of these critics argue that even if the regime is not able to use the unfrozen funds for malign activities, the regime’s access to additional funds for humanitarian purposes will free up other resources for those destabilizing activities.<sup>44</sup> Supporters of the arrangement have lauded the Administration for securing the release of U.S. citizens held abroad (a stated Administration priority) and argued that supporting the conditional release of Iranian funds for humanitarian purposes may deprive the regime of an excuse for domestic economic problems.<sup>45</sup>

The prisoner exchange/fund transfer has generated some speculation that an informal agreement related to Iran’s nuclear program might follow.<sup>46</sup> In August 2023, the *Wall Street Journal* reported

<sup>38</sup> White House, “Statement from President Joe Biden on the return of American detainees from Iran,” September 18, 2023. The sanctions designations were made pursuant to E.O. 14078, which implements the Robert Levinson Hostage Recovery and Hostage-taking Accountability Act (Title III, Subtitle A of P.L. 116-260).

<sup>39</sup> The Administration issued a waiver permitting banks in several European countries to engage in the transfer of the Iranian funds from South Korea to Qatar. Lee, “The US moves to advance a prisoner swap deal,” op. cit.

<sup>40</sup> White House, “Background press call by senior Administration officials on the return of American detainees from Iran,” September 17, 2023.

<sup>41</sup> Ibid.

<sup>42</sup> Office of Foreign Assets Control, “Frequently Asked Question 1134: What is the humanitarian channel in Qatar,” September 18, 2023.

<sup>43</sup> See, for example, Senator Ted Cruz, “Sen. Cruz blasts Biden-Iran nuclear side deal on hostages,” September 11, 2023.

<sup>44</sup> See, for example, Chairman Michael McCaul, “McCaul statement on release of Americans held hostage in Iran,” September 18, 2023.

<sup>45</sup> See, for example, Senator Ben Cardin, “Cardin statement on the release of Americans from Iran,” September 18, 2023; Ryan Costello, “The latest Iran deal is a win-win,” *Defense One*, August 10, 2023.

<sup>46</sup> Zvi Bar’el, “U.S.-Iran prisoner deal signals possible path to new nuclear deal,” *Haaretz*, August 13, 2023.

that Iran had “significantly slowed” some of its nuclear activities.<sup>47</sup> This article followed June and July media reports that the Biden Administration, mostly through the mediation of third countries but also through direct U.S.-Iran engagement, was seeking to de-escalate tensions with Iran via an informal understanding with Iranian leaders.<sup>48</sup> Secretary Blinken said on August 14 that “there is no agreement between us [the United States and Iran] on nuclear matters” and that the prisoner release agreement “is an entirely separate matter.”<sup>49</sup> He reiterated that message after the exchange was concluded in September, saying that securing “the freedom of these unjustly detained Americans has always been a separate track in our engagement or, for that matter, lack of engagement with Iran.”<sup>50</sup>

**Sanctions.**<sup>51</sup> The Biden Administration has not issued any new sanctions authorities but has continued to designate for sanctions Iranian and third-country-based entities pursuant to existing U.S. laws and executive orders. Entities designated in 2023 include individuals and companies involved in Iran’s unmanned aerial vehicle (UAV) and ballistic missile programs; individuals involved in the production, sale, and shipment of Iranian oil to Asia; individuals involved in the crackdown on protesters and in other human rights abuses; senior IRGC officials involved in the wrongful detention of U.S. nationals in Iran; and individuals and companies facilitating the Iranian regime’s internet censorship.<sup>52</sup>

**Status of Special Envoy.** In late June 2023, Special Envoy for Iran Robert Malley, who led U.S. diplomatic efforts including reported meetings with Iranian officials, was, according to media accounts, placed on unpaid leave, with Malley telling reporters that his security clearance was under review.<sup>53</sup> In August 2023, Malley joined Princeton University as a guest lecturer, saying, “I look forward to...returning to government service in due course.”<sup>54</sup> Some Members of Congress have pressed the Administration for additional information related to the circumstances of Malley’s leave amid reports that the FBI is investigating his handling of classified materials.<sup>55</sup>

## Iran’s Political System

Iran’s Islamic Republic was established in 1979, ending the autocratic monarchy of the Shah, and is a hybrid political system that defies simple characterization. Iran has a parliament, regular elections, and some other features of representative democracy. In practice, though, the government is authoritarian, ranking 154<sup>th</sup> out of 167 countries in the Economist Intelligence

<sup>47</sup> Laurence Norman, “Iran slows buildup of uranium needed for weapon,” *Wall Street Journal*, August 11, 2023.

<sup>48</sup> Michael Crowley et al., “Hoping to avert nuclear crisis, U.S. seeks informal agreement with Iran,” *New York Times*, June 14, 2023.

<sup>49</sup> U.S. Department of State, Department Press Briefing, August 14, 2023.

<sup>50</sup> U.S. Department of State, “Secretary Antony J. Blinken Remarks to the Press,” September 18, 2023.

<sup>51</sup> For more, see CRS In Focus IF12452, *U.S. Sanctions on Iran*, by Clayton Thomas.

<sup>52</sup> See U.S. Department of the Treasury, Office of Foreign Assets Control press releases “Treasury sanctions international procurement network supporting Iran’s missile and military programs,” June 6, 2023; “Treasury sanctions companies involved in production, sale, and shipment of Iranian petrochemicals and petroleum,” February 9, 2023; “Treasury sanctions senior Iranian officials overseeing violent protest suppression and censorship,” April 24, 2023; “Treasury sanctions officials of Iranian intelligence agency responsible for detention of U.S. nationals in Iran,” April 27, 2023; “Treasury sanctions Iranian company aiding in internet censorship,” June 2, 2023.

<sup>53</sup> Barak Ravid, “U.S. special envoy for Iran Rob Malley on leave, says security clearance ‘under review,’” *Axios*, June 29, 2023.

<sup>54</sup> Princeton School of Public and International Affairs, “Senior State Department official to join SIPA faculty as visiting professor and lecturer,” August 15, 2023.

<sup>55</sup> Josh Rogin, “Inside the saga of the State Department’s missing Iran envoy,” *Washington Post*, September 6, 2023.

Unit's 2022 Democracy Index.<sup>56</sup> Shia Islam is the state religion and the basis for all legislation and jurisprudence, and political contestation is tightly controlled, with ultimate decisionmaking power in the hands of the Supreme Leader. That title has been held by Ayatollah Ali Khamenei since 1989, when he succeeded the Islamic Republic's founding leader, Ayatollah Ruhollah Khomeini. In September 2022, Khamenei appeared to suffer a brief bout of significant illness; prospects for leadership succession are unclear.

Iran's top directly elected position is the presidency, which, like the directly elected unicameral parliament (the Islamic Consultative Assembly, also known as the *Majles*) and every other organ of Iran's government, is subordinate to the Supreme Leader. Incumbent president Ebrahim Raisi, a hardliner close to Khamenei, won the June 2021 election to succeed the moderate Hassan Rouhani, who won elections in 2013 and 2017.<sup>57</sup> Rouhani oversaw Iran's negotiations with the United States and its entry into the JCPOA. The 2018 U.S. exit from the JCPOA and reimposition of sanctions, as well as the January 2020 U.S. killing of Islamic Revolutionary Guard Corps (IRGC)-Qods Force commander Qasem Soleimani, appeared to shift public support away from moderates like Rouhani.<sup>58</sup> Hardliners prevailed in the February 2020 *Majles* elections.

The June 2021 presidential election appears to have cemented this shift toward a more hardline approach to the United States. Rouhani was term-limited and ineligible to run; the government also banned several moderate candidates from running. These circumstances might have contributed to this election having the lowest turnout in the Islamic Republic's history; slightly less than half (49%) of eligible Iranians voted. Raisi, who reportedly played a role in a judicial decision to approve the execution of thousands of political prisoners in 1988, had lost the 2017 presidential election to Rouhani. In 2019 Khamenei appointed Raisi to head Iran's judiciary. Raisi's presidential victory may boost his chances of succeeding Khamenei as Supreme Leader.<sup>59</sup> Elections for the *Majles* and the Assembly of Experts, a body whose constitutional responsibilities include selecting the Supreme Leader, are scheduled for March 2024.

Mass demonstrations shook Iran in 2009 and 2010, when hundreds of thousands of demonstrators took to the streets of Iran's urban centers to protest alleged fraud in the 2009 presidential election. Iran has experienced unrest intermittently since then, including in December 2017, summer 2018, and late 2019, based most frequently on economic conditions but also reflecting other opposition to Iran's leadership. The government has often used violence to disperse protests, in which hundreds have been killed by security forces. U.S. and U.N. assessments have long cited Iran's government for a wide range of human rights abuses in addition to its repression of political dissent and use of force against protesters, including severe violations of religious freedom and women's rights, human trafficking, and corporal punishment.

