

## THE CENTER FOR NATIONAL POLICY

### **“HOW TO PREVENT WAR IN THE GULF: WHILE STOPPING IRAN FROM GETTING THE BOMB”**

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MS. INDIRA LAKSHMANAN: Well, thank you all so much for coming today, and I just want to ask as a courtesy to our speakers if people wouldn't mind silencing their phones, particularly because they're recording this and they'll be putting it up on the web.

So as I think you'll all agree, we have a really topical panel discussion today, and I think it's – it's a topic – Iran and its nuclear intentions and how to deal with them as a topic that's been in the public discourse for many years now, but particularly in the last few months, I think you'll all agree, it's gotten very hot and has become if anything the dominant foreign policy discussion going on in Washington, I would say. Ever since a few months ago, there was talk of alleged plot by the Quds Forces to assassinate the Saudi ambassador that was soon then followed by the IAEA report on November 8 that brought forward some information attributed to credible sources that allegedly talked about what Iran's intentions might that they might include some military dimensions of their nuclear program. And as you all know, that's been followed on by a whole slew of sanctions. In November, the U.S., the UK, Canada, financial sanctions, in December, an agreement by the U.S. Congress to put Central Bank sanctions on the Central Bank of Iran. And just this week, the EU came forward with its embargo on Iranian oil, sanctions on Bank Tejarat, and a whole slew of sanctions.

So we've seen this ratchet up more and more. In the backdrop, there's also been the assassination of Iranian nuclear scientists. So our panelists here are folks who've been dedicating their careers to studying these issues and I think we're going to get a lot out of hearing from them.

First of all, we have Alireza Nader, who's a senior international policy analyst at the RAND Corporation. And he's written extensively on Iran's political dynamics, decision making by the elites, and Iranian foreign policy. And he's – in most recent work, he's coping with denuclearizing Iran.

We've also got Dr. Afshon Ostovar, who's a Middle East analyst at the Center for Naval Analyses. And his research focuses on the armed forces and the politics of Iran. And his recent work has looked at the capabilities of Iran's paramilitary organization and the Navy. And he's been a fellow at Combating Terrorism Center at West Point and served as an instructor at the University of Michigan. And many of you may have read his recent piece in *Foreign Policy* called "Iran's Kamikaze Hormuz Threat."

And here on my right, we've got Dr. Matthew Kroenig, who's a Stanton nuclear fellow at the Council on Foreign Relations, here in Washington and an assistant professor of government at Georgetown University. He did a stint for one year as a special advisor at the Department of Defense in the Middle East section, and he's also the author of *Exporting the Bomb: Technology Transfer and the Spread of Nuclear Weapons*, along with many articles in a host of publications.

So all of these gentlemen have a lot to add to the discussion, and I'd like to start with Alireza Nader, and maybe if you could begin with giving us an overview.

MR. ALIREZA NADER: Sure. Thank you very much. I appreciate the invitation to speak before you. Iran has, in recent weeks, threatened to close the Strait of Hormuz and we have to ask why Iran is behaving in such a manner. And I think there're two key reasons that are motivating Iran. Number one is that the Iranian government is deeply worried about sanctions against the Iranian Central Bank. When Iran purchases or sells its oil, it relies on the Central Bank as a clearinghouse for those purchases. And so if various countries that deal with Iran, buy oil from Iran, decide to avoid the Iranian Central Bank, this could really jeopardize Iran's oil sales and its economy overall. And the regime in Tehran is deeply worried about the prospects, the economic prospects, and consequences of sanctions against the Central Bank.

The second reason has a lot to do with what's going internally in Iran – Iran's political dynamics, social dynamics, the state of the country. And I think this gets little attention outside of Iran, given how difficult it is to study Iran and analyze Iran, especially since the U.S. does not have a diplomatic presence in that country. But essentially, the Islamic Republic right now is the most vulnerable it has been in the last 32 years. It faces a parliamentary election in March and a presidential election in 2013. And Iran's supreme leader, Ayatollah Ali Khamenei has said that elections in Iran are a challenge and he's admitted to this that there could be potential problems with these elections. Why is that? In 2009, Iran held presidential elections. And many, many Iranians, if not the majority of Iranians viewed these elections as being fraudulent. They did not believe that the elections were fair or free and millions of Iranians came into the streets to protest the elections.