<sup>56</sup> Economist Intelligence Unit, *Democracy Index 2022: Frontline democracy and the battle for Ukraine*, February 2023.

<sup>57</sup> In Iran's political system, hardliners, who support the Islamic Republic and generally oppose accommodation with the West, are also known as conservatives or "principlists;" "reformists" generally support greater political openness and engagement with the West. "Moderates" exist between these groups, but are increasingly identified with the reformists. Benoit Faucon and David Cloud, "Confronting Iran protests, regime uses brute force but secretly appeals to moderates," *Wall Street Journal*, November 23, 2022.

<sup>58</sup> Garrett Nada, "Iran's Parliamentary Polls: Hardliners on the Rise, Reformists Ruled Out," United States Institute of Peace, February 12, 2021. In Iran's political system, hardliners are also known as "principlists," moderates as "reformists."

<sup>59</sup> Parisa Hafezi, "Winner of Iran presidency is hardline judge who is under U.S. sanctions," Reuters, June 20, 2021.

## 2022-2023 Political Protests

The September 2022 death of 22-year-old Mahsa Amini, who was arrested by Iran's Morality Police for allegedly violating Iran's mandatory *hijab* (head covering) law and died after reportedly having been beaten in custody, sparked nationwide unrest in late 2022. In protests throughout the country, demonstrators voiced a broad range of grievances, with some calling for an end to the Islamic Republic and chanting "death to the dictator." Women played a prominent role in the protests.<sup>60</sup> In response to the protests, the Iranian government deployed security forces who reportedly killed hundreds of protesters and arrested thousands. Iranian officials, who blamed the United States and other foreign countries for fomenting what they called "riots," also shut down internet access.

Throughout fall 2022, observers debated whether the protests, information about which remains opaque and highly contested, represented the "turning point" that some activists claimed: one observer compared 2022 unrest to the circumstances that preceded the 1979 Islamic Revolution, while another discounted the revolutionary potential of the protests.<sup>61</sup> The demonstrations of 2022 were smaller and more geographically dispersed than those of 2009, and reportedly included protestors from a diverse range of social groups. In December 2022, as the protests appeared to wane, Director of National Intelligence Avril Haines stated, "this is not something that we see right now as being ... an imminent threat to the regime."<sup>62</sup>

As of August 2023, the protest movement has receded but the fundamental grievances that motivated the outbreak of unrest in September 2022 (and in previous years) remain unresolved, so further rounds of popular protests are possible. The protest movement apparently lacks an organized structure, a visible leader, and a shared alternative vision for Iran's future, and therefore may have limited capacity to pose an existential risk to the Islamic Republic. Many Iranian women (particularly in urban areas) have reportedly stopped wearing mandatory head coverings, prompting Iran's parliament to consider legislation that would impose new punishments on women who flout the mandate.<sup>63</sup> Active enforcement of the hijab requirement reportedly waned when protests were most active, but resumed in July 2023.<sup>64</sup> In advance of the mid-September anniversary of Amini's death, Iranian authorities reportedly arrested and sought to intimidate activists.<sup>65</sup>

## U.S. Policy Responses to the Protests

**New sanctions designations.** Since September 2022, the Biden Administration has announced sanctions designations targeting Iran's Morality Police and dozens of other government entities and officials for their role in the crackdown.

**General license and Internet service.** In September 2022, the U.S. Department of the Treasury's Office of Foreign Assets Control issued Iran General License D-2, designed to counter what

<sup>60</sup> Suzanne Kianpour, "The women of Iran are not backing down," *Politico*, January 22, 2023.

<sup>61</sup> Ray Takeyh, "A second Iranian revolution?" *Commentary*, November 2022; Sajjed Safael, "Iran's protests are nowhere near revolutionary," *Foreign Policy*, January 17, 2023.

<sup>62</sup> "DNI Avril Haines: Protests in Iran not an 'imminent threat to the regime'" *MSNBC*, December 5, 2022.

<sup>63</sup> Nasser Karimi and Jon Gambrell, "A year ago, an Iranian woman's death sparked hijab protests. Now businesses are a new battleground," Associated Press, August 10, 2023; "Iran's politicians to debate hijab laws in secret," *BBC*, August 13, 2023.

<sup>64</sup> Maziar Motamedi, "Iran's 'morality police' return as authorities enforce hijab rule," *Al Jazeera*, July 16, 2023.

<sup>65</sup> David Cloud, "Iran cracks down on activists ahead of anniversary of Mahsa Amini's death," *Wall Street Journal*, August 25, 2023.



officials described as Tehran's move to "cut off access to the Internet for most of its 80 million citizens to prevent the world from watching its violent crackdown on peaceful protestors."<sup>66</sup> Treasury officials stated that the new license expands access to cloud-based services, Virtual Private Networks (VPNs), and anti-surveillance tools critical to secure communication. In March 2023, a State Department spokesperson said "several U.S. companies have in turn taken advantage of the expanded authorization that we've provided."<sup>67</sup>

**Action at international bodies.** In late November 2022, the U.N. Human Rights Council authorized an independent fact-finding mission (FFM) to investigate allegations of human rights abuses committed by the Iranian government.<sup>68</sup> The FFM is expected to present a comprehensive report on its findings at the March 2024 meeting of the Human Rights Council. The United States also led a successful effort to remove Iran from the U.N. Commission on the Status of Women in December 2022.

**Congressional Action.** In the 118<sup>th</sup> Congress, some Members have introduced several resolutions and bills related to the protests. In January 2023, the House voted 420-1 to agree to H.Con.Res. 7, which condemns Amini's death and the violent suppression of protests and "encourages continued efforts" by the Biden Administration to respond to the protests via sanctions and the expansion of unrestricted internet access in Iran. In September 2023, the House voted 410-3 to pass the Mahsa Amini Human rights and Security Accountability Act (MAHSA Act, H.R. 589), which would direct the Administration to review whether specified Iranian entities meet the criteria for designation under certain existing sanctions authorities.

## Iran's Military: Structure and Capabilities

Given the adversarial nature of U.S.-Iran relations and the centrality of various military-related entities in Iranian domestic and foreign policy, Iran's military has been a subject of sustained engagement by Congress and other U.S. policymakers. In 2023 testimony, U.S. Central Command (CENTCOM) Commander General Erik Kurilla said, "The advancement of Iranian military capabilities over the past 40 years is unparalleled in the region."<sup>69</sup> The elements of Iran's military that arguably threaten U.S. interests most directly are Iran's Islamic Revolutionary Guard Corps (IRGC) and the country's missile and unmanned aerial vehicle (UAV, or drone) programs.

Iran's traditional military force, the *Artesh*, is a legacy of Iran's Shah-era military force. The *Artesh* exists alongside the IRGC, which Khomeini established in 1979 as a force loyal to the new regime. Rivalries between the two parallel forces (each have their own land, air, and naval force components) stem from their "uneven access to resources, varying levels of influence with the regime, and inherent overlap in missions and responsibilities."<sup>70</sup> While both serve to defend Iran against external threats, the government deploys the *Artesh* primarily along Iran's borders to counter any invading force, while the IRGC has a more ideological character and the more

<sup>66</sup> U.S. Department of the Treasury, "U.S. Treasury issues Iran General License D-2 to increase support for internet freedom," September 23, 2022.

<sup>67</sup> U.S. Department of State, Department Press Briefing, March 1, 2023.

<sup>68</sup> Office of the High Commissioner, "Human Rights Council establishes fact-finding mission to investigate alleged human rights violations in Iran related to the protests that began on 16 September 2022," November 24, 2022.

<sup>69</sup> General Michael Kurilla, "Statement for the Record before the Senate Armed Services Committee on the Posture of U.S. Central Command," March 13, 2023.

<sup>70</sup> Defense Intelligence Agency, *Iran Military Power: Ensuring Regime Survival and Securing Regional Dominance*, 2019.



expansive mission of combating internal threats and expanding Iran's influence abroad. Elements of the IRGC include:

- The *Basij*, a “volunteer paramilitary reserve force,” which plays a key role in suppressing protests and other forms of internal dissent.<sup>71</sup>
- The IRGC *Qods Force* (IRGC-QF), which coordinates Iran's regional activities, providing arms, training, and other forms of support to the network of proxies and armed groups that share Iran's objectives (see “Regional Activities and Strategy” below).

### ***Ballistic Missiles***

According to the U.S. intelligence community, Iran has “the largest inventory of ballistic missiles in the region” and, as of 2022, had steadily improved the range and accuracy of its more than 3,000 ballistic missiles over “the last five to seven years.”<sup>72</sup> Per CENTCOM Commander Kurilla, Iran has aggressively developed its missile capabilities to achieve “an asymmetric advantage against regional militaries.”<sup>73</sup> Iran has used its ballistic missiles to target U.S. regional assets directly, including a January 2020 attack (shortly following the U.S. killing of IRGC-QF Commander Soleimani) against Iraqi sites where U.S. military forces were stationed, and attacks against Iraq's Kurdistan region in March and September 2022.<sup>74</sup>

Iran's medium-range ballistic missiles were assessed by the Defense Intelligence Agency (DIA) in 2019 to have a maximum range of around 2,000 kilometers from Iran's borders, reportedly capable of reaching targets as far as Israel or southeastern Europe.<sup>75</sup> U.S. officials and others have expressed concern that Iran's government could use its nascent space program to develop longer-range missiles, including intercontinental ballistic missiles (ICBMs).<sup>76</sup> According to a congressionally mandated report issued by the Office of the Director of National Intelligence in June 2023, Iran's work on space launch vehicles (SLVs) “shortens the timeline to an ICBM if it decided to develop one because SLVs and ICBMs use similar technologies.”<sup>77</sup> The Biden Administration has designated for sanctions several Iranian and Chinese entities for their involvement in the Iranian government's ballistic missile activities.<sup>78</sup> The House voted 403-8 in September 2023 to pass the Fight and Combat Rampant Iranian Missile Exports Act (Fight CRIME Act, H.R. 3152), which would further authorize sanctions on individuals determined to be engaged in Iran's missile programs.

<sup>71</sup> Ibid.

<sup>72</sup> *Annual Threat Assessment of the U.S. Intelligence Community*, March 8, 2023; Senate Armed Services Committee Hearing, March 15, 2022, available at <http://www.cq.com/doc/congressionaltranscripts-6484358>.

<sup>73</sup> Statement for the Record before the Senate Armed Services Committee, March 13, 2023.

<sup>74</sup> “Who would live and who would die: The inside story of the Iranian attack on Al Asad Airbase,” *CBS News*, August 8, 2021; “Iran attacks Iraq's Erbil with missiles in warning to U.S., allies,” Reuters, March 13, 2022; White House, “Statement by National Security Advisor Jake Sullivan on Iran's Missile and Drone Attacks in Northern Iraq,” September 28, 2022.

<sup>75</sup> *Iran Military Power*, op. cit. 43.

<sup>76</sup> *Annual Threat Assessment*, op. cit.; Farzin Nadimi, “Iran's ballistic missile arsenal is still growing in size, reach, and accuracy,” Washington Institute for Near East Policy, December 13, 2021.

<sup>77</sup> Office of the Director of National Intelligence, *Iran's Nuclear Weapons Capability and Terrorism Monitoring Act of 2022*, June 2023.

<sup>78</sup> U.S. Department of the Treasury, “Treasury Sanctions Key Actors in Iran's Ballistic Missile Program,” March 30, 2022; “Treasury sanctions international procurement network supporting Iran's missile and military programs,” June 6, 2023.

### Iran's Missile Program and U.N. Sanctions "Snapback"<sup>79</sup>

In July 2015, the U.N. Security Council adopted Resolution 2231 (UNSCR 2231), which, in addition to endorsing full implementation of the JCPOA, also contained provisions related to Iran's arms and missile development activities. Specifically, Annex B of the Resolution provides for a ban on the transfer of conventional arms to or from Iran (the conventional weapons ban expired in October 2020), and restricts exports of missile-related items until October 2023. UNSCR 2231 also includes provisions that effectively allow any "JCPOA participant state" to force the reimposition of UN sanctions, including the arms transfer and ballistic missile bans as well as a ban on purchasing Iranian oil, in a process known as "snapback." In August 2020, the Trump Administration invoked the snapback provision in an attempt to extend the conventional arms embargo, but most other members of the Security Council (including JCPOA participants France, the United Kingdom, Russia, and China) asserted that the United States, having ceased implementing its JCPOA commitments in 2018, was not a participant and therefore did not have the standing to trigger the snapback of sanctions.<sup>80</sup> The Biden Administration has reversed the Trump Administration's position on the snapback provision.

The approach of the October 18, 2023, sunset of U.N. sanctions on Iran's ballistic missile activities has again focused international attention on the snapback process. Some supporters of invoking snapback have viewed it positively, as a step that could, in tandem with additional pressure, "hasten the demise of the Islamic Republic regime."<sup>81</sup> Some opponents of this move have argued that the economic impact of reimposing U.N. economic sanctions would be "marginal" given the existence of more restrictive secondary U.S. sanctions, and that the practical impact of restoring/extending the bans would be similarly minimal given arguable Iranian violations, such as its weapons transfers to Russia.<sup>82</sup> Iranian leaders have given differing indications of how Iran might respond to such a measure; some have reportedly threatened to retaliate (including by accelerating nuclear activities) while others have dismissed the practical effect of Western sanctions.<sup>83</sup>

Given U.N. Security Council members' position on snapback, the provision would likely have to be invoked by another JCPOA participant, most likely U.S. allies France, Germany, and/or the United Kingdom (the "E3"). Some in Congress have urged those European nations to do so.<sup>84</sup> According to media reports, the E3 in 2022 conveyed to Iran their intention to invoke snapback if Iran were to produce enriched uranium containing 90% uranium-235 (considered weapons-grade).<sup>85</sup> In any case, according to some media reports, the E3 are likely to implement unilateral sanctions related to Iran's missile activities.<sup>86</sup>

### UAVs

According to CENTCOM, Iran has also developed "the largest and most capable Unmanned Aerial Vehicle force in the region," with which it has attacked numerous foreign targets.<sup>87</sup> While Iranian drones are not as technologically complex or advanced as the U.S. UAVs on which the Iranian versions are often modeled, they are a cost-effective way of projecting power, especially given Iran's underdeveloped air force. Traditional air defense systems have difficulty intercepting UAVs, in part because such systems were designed to detect manned aircraft with larger radar

<sup>79</sup> For more, see CRS In Focus IF11583, *Iran's Nuclear Program and U.N. Sanctions Reimposition*, by Paul K. Kerr.

<sup>80</sup> "UNSC dismisses US demand to impose 'snapback' sanctions on Iran," *Al Jazeera*, August 25, 2020. For more, see CRS In Focus IF11429, *U.N. Ban on Iran Arms Transfers and Sanctions Snapback*.

<sup>81</sup> Anthony Ruggiero and Andrea Stricker, "Europe must trigger snapback of UN sanctions on Iran," *The Hill*, October 6, 2023.

<sup>82</sup> Henry Rome and Louis Dugit-Gros, "Snapback sanctions on Iran: More bark than bite?" Washington Institute for Near East Policy, October 25, 2022.

<sup>83</sup> John Irish et al., "Exclusive: Europeans plan to keep ballistic missile sanctions on Iran," Reuters, June 29, 2023; Arshad Mohammed et al., "Analysis: Smoldering Iran nuclear crisis risks catching fire," Reuters, May 5, 2023.

<sup>84</sup> See letter at <https://tenney.house.gov/media/press-releases/rep-tenney-gottheimer-lead-letter-urging-european-allies-initiate-snapback>.

<sup>85</sup> Irish et al., op cit.

<sup>86</sup> Ibid.; Lahav Harkov, "Europe not planning to 'snapback' Iran sanctions despite continued violations," *Jerusalem Post*, July 5, 2023; Henry Rome and Louis Dugit-Gros, "The Iran deal's October sunsets: Sanctions without snapback," Washington Institute for Near East Policy, July 28, 2023.