And eventually, the Green Movement was born and the protests were not merely about the elections themselves, but the legitimacy of the Islamic Republic as a political system. Of course, the Green Movement has been relatively quiet. Its leadership, former Prime Minister Mousavi and former Parliamentary Speaker Mehdi Karroubi are under house arrest. There's very little indication that the Green Movement will be able to challenge the government in the near future, but the reasons for the birth of the Green Movement, in 2009, the reasons Iranians went into the streets, in 2009, still exist. And what are these factors? Daily dissatisfaction with life in Iran, terrible economic state, unemployment, inflation, massive corruption, so the parliamentary election in 2009 – in 2012 – that's coming up in a couple of months, could be an occasion for mass demonstrations again. And even if Iranians do not go into the streets to protest against the government, there's a chance that many Iranians will boycott the elections.

The leadership of the Green Movement has said that these elections should be boycotted. They're not legitimate. And I think millions of Iranians will agree. So the regime in Tehran is worried about the legitimacy of the elections and its own legitimacy.

Another problem the supreme leader faces is his own president, President Mahmoud Ahmadinejad. The two leaders are seriously at odds. In 2011, Ahmadinejad

dismissed the minister of intelligence and Khamenei told him don't dismiss the minister of intelligence. The president has a right to dismiss cabinet members, but since the minister of intelligence is a very sensitive security position, the supreme leader has oversight over that decision. And Ahmadinejad violated Khamenei's order. And not only did he violate Khamenei's order, but he decided to skip his cabinet meetings for 10 days. He offered a very public snub to the supreme leader and this caused a lot of problems for Ahmadinejad. His supporters were harassed. His aides were arrested. Those who supported him have been labeled as a deviant current within Iran. The Green Movement is called the seditions. Anybody who really opposes the regime gets a very specific elaborate name. And the Revolutionary Guards have attacked Ahmadinejad.

And we have to keep in mind, in 2005 and in 2009, Khamenei and the Revolutionary Guard supported Ahmadinejad becoming president. But they've turned their back on him. I mean he's turned his back on them.

So going to the parliamentary and presidential elections, the regime not only has to deal with the Green Movement and a very large segment of the population, but divisions within the elite in itself.

So there're two major challenges to the supreme leader. And what does this mean for the United States on the nuclear program? What does it mean in terms of crafting a U.S. policy toward Iran? I think when you look at the regime, it is very vulnerable. In a lot of ways is fundamentally weak. This is not a monolithic hegemonic regime going toward a nuclear weapons capability. It is going toward that capability, but a lot of it is motivated by weakness and insecurity, and I think this is important in depicting Iran as a threat. And Iran's problems are not just internal. They're external as well.

The Arab Spring has not been a very good phenomenon for the Islamic Republic. The Iranian leadership likes to claim that the Arabs in the Middle East, Muslim Arabs have been inspired by Iran's Islamic revolution, but there's very little evidence that this is true, that the revolutions and uprisings across the Middle East have anything to do with Iran because most Arabs would not look at the Islamic Republic as a source of emulation in the Middle East. Mousavi, the leader of the Green Movement himself has said that the motivation for the Arab Spring didn't come in 1979. It came from 2009, when Iranians went into the streets.

So the regime in Tehran is also regionally isolated. It's major ally, the regime of Bashar al-Assad in Syria, is on the verge of collapse. If Bashar al-Assad collapses, his regime has been Iran's gateway into the Arab world. Syria, as Iran is linked to Hezbollah and to a certain extent Hamas. If Syria collapses, Iran's other allies in the region will be isolated as well.

So if you put yourself in the shoes of Iranian leaders, you're facing internal unrest and international and regional isolation. And again, this insecurity is the prime factor, one of the factors in Iran's pursuit of the nuclear program.

So what does the United States – what should the United States do – considering? I think to a large extent the U.S. has been able to contain Iran. A lot of what Iran has done has been self-damaging, but the United States has been able to craft an international coalition that has effectively pressured Iran. Even major Iranian partners such as China, commercial partners such as China and Japan are considering reducing oil imports from Iran.

The European Union has embargoed Iranian oil. Other major Iranian commercial partners such as Turkey are also under pressure. The Turks don't want to sanction Iran, but a lot of Turkish businesses and banks are reluctant to deal with Iran. And when you go to Turkey and ask them, they'll admit that it's very difficult to do business with Iran and there's a lot of reluctance. So even Iran's closest partners are signing away from the Islamic Republic.