<sup>87</sup> Statement for the Record, op. cit.

and/or heat signatures.<sup>88</sup> Iran's drone operations include attacks in September 2019 against Saudi oil production facilities in Abqaiq, a complex assault that featured 18 drones and several land-attack cruise missiles; in July 2021 against an oil tanker off the coast of Oman; and in October 2021 against a U.S. military base in At Tanf, Syria. The Biden Administration has designated for sanctions numerous individuals and entities that have supported Iran's UAV programs,<sup>89</sup> and in the 117<sup>th</sup> Congress the House passed, and the Senate Foreign Relations Committee reported, a bill (H.R. 6089) that would have required the President to impose sanctions on persons that engage in activities related to Iranian UAVs.<sup>90</sup> In August 2022, Iran began transferring armed drones to Russia, which has used them against Ukrainian forces and civilian infrastructure.<sup>91</sup>

## Foreign Policy and Regional Activities

Iran's foreign policy appears to reflect overlapping and at times contradictory motivations. These include:

**Threat Perception.** Iran's leaders argue that the United States and its allies seek to overturn Iran's regime, claiming, for example, that the U.S. military presence in and around the Persian Gulf reflects an intent to intimidate or attack Iran. Per the 2023 *Annual Threat Assessment of the U.S. Intelligence Community*, "The Iranian regime sees itself as locked in an existential struggle with the United States and its regional allies."<sup>92</sup> Iranian officials describes the country's missile program and other military programs as "defensive," arguing that they serve as a deterrent to attacks by hostile powers.<sup>93</sup> Iranian leaders have witnessed U.S. military intervention in two of Iran's neighboring states (Iraq and Afghanistan), and continue to reference what former Secretary of State Albright described as the "significant role" played by the United States in "orchestrating the overthrow of Iran's popular Prime Minister, Mohammed Massadeh" in 1953.<sup>94</sup> Iranian leaders describe U.S. sanctions as economic warfare against Iran.<sup>95</sup>

**Ideology.** The 1979 Iranian Revolution replaced a secular, U.S.-backed authoritarian leader with a Shia cleric-dominated regime, and that change infuses Iran's foreign policy. Another ideological element of the Islamic Revolution is the regime's steadfast rhetorical opposition to the existence

<sup>88</sup> Golnaz Esfandiari, "Iran deploys drones to target internal threats, protect external interests," *RFE/RL*, January 18, 2022.

<sup>89</sup> See, for example, U.S. Department of the Treasury, "Treasury sanctions network and individuals in connection with Iran's unmanned aerial vehicle program," October 29, 2021; "Treasury sanctions multinational network supporting Iran's UAV and military aircraft production," September 19, 2023.

<sup>90</sup> The bill would amend Section 107 of the Countering America's Adversaries Through Sanctions Act (CAATSA. P.L. 115-44) to include unmanned combat aerial vehicles.

<sup>91</sup> Ellen Nakashima and Joby Warrick, "Iran sends first shipment of drones to Russia for use in Ukraine," *Washington Post*, August 29, 2022; Yaroslav Trofimov and Dion Nissenbaum, "Russia's use of Iranian kamikaze drones creates new dangers for Ukrainian troops," *Wall Street Journal*, September 17, 2022.

<sup>92</sup> Office of the Director of National Intelligence, *Annual Threat Assessment of the U.S. Intelligence Community*, February 6, 2023.

<sup>93</sup> Omer Carmi, "Khamenei's First Speech of 2021: Reemphasizing U.S. Weakness, Iranian Self-Reliance," Washington Institute for Near East Policy, January 8, 2021; "Iran's defensive power must increase daily and it does: Imam Khamenei," Official Website of Ayatollah Khamenei (*Khamenei.Ir*), February 27, 2018.

<sup>94</sup> Secretary of State Madeleine K. Albright, Remarks before the American-Iranian Council, March 17, 2000; "Conflicts between Iran and US goes back to 1953 coup," *Khamenei.Ir*, November 2, 2022.

<sup>95</sup> "Sanctions are 'US way of war'," Iranian President at UN," UN News, September 21, 2021.

of Israel. Since the revolution, that enmity has fed Iran-Israel tensions, with broad implications for the region and U.S. policy.<sup>96</sup>

**Pragmatism.** Iranian leaders have expressed a commitment to aiding other Shia Muslims, but at times have tempered that approach in order to advance Iran's geopolitical interests. For example, Iran has supported Christian-inhabited Armenia, rather than Shia-inhabited Azerbaijan, possibly in part to thwart cross-border Azeri nationalism among Iran's large Azeri minority.<sup>97</sup> President Raisi has also tried to improve relations with neighboring Gulf states, an effort that appears to place domestic economic concerns ahead of traditional regional rivalries.<sup>98</sup> Iran's March 2023 agreement to reestablish ties with rival Saudi Arabia (see text box below) may also reflect this approach.

**Factional Interests and Competition.** Iran's foreign policy has reflected differing approaches among key internal actors and groups. Supreme Leader Khamenei sits at the apex of several decisionmaking and advisory councils dominated by hardliners who seek to shield Iran from Western political and cultural influence. More moderate Iranian leaders, such as former President Hassan Rouhani, have at times sought to use engagement with the West as a way to attract greater foreign investment and boost Iran's economy.<sup>99</sup>

## Regional Proxies and Allies

Iran backs a number of political and armed groups in the Middle East as part of what some experts call a "forward defense" strategy, guided by the principle that "Iran should fight its opponents outside its borders to prevent conflict inside Iran."<sup>100</sup> U.S. officials characterize the Iranian government's support for these regional proxies and allies as a threat to U.S. interests and forces in the region. The 2023 intelligence community threat assessment predicted that

Iran will continue to threaten U.S. interests as it tries to erode U.S. influence in the Middle East, entrench its influence and project power in neighboring states and minimize threats to regime security.... Iranian-supported proxies will seek to launch attacks against U.S. forces and persons in Iraq and Syria, and perhaps in other countries and regions.<sup>101</sup>

**Iraq.** Iran-backed militia forces in Iraq continue to carry out intermittent rocket, drone, and improvised explosive device (IED) attacks against U.S. and Iraqi facilities and support systems. These groups seek to revise or rescind Iraq's invitation to the U.S. military to retain an advisory presence in Iraq beyond the withdrawal of U.S. combat forces from the country in December 2021. They also seek to retaliate for the January 2020 U.S. strike in Baghdad that killed IRGC-Qods Force commander Qasem Soleimani and the head of the Iran-backed Iraqi militia Kata'ib

<sup>96</sup> For more information on Israel's approach to threats it perceives from Iran, as relevant to U.S. foreign policy, see CRS Report R44245, *Israel: Major Issues and U.S. Relations*, by Jim Zanotti.

<sup>97</sup> Borzou Daraghi, "Nagorno-Karabakh: An unexpected conflict that tests and perplexes Iran," Atlantic Council, November 9, 2020; Vali Kaleji, "Iran increasingly uneasy about threats to common border with Armenia," *Eurasia Daily Monitor*, October 14, 2022.

<sup>98</sup> "Iran's regional agenda and the call for détente with the Gulf states," Middle East Institute, March 17, 2022.

<sup>99</sup> "Iranian President Hassan Rouhani in Paris to court investors," *Los Angeles Times*, January 27, 2016.

<sup>100</sup> Amr Yossef, "Upgrading Iran's military doctrine: An offensive 'forward defense,'" Middle East Institute, December 10, 2019; Alex Vatanka, *Whither the IRGC of the 2020s? Is Iran's Proxy Warfare Strategy of Forward Defense Sustainable?* New America, January 15, 2021.

<sup>101</sup> Office of the Director of National Intelligence, *Annual Threat Assessment of the U.S. Intelligence Community*, February 6, 2023.

Hezbollah.<sup>102</sup> Iran also has carried out strikes in Iraq’s Kurdistan region, targeting what Iran alleges are support networks for Israel and Iraq-based Iranian Kurdish opposition groups.

**Syria.** Iran-backed militias have used Syria as a base from which to target U.S. armed forces and facilities in Iraq. They also have targeted U.S. forces in Syria in what U.S. officials have sometimes described as retaliation for Israeli airstrikes on Iranian forces in Syria.<sup>103</sup> U.S. officials assess that Iran’s government seeks a permanent military presence in Syria to bolster its regional influence, support Lebanese Hezbollah, and threaten Israel.<sup>104</sup> In September 2023, a Biden Administration official said, “There have been no attacks in Syria in 6 months since that response,” referring to the March 2023 U.S. airstrikes against IRGC-affiliated militia sites in Syria mentioned above.<sup>105</sup>

**Lebanon.** Iran’s support for Hezbollah, including providing thousands of rockets and short-range missiles, helps Iran acquire leverage against Israel, a key regional adversary.<sup>106</sup> Israel has stated that Iran may be supplying Hezbollah with advanced weapons systems and technologies, and assisting Hezbollah in creating an indigenous production capability for rockets, missiles, and drones that could threaten Israel from Lebanon, Syria, Iraq, or Yemen.<sup>107</sup>

**Yemen.** Iran’s support to the Houthi movement in Yemen—including supplying ballistic and cruise missiles, as well as unmanned systems—has enabled the group to target U.S. partners, including Saudi Arabia and the United Arab Emirates.<sup>108</sup> Iran reportedly agreed to halt arms shipments to the Houthis as part of its March 2023 agreement with Saudi Arabia (see text box below).

**Gaza and the West Bank.** Iran continues to support the Palestinian Sunni Islamist militant groups Hamas and Palestine Islamic Jihad (PIJ), whose Gaza-based operations threaten parts of Israel with rockets, missiles, and drones. Both groups also have taken steps to make inroads into the West Bank, ostensibly to undermine Israeli and Palestinian Authority control there.

## Iran’s Relations with China and Russia

Iran has acted to maintain and expand economic and military ties with Beijing and Moscow, reflecting what analysts describe as a “look East” strategy favored by hardline leaders, including President Raisi and Supreme Leader Khamenei.<sup>109</sup> In 2024, Iran is slated to formally join the BRICS group of emerging economies (Brazil, Russia, India, China, and South Africa), along with

<sup>102</sup> For additional background see, CRS Report R46148, *U.S. Killing of Qasem Soleimani: Frequently Asked Questions*, coordinated by Clayton Thomas. “Iran vows to avenge Qassem Soleimani’s killing three years ago,” *Al Jazeera*, January 3, 2023.

<sup>103</sup> “Strike on U.S. Base Was Iranian Response to Israeli Attack, Officials Say,” *New York Times*, November 18, 2021.

<sup>104</sup> See, for example, Posture statement of General Kenneth F. McKenzie Jr., before the Senate Armed Services Committee, March 15, 2022.

<sup>105</sup> White House, “Background press call by senior Administration officials,” op. cit.

<sup>106</sup> For more, see CRS Report R44245, *Israel: Major Issues and U.S. Relations*, by Jim Zanotti.

<sup>107</sup> Fabian Hintz, *Missile Multinational: Iran’s New Approach to Missile Proliferation*, International Institute for Strategic Studies, April 26, 2021; “Israeli minister says Iran using Syria facilities for weapons production,” *Reuters*, September 12, 2022.

<sup>108</sup> Seth Jones et al., “The Iranian and Houthi war against Saudi Arabia,” Center for Strategic and International Studies, December 21, 2021; Bruce Reidel, “Yemen war spreads to the UAE,” Brookings Institution, February 10, 2022.

<sup>109</sup> Javad Heiran-Nia, “How Iran’s interpretation of the world order affects its foreign policy,” Atlantic Council, May 11, 2022; Pierre Pahlavi, “The origins and foundations of Iran’s ‘Look East’ policy,” Australian Institute of International Affairs, October 4, 2022.



Argentina, Egypt, Ethiopia, Saudi Arabia, and the United Arab Emirates.<sup>110</sup> The economic and political impacts of Iran's BRICS membership are likely to be minimal, at least in the short term, but Iranian leaders characterize joining the group as a "strategic victory" that will buttress the Iranian government's efforts to resist U.S.-led attempts to isolate and pressure it (including sanctions).<sup>111</sup>

For the past several decades, the **People's Republic of China** (PRC or China) has taken steps to deepen its financial presence in numerous sectors of the Iranian economy, as well as to expand military cooperation. China is Iran's largest trade partner and the largest importer of Iran's crude oil and condensates, despite U.S. sanctions; Chinese imports of Iranian oil have grown to nearly a million barrels per day in 2023.<sup>112</sup> Over the years, the PRC has become a source of capital for Iran, in line with China's Belt and Road Initiative (BRI), which includes a series of energy and transportation corridors extending throughout Eurasia. On March 27, 2021, Iran and the PRC signed a 25-year China-Iran Comprehensive Cooperation Plan "to tap the potential for cooperation in areas such as economy and culture and map out prospects for cooperation in the long run."<sup>113</sup> Before doing so was banned by the U.N. Security Council, the PRC openly supplied Iran with advanced conventional arms, including cruise missile-armed fast patrol boats that the IRGC Navy operates in the Persian Gulf; anti-ship missiles; ballistic missile guidance systems; and other technology related to the proliferation of weapons of mass destruction (WMD).<sup>114</sup> U.S. officials also report that PRC-based entities have supplied Iran-backed armed groups with UAV technology.<sup>115</sup> The United States has imposed sanctions on a number of PRC-based entities for allegedly supplying Iran's missile, nuclear, and conventional weapons programs. Tehran has reacted negatively to closer Chinese relations with Saudi Arabia (Iran's primary regional rival) and the UAE (with which Iran has strong economic ties but also some territorial disputes).<sup>116</sup>

### March 2023 China-Iran-Saudi Arabia Agreement

In March 2023, Iran, Saudi Arabia, and China announced that Iran and Saudi Arabia would reestablish diplomatic relations (suspended since 2016), reopen embassies in each other's capitals, and reinstate exchanges pursuant to bilateral accords signed during a previous period of Saudi-Iranian rapprochement (in 1998 and 2001).<sup>117</sup> In the China-brokered agreement, Iran and Saudi Arabia affirmed their respect for "non-interference in internal affairs of states." One media source indicates that specific elements include a Saudi pledge to "tone down critical coverage

<sup>110</sup> Farnaz Fassihi et al., "What to know about the 6 nations joining BRICS," *New York Times*, August 23, 2023.

<sup>111</sup> "Deep dive: Iran hails invite to join BRICS, but few expect major dividends," *Amwaj.media*, August 25, 2023; Farnaz Fassihi, "With BRICS invite, Iran shrugs off outcast status in the West," *New York Times*, August 25, 2023.

<sup>112</sup> U.S. Energy Information Administration, "Country Analysis Executive Summary: Iran," November 17, 2022; "China is buying the most Iranian crude oil in a decade, Kpler says," August 15, 2023; Muyu Xu, "China's 'teapot' refiners mop up swelling Iranian crude, defying U.S. curbs," *Reuters*, September 14, 2023.

<sup>113</sup> Ministry of Foreign Affairs of the PRC, "Wang Yi Holds Talks with Iranian Foreign Minister Mohammad Javad Zarif," March 28, 2021.

<sup>114</sup> Defense Intelligence Agency, *Iran Military Power: Ensuring Regime Survival and Securing Regional Dominance*, 2019.

<sup>115</sup> Testimony of Department of State Assistant Secretary of State for Near Eastern Affairs Barbara Leaf, in U.S. Congress, Senate Foreign Relations Subcommittee on Near East, South Asia, Central Asia and Counterterrorism, *China's Role in the Middle East*, hearing, 117<sup>th</sup> Cong., 2<sup>nd</sup> sess., August 4, 2022.

<sup>116</sup> Jacopo Scita, "When it comes to Iran, China is shifting the balance," *Bourse and Bazaar*, December 13, 2022; Tala Taslimi, "China's embrace of Saudi Arabia leaves Iran out in the cold," *Nikkei Asia*, December 13, 2022.

<sup>117</sup> See Ministry of Foreign Affairs of the Kingdom of Saudi Arabia (@KSAmofaEN), "Joint Trilateral Statement by the Kingdom of #Saudi Arabia, the Islamic Republic of #Iran, and the People's Republic of #China," X post, March 10, 2023, <https://twitter.com/KSAmofaEN/status/1634180277764276227>. For more on past agreements, see Faris Almaari, "Clarifying the status of previous Iran-Saudi agreements," *Washington Institute for Near East Policy*, March 16, 2023.



of Iran” by a Saudi-linked media outlet and an Iranian pledge to halt arms shipments to the Houthis in Yemen.<sup>118</sup> The Saudi and Iranian foreign ministers exchanged visits in June and August 2023, and both countries have reopened their embassies.