According to the U.S. intelligence community, Iran has not made the decision to weaponize its program. It's moving toward developing the capability to develop nuclear weapons if it judges them to be necessary. But I think this gives us an opportunity to dissuade the Iranian regime from going that extra step, from crossing that red line of weaponizing.

Iran is unlikely to accept the cessation of its uranium enrichment. It claims this is a national right that entitled to it, and it is legally entitled to uranium enrichment under the NPT. Of course, it's doing a lot that it's violating the NPT. But I think the United States and the international community can live with an Iran that enriches uranium, but does not cross the threshold of weaponization. And given the amount of internal and external pressure that Iran faces, I think the U.S. has a power to dissuade the Islamic Republic from taking this step, and not just the United States, because this is not a U.S. or Israeli problem, it's an international problem, and the international community has reacted as such.

In terms of a military attack against Iran, I think it changes the equation. The regime does not become as isolated. If there are strikes against Iran's nuclear facilities by the United States or Israel, Iranian's will rally to the flag to a certain extent. They're not certainly going to share a foreign invasion of their country. It will weaken the opposition movement within Iran because if Mousavi or Karroubi come out and say anything against the regime, within the context of Iran being invaded, then there will be branded as traitors. And they're not – it will really curtail their ability to challenge the regime in Iran.

Military attacks against Iran will disrupt the international coalition that has been built by the United States very patiently in the last few years. And the region's Muslim population will view the attack against Iran in an unfavorable manner, with hostility potentially.

So everything that's going against Iran at this point can be reversed by the military option. And I realize and we all realize that the Iranian nuclear program is a

threat, but it should be viewed within the context of internal developments in Iran, regional developments given the Arab Spring, and overall U.S. interest in the region.

Thank you.

MS. LAKSHMANAN: Thank you so much. And Afshon, if you can pick up from there –

MR. AFSHON OSTOVAR: Sure.

MS. LAKSHMANAN: – and talk about how you see the possibility of a nuclear –

MR. : Could the moderator speak up, please.

MS. LAKSHMANAN: Yes, I was just passing it on to Afshon.

MR. OSTOVAR: Well, thanks for CNP for having me. It's obviously a timely event and it's always, in my respect, more encouraging to talk about things that don't include war or a possible war, but they're obviously important topics and I'm pleased to speak about them.

The title of this conference, at least what I believe it was, was how to prevent conflict in the Gulf while also preventing Iran from getting a nuclear weapon. And when I think about that, at least where it is now, I'm not entirely convinced that we can have both of those things. We can have either-or, at least at this point, given our current trajectory and given our current policies. The reason I say that is because we, as the United States, but also Iran, neither side has given themselves an out. There's no policy alternative to the trajectory that we're going. For us, it's Iran absolutely cannot have a nuclear weapon and we leave all options on the table. It has been reiterated over and over again by two different administrations.

For Iran, they're more ambiguous about what they want. Ali sort of talked about it already. But analysts seem to be convinced that Iran probably wants a nuclear weapon, whether they're going to make one or not is up for debate. Whether they just want the capability or the knowhow, we're not sure. But they seem to be going in that direction and they certainly are not disabusing that argument other than with rhetoric and blaster. So the rest of the world is left to believe, okay, Iran seems to want a nuclear weapon. And they seem to be kicking the can down the road with every negotiation with the P5-plus-1, with other international partners. So there's no clear sign that Iran is really willing to compromise, with the exception of the failed sort of resilient Turkish overture of having – swapping the enrichment stockpiles, there hasn't really been any significant movement on the Iranian side.

So what we're left with is essentially a game of chicken. And we are asking Iran through what we term soft coercion, through sanctions, economic sanctions, most

recently these sanctions against Iranian oil by the EU, that it's going to hurt increasingly more and more and more until Iran finally admits that it was wrong, will reverse its course, and does something drastically different than what it's done, than what's doing now. We're not asking for more sort of cosmetic changes or promises or anything. I think the world, at least the U.S. and the European Union really want some very significant concrete steps on the Iranian side, and it's not clear that the Iranians are prepared to do that.

In lieu of that, we threaten that war is the possibility, or at least that's what we hint at or allude to. Iran, on the other hand, isn't changing course either. Instead of sort of softening its language increasingly is using more assertive language with the Hormuz Strait, but also with its actions