The Biden Administration indicated that it conditionally welcomed the agreement, while highlighting uncertainty over “whether the Iranians are going to honor their side of the deal” given the legacy of Iran’s support to the Houthis in Yemen.<sup>119</sup> CENTCOM Commander General Kurilla cautioned, “They have had diplomatic relations in the past while they were still shooting at each other in the past.”<sup>120</sup> Some Administration officials have characterized the agreement as “a good thing” that advances the U.S. goal of “de-escalation in the Middle East,” while downplaying the significance of the deal and of China’s role in brokering it.<sup>121</sup> Observers have expressed a range of views. Some view the PRC initiative as a sea change in regional diplomacy and as an indication of China’s increased influence, while others see it as a modest win for China.<sup>122</sup> The implications of the deal for U.S. policy also elicited a range of views. Some experts perceive the deal as a major blow to U.S. credibility, while others argue that, despite China’s foray into Middle Eastern diplomacy, the United States remains the essential partner to Gulf Arab states.<sup>123</sup>

Following **Russia’s** invasion of Ukraine in early 2022, Russia and Iran—both under extensive U.S. sanctions—have deepened their relationship. Since August 2022, Iran has transferred armed unmanned aerial vehicles (UAVs, or drones) to Russia, which has used them against a range of targets in Ukraine. These transfers (and potential transfers of ballistic missiles) have implications for the trajectory of the conflict in Ukraine as well as for U.S. efforts to support Ukraine’s defense against Russia’s invasion. In late 2022, Administration officials warned that the relationship between Iran and Russia was advancing beyond the sale of drones; a National Security Council spokesperson stated, “Russia is offering Iran an unprecedented level of military and technical support that is transforming their relationship to a full-fledged defense partnership.”<sup>124</sup> According to media reports, Iran and Russia have constructed and are operating a factory in Russia to produce thousands of Iranian-designed drones for Russia’s war in Ukraine.<sup>125</sup>

## Iran’s Nuclear Program<sup>126</sup>

U.S. policymakers have signaled concern for decades that Tehran might attempt to develop nuclear weapons. Iran’s construction of gas centrifuge uranium enrichment facilities is currently

<sup>118</sup> Summer Said et al., “China plans new Middle East summit as diplomatic role takes shape,” *Wall Street Journal*, March 12, 2023; Dion Nissenbaum et al., “Iran agrees to stop arming Houthis in Yemen as part of pact with Saudi Arabia,” *Wall Street Journal*, March 16, 2023.

<sup>119</sup> Patsy Widakuswara, “White House welcomes Chinese-brokered Saudi-Iran deal,” *VOA*, March 10, 2023.

<sup>120</sup> “Senate Armed Services Committee Holds Hearing on Fiscal Year 2024 Defense Authorization Request for Central Command and Africa Command,” CQ Congressional Transcripts, March 16, 2023.

<sup>121</sup> Nahal Toosi and Phelim Kine, “U.S. officials project calm as China stuns world with Iran-Saudi deal,” *Politico*, March 13, 2023.

<sup>122</sup> “Experts react: Iran and Saudi Arabia just agreed to restore relations, with help from China. Here’s what that means for the Middle East and the world,” Atlantic Council, March 10, 2023.

<sup>123</sup> Michael McFaul and Abbas Milani, “How China’s Saudi-Iran deal can serve U.S. interests,” *Foreign Policy*, March 14, 2023; Adam Gallagher et al., “What you need to know about China’s Saudi-Iran deal,” United States Institute of Peace, March 16, 2023.

<sup>124</sup> “Russia and Iran Military Ties Deepening Into Partnership, Biden Administration Warns,” *Wall Street Journal*, December 9, 2022.

<sup>125</sup> “Moscow, Tehran Advance Plans for Iranian-Designed Drone Facility in Russia,” *Wall Street Journal*, February 5, 2023; Dalton Bennett and Mary Ilyushina, “Inside the Russian effort to build 6,000 attack drones with Iran’s help,” *Washington Post*, August 17, 2023.

<sup>126</sup> Material in this section is drawn from CRS Report R43333, *Iran Nuclear Agreement and U.S. Exit*, which contains additional information on Iran’s nuclear program and the JCPOA.

the main source of concern that Tehran is pursuing nuclear weapons. Gas centrifuges can produce both low-enriched uranium (LEU), which can be used in nuclear power reactors, and weapons-grade highly enriched uranium (HEU), which is one of the two types of fissile material used in nuclear weapons. Iranian leaders claim that the country's LEU production is only for Tehran's current and future civil nuclear reactors.

U.S. policy has focused on using various means of coercive diplomacy to pressure Iran to agree to limits on its nuclear program. The Obama Administration pursued a "dual track" strategy of stronger economic pressure through increased sanctions coupled with offers of sanctions relief if Iran accepted constraints on the nuclear program. Many observers assess that U.S. and multilateral sanctions contributed to Iran's 2013 decision to enter into negotiations that concluded in the 2015 Joint Comprehensive Plan of Action (JCPOA).<sup>127</sup>

## 2015 Joint Comprehensive Plan of Action (JCPOA)

The JCPOA imposed restraints on Iran's nuclear program in exchange for relief from most U.S. and U.N. Security Council economic sanctions. The agreement restricted Iran's enrichment and heavy water reactor programs and provided for enhanced IAEA monitoring to detect Iranian efforts to produce nuclear weapons using either declared or covert facilities. The nuclear-related provisions of the agreement, according to U.S. officials, extended the nuclear breakout time—the amount of time that Iran would need to produce enough weapons-grade HEU for one nuclear weapon—to a minimum of one year, for a duration of at least 10 years.<sup>128</sup> In addition to the restrictions on activities related to fissile material production, the JCPOA indefinitely prohibited Iranian "activities which could contribute to the design and development of a nuclear explosive device," including research and diagnostic activities. The IAEA continues to monitor Iranian compliance with the JCPOA provisions but since 2019 has reported diminishing Iranian cooperation with JCPOA-mandated monitoring.<sup>129</sup>

**Sanctions relief.**<sup>130</sup> In accordance with the JCPOA, the United States waived its secondary sanctions—restrictions on any third country engaging in some types of trade with Iran, primarily in the energy sector—in 2016. The secondary sanctions eased during JCPOA implementation included (1) sanctions that limited Iran's exportation of oil and foreign sales to Iran of gasoline and energy sector equipment, and that limited foreign investment in Iran's energy sector; (2) financial sector sanctions, including trading in Iran's currency, the *rial*; and (3) sanctions on Iran's auto sector. The European Union (EU) lifted its ban on purchases of oil and gas from Iran; and Iranian banks were readmitted to the SWIFT financial messaging services system.<sup>131</sup> The U.N. Security Council revoked its resolutions that required member states to impose restrictions. The JCPOA did not require the lifting of U.S. sanctions on direct U.S.-Iran trade or sanctions levied for Iran's support for regional armed factions and terrorist groups, its human rights abuses, or its

<sup>127</sup> Uri Berliner, "Crippled by sanctions, Iran's economy key in nuclear deal," NPR, November 25, 2013; Amir Toumaj, "Iran's economy of resistance: implications for future sanctions," AEI, November 17, 2014; "Inside the Iran nuclear deal," *Harvard Gazette*, October 6, 2015.

<sup>128</sup> "Background Conference Call by Senior Administration Officials on Iran," July 14, 2015. U.S. Secretary of Energy Ernest Moniz described this timeline as "very, very conservative" in an April 2015 interview (Michael Crowley, "Ernest Moniz: Iran Deal Closes Enrichment Loophole," *Politico*, April 7, 2015). See also CRS In Focus IF12106, *Iran and Nuclear Weapons Production*, by Paul K. Kerr.

<sup>129</sup> CRS Report R40094, *Iran's Nuclear Program: Tehran's Compliance with International Obligations*, by Paul K. Kerr.

<sup>130</sup> For additional details on sanctions waived under the JCPOA, see CRS Report RS20871, *Iran Sanctions*.

<sup>131</sup> The Society for Worldwide Interbank Financial Telecommunication (SWIFT), based in Belgium, provides a financial messaging service to facilitate cross-border transactions, including payments involving multiple currencies. International energy-sector trade heavily depends on SWIFT services.

efforts to acquire missile and advanced conventional weapons technology. The United States reimposed sanctions waived pursuant to JCPOA implementation in 2018 (see below).

**Post-2019 developments.**<sup>132</sup> The IAEA has reported that some of Iran’s nuclear activities, including Iran’s LEU stockpile and number of enrichment locations, exceed JCPOA-mandated limits, and that the agency is unable to fully perform JCPOA verification and monitoring activities. In March 2023, after the detection of uranium particles enriched to 83.7% at Iran’s Fordow enrichment site sparked U.S. and international concern,<sup>133</sup> IAEA Director General Rafael Grossi stated that the agency and Iran “have initiated technical discussions to fully clarify this issue.”<sup>134</sup> In June 2023, Grossi reported that “some progress has been made, but not as much as I had hoped,” though the agency reportedly had no further questions regarding the highly enriched uranium particles.<sup>135</sup> In response, the U.S. Representative to the IAEA “underscored that Iran’s production of uranium enriched up to 60% has no credible peaceful purpose,” and called on Iran to “cease its nuclear provocations.”<sup>136</sup> In June 2023, the Office of the Director of National Intelligence reported that “Iran is not currently undertaking the key nuclear weapons-development activities that would be necessary to produce a testable nuclear device.”<sup>137</sup> Iran’s September 2023 de-designation of several IAEA inspectors, effectively barring them from taking part in the monitoring of Iran’s nuclear program, drew condemnation from the IAEA Director General, who called the move “disproportionate and unprecedented” and “another step in the wrong direction” that “constitutes an unnecessary blow to an already strained relationship between the IAEA and Iran.”<sup>138</sup>

## Issues for Congress

### Sanctions<sup>139</sup>

Since 1979, successive U.S. Administrations have imposed economic sanctions in an effort to change Iran’s behavior, often at the direction of Congress.<sup>140</sup> U.S. sanctions on Iran are multifaceted and complex, a result of over four decades of legislative, administrative, and law enforcement actions by successive presidential administrations and Congresses.

U.S. sanctions on Iran were first imposed during the U.S.-Iran hostage crisis of 1979-1981, when President Jimmy Carter issued executive orders blocking nearly all Iranian assets held in the United States. In 1984, Secretary of State George Schultz designated the government of Iran a

<sup>132</sup> For more, see CRS Report R40094, *Iran’s Nuclear Program: Tehran’s Compliance with International Obligations*, by Paul K. Kerr.

<sup>133</sup> Karen DeYoung and Joby Warrick, “Iran nuclear advance challenges U.S. as time to make potential bomb shortens,” *Washington Post*, March 2, 2023.

<sup>134</sup> IAEA Director General’s introductory statement to the Board of Governors, IAEA, March 6, 2023.

<sup>135</sup> IAEA Director General’s introductory statement to the Board of Governors, IAEA, June 5, 2023; Stephanie Liechtenstein, “International Atomic Energy Agency reports seen by AP say Iran resolves 2 inquiries by inspectors,” Associated Press, May 31, 2023.

<sup>136</sup> U.S. Mission to International Organizations in Vienna, IAEA Board of Governors Meeting, U.S. Statement as Delivered by Ambassador Laura S.H. Holgate, June 6, 2023.

<sup>137</sup> Office of the Director of National Intelligence, *Iran’s Nuclear Weapons Capability and Terrorism Monitoring Act of 2022*, June 2023.

<sup>138</sup> IAEA, “IAEA Director General’s statement on verification in Iran,” September 16, 2023.

<sup>139</sup> For more, see CRS In Focus IF12452, *U.S. Sanctions on Iran*, by Clayton Thomas.

<sup>140</sup> For details on the legislative bases for sanctions imposed on Iran, see CRS Report R43311, *Iran: U.S. Economic Sanctions and the Authority to Lift Restrictions*, by Dianne E. Rennack.

state sponsor of acts of international terrorism (SSOT) following the October 1983 bombing of the U.S. Marine barracks in Lebanon by elements that later established Lebanese Hezbollah. Iran's status as an SSOT triggers several sanctions including restrictions on licenses for U.S. dual-use exports; a ban on U.S. foreign assistance, arms sales, and support in the international financial institutions; and the withholding of U.S. foreign assistance to countries that assist or sell arms to the designee.<sup>141</sup>

Later in the 1980s and throughout the 1990s, other U.S. sanctions sought to limit Iran's conventional arsenal and its ability to project power throughout the Middle East. In the 2000s, as Iran's nuclear program progressed, U.S. sanctions focused largely on trying to pressure Iran to limit its nuclear activities (see **Table 1**). Most of the U.S. sanctions enacted after 2010 were secondary sanctions on foreign firms that conduct transactions with major sectors of the Iranian economy, including banking, energy, and shipping. Successive Administrations issued Executive Orders under which they designated specific individuals and entities to implement and supplement the provisions of these laws. The United States has also, pursuant to various authorities, imposed sanctions on scores of entities held responsible for human rights violations.

**Table 1. Select Sanctions Legislation Pertaining to Iran**

Legislation Name	Public Law Number	Final Votes	Target of Sanctions
The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA)	P.L. 111-195, 22 U.S.C. §§8501 et seq.	Conference Report agreed to in the House 408-8 and in the Senate 99-0.	Codifies the U.S. ban on trade with and investment in Iran, first imposed by Executive Order 12959 of May 1995; imposes sanctions on foreign banks that facilitate transactions for Iranian entities.
FY2012 National Defense Authorization Act (NDAA)	Section 1245(d), P.L. 112-81, 22 U.S.C. 8513a	Conference Report agreed to in the House 283-136 and in the Senate 86-13.	Imposes sanctions on banks of countries that do not reduce Iran oil imports.
Iran Threat Reduction and Syria Human Rights Act of 2012 (ITRSHRA)	P.L. 112-158, 22 U.S.C. §§8701 et seq.	Passed in the House 410-11; passed in the Senate with an amendment by voice vote.	Expands sanctions relating to Iran's energy sector; prohibits foreign banks from allowing Iran to withdraw its funds; imposes sanctions relating to Iran's Revolutionary Guard Corps (IRGC) and to human rights violations.
Iran Freedom and Counter-Proliferation Act (IFCA)	Sections 1244-1247, P.L. 112-239, 22 U.S.C. §§8801 et seq.	Conference Report agreed to in the House 315-107 and in the Senate 81-14.	Imposes sanctions on transactions with Iran's energy, shipping, and shipbuilding sectors, and banks that conduct transactions with sanctioned Iranian entities.

**Notes:** Congress grants to the President the authority to terminate most of the sanctions imposed on Iran in CISADA, ITRSHRA, and IFCA. Before terminating these sanctions, however, the President must certify that the government of Iran has ceased its engagement in the two critical areas of terrorism and weapons, as set forth in Section 401 of CISADA, as amended.

**Impact of sanctions.** U.S. sanctions imposed during 2011-2015, and since 2018, have taken a substantial toll on Iran's economy. According to one assessment, economic outcomes in Iran "are determined primarily by the multiple negative consequences of sanctions."<sup>142</sup> Some analysts, while agreeing that sanctions have an impact, also have argued that Iran suffers from "decades of

<sup>141</sup> CRS Report R43835, *State Sponsors of Acts of International Terrorism—Legislative Parameters: In Brief*, by Dianne E. Rennack.

<sup>142</sup> *Country Forecast: Iran*, Economist Intelligence Unit, August 2023.

failed economic policies.”<sup>143</sup> A U.N. official, in a May 2022 visit to Iran, said that economic sanctions had increased inflation and poverty, exacerbating overall humanitarian conditions.<sup>144</sup>

Sanctions appear to have had a mixed impact on the range of Iranian behaviors their imposition has been intended to curb. As mentioned above, some experts attribute Iran’s decision to enter into multilateral negotiations and agree to limits on its nuclear program under the JCPOA at least in part to sanctions pressure. Other aspects of Iranian policy seen as threatening to U.S. interests, including its regional influence and military capabilities, appear to remain considerable and have arguably increased in the last decade.<sup>145</sup>

Since the reimposition of U.S. sanctions in 2018 and resulting economic pressure, Iran has decreased its compliance with the nuclear commitments of the JCPOA and conducted provocations in the Persian Gulf and in Iraq. Those nuclear advances and regional provocations continued as Iran and the United States engaged with other JCPOA signatories in indirect negotiations around reviving the JCPOA. The reimposition of U.S. sanctions after 2018 may also have contributed to Iran’s growing closeness to China (with which Iran signed a March 2021 agreement to deepen economic and security ties)<sup>146</sup> and Russia.<sup>147</sup> President Raisi has also said that Iran’s prospective BRICS membership “will definitely play [a] part in fighting the US sanctions.”<sup>148</sup>

As part of its oversight responsibilities and to better inform legislative action, Congress has directed successive Administrations to provide reports on a wide array of Iran-related topics, including U.S. sanctions. In recent legislation, they include reports on the “status of United States bilateral sanctions on Iran” (§7041(b)(2)(B) of FY2023 Consolidated Appropriations Act, P.L. 117-328) and the impact of sanctions on various Iranian entities and Iran-backed groups (§1227 of the FY2022 National Defense Authorization Act, P.L. 117-81). Congress has also held numerous hearings focused primarily or in part on U.S. sanctions on Iran.

## Oversight of Negotiations and Possible Nuclear Agreement

Congress has sought to influence the outcome and implementation of international negotiations over Iran’s nuclear program. In 2015, Congress enacted the Iran Nuclear Agreement Review Act (INARA, P.L. 114-17), which mandates congressional review of related agreements and provides for consideration of legislation to potentially block their implementation.<sup>149</sup>

Among other provisions, INARA directs the President to submit to Congress within five calendar days of reaching “an agreement with Iran relating to the nuclear program of Iran” that agreement

<sup>143</sup> Anthony Cordesman, “The Crisis in Iran: What Now?” Center for Strategic and International Studies, January 11, 2018.

<sup>144</sup> Golnaz Esfandiari, “Visit to Iran by controversial UN rapporteur provokes concerns,” *RFE/RL*, May 13, 2022; Amir Vahdat, “UN envoy: US sanctions on Iran worsen humanitarian situation,” *ABC News*, May 18, 2022.

<sup>145</sup> See, for example, “New report reveals extent of Iran’s growing Middle East influence,” *Al Jazeera*, November 7, 2019; Ariane Tabatabai et al., “Iran’s Military Interventions: Patterns, Drivers, and Signposts,” RAND Corporation, 2021; David Gardner, “Curbing Iran’s regional ambitions remains a distant hope for the west,” *Financial Times*, June 10, 2021; Philip Loft, “Iran’s influence in the Middle East,” House of Commons Library (UK Parliament), March 23, 2022.

<sup>146</sup> “China, With \$400 Billion Iran Deal, Could Deepen Influence in Mideast,” *New York Times*, March 27, 2021.

<sup>147</sup> “Russia’s Lavrov in Iran to Discuss Nuclear Deal, Cooperation,” Reuters, June 22, 2022.

<sup>148</sup> “Iran’s membership in BRICS, SCO to help overcome negative sanctions impact – Raisi,” TASS, August 29, 2023.

<sup>149</sup> For a legislative history of INARA, and the several votes taken in Congress that demonstrated opposition to the JCPOA but failed to block its implementation, see CRS Report R46796, *Congress and the Middle East, 2011-2020: Selected Case Studies*, coordinated by Christopher M. Blanchard.



and a certification that it meets certain conditions, such as that the agreement ensures that Iran will not be permitted to use its nuclear program for military purposes. It also provides Congress with a 30-day period following transmittal to review the agreement, during which the President may not waive or otherwise limit sanctions; if Congress enacts a resolution of disapproval during that period, the executive branch may not take any “action involving any measure of statutory sanctions relief.”

Indirect negotiations over Iran’s nuclear program (see above) may have implications for INARA-mandated congressional review provisions. The Biden Administration would likely be required to report any JCPOA amendments to Congress, triggering the congressional review process described above.<sup>150</sup> Several dozen senators wrote to President Biden in March 2022 urging him to submit any agreement for congressional review and expressing opposition to any agreement that does not constrain Iran’s nuclear program, its ballistic missile activities, and its support for international terrorism.<sup>151</sup> For their part, Biden Administration officials have stated publicly that they are “committed to ensuring the requirements of INARA are fully satisfied” without engaging on the question of whether they would submit a hypothetical agreement for congressional review.<sup>152</sup> Moreover, these officials have emphasized since September 2022 that U.S. policy has not been focused on reviving the JCPOA, given objectionable Iranian behaviors in other areas; Secretary Blinken said in July 2023 that “We’re now in a place where we’re not talking about a nuclear agreement.”<sup>153</sup>

The September 2023 prisoner exchange/fund transfer agreement has focused some additional congressional attention on INARA, particularly in light of reports that Iran has simultaneously slowed some of its nuclear activities. U.S. officials maintain that the two efforts are not connected, as noted above, but some observers speculate, as one former U.S. official wrote in August 2023, that the Administration is seeking an unwritten understanding with Iran to “avoid triggering” INARA.<sup>154</sup> In August 2023, House Foreign Affairs Committee Chairman Michael McCaul and other representatives wrote to President Biden to express “significant concern” about the prospective agreement and to underscore the Administration’s obligations under INARA.<sup>155</sup>

## Outlook

A vigorous protest movement shook the Islamic Republic in fall 2022. Although visible unrest diminished in 2023, protests could resurge in the near future, and Iran is still beset by economic challenges that are at least partly a result of wide-ranging U.S. sanctions. At the same time, Iran’s regional influence remains considerable, and its growing ties with China and Russia could benefit Iran’s economy, military capabilities, and regional relationships. Looming over all of these domestic and foreign policy developments are Iran’s nuclear activities, which have advanced in recent years.

<sup>150</sup> CRS Report R46663, *Possible U.S. Return to Iran Nuclear Agreement: Frequently Asked Questions*.

<sup>151</sup> “49 Senate Republicans tell President Biden: An agreement without broad congressional support will not survive,” Senator James M. Inhofe, March 14, 2022.

<sup>152</sup> State Department Press Briefing, March 16, 2022.

<sup>153</sup> “US envoy reiterates nuclear talks with Iran not a priority,” *Iran International*, December 4, 2022; U.S. Department of State, “Secretary Antony J. Blinken with Fareed Zakaria of GPS,” CNN, July 23, 2023.

<sup>154</sup> “There are no good deals with Iran,” op. cit.

<sup>155</sup> Letter available at <https://foreignaffairs.house.gov/wp-content/uploads/2023/08/8.21.23-Scalise-Stefanik-McCaul-letter-to-President-Biden-re.-Iran-Deal50-1.pdf>.



Together, these dynamics pose a complex challenge for U.S. policymakers and Congress, which has long played an active role in overseeing U.S. policy toward Iran. The Biden Administration and some Members of Congress express support for demonstrators, but the United States' ability to support the right of Iranians to protest, or to aid the protesters in achieving their various objectives, appears limited. To counter Iran's strategic clout, the United States has sought to marshal regional opposition to Iran and isolate Iran on the world stage. Despite some successes on both fronts, Iran remains diplomatically engaged with many of its neighbors, including some U.S. partners, and the lack of U.S. relations with Tehran precludes direct U.S. involvement in those diplomatic engagements.

Beyond the limitations of existing U.S. policy tools, a number of other factors may influence congressional views of, and action toward, U.S. policies regarding Iran, including:

- A lack of detailed, current information about dynamics within Iran due to Iranian government-imposed media restrictions, the absence of U.S.-Iran diplomatic relations, and other factors. Additionally, no Members of Congress or congressional staff appear to have visited Iran since 1979.<sup>156</sup>
- The historical legacy of animosity between the United States and Iran, particularly the U.S. embassy hostage crisis of 1979-1981 and subsequent Iranian government support for terrorism and attacks on U.S. military personnel in the Middle East.
- The large, diverse, and politically active Iranian diaspora community.

In seeking to understand Iran and to shape U.S. policy, potential questions that Members of Congress may consider include:

- What are the ultimate goals of U.S. policy toward Iran? What U.S. policy approaches have been most and least successful in moving toward those goals?
- How secure is the position of Supreme Leader Khamenei? Who might succeed him? What other factions or power centers exist within the Iranian political system and how might they influence leadership succession and future regime policy?
- To what extent did protests in fall 2022 and early 2023 represent a threat to regime stability? What are the goals of the current protest movement and how likely are the protesters to achieve those goals? What, if anything, can the United States do to promote democracy without endangering its supporters in Iran?
- What are Iran's regional aims, and what do they need to achieve them? What additional assets/capabilities do U.S. partners need to counter Iran? What are the implications of diplomatic engagement and economic ties between Iran and U.S. regional partners for U.S. interests?
- Why has Iran provided Russia with weaponry for use in Ukraine and how has their partnership impacted Iran and its other bilateral relationships? What drives the deepening Iran-Russia relationship and should the United States and its partners seek to impede it?
- Why has Iran increased its nuclear activities and what is the ultimate purpose of the program? What additional steps would Iran need to obtain a nuclear weapon and how can the United States and partners prevent that? What might be the

---

<sup>156</sup> Some Members of Congress have visited other countries without a U.S. embassy such as Syria (in 2017), Cuba (in 2009), and North Korea (in 2003).

- implications of Iran’s obtaining a nuclear weapon for Iran’s broader foreign policy, regional stability, and other U.S. interests?
- What was the impact of the JCPOA on Iran’s nuclear program, Iran’s regional activities, domestic politics in Iran, and U.S.-Iran relations overall? What was the impact of the U.S. withdrawal from the JCPOA?
- What are the arguments for and against attempting to rejoin the JCPOA? Given changes on both sides since 2015, is reviving the accord feasible? What alternative arrangements, if any, might meet the U.S. goal of securing limits on Iran’s nuclear activities?
- What are the implications for the United States of Iran’s prospective membership in the BRICS group?

## **Author Information**

Clayton Thomas  
Specialist in Middle Eastern Affairs

## **Acknowledgments**

Ken Katzman provided knowledge, advice, and wisdom in the production of this report—and has been indispensable in the author’s career.

---

## **Disclaimer**

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS’s institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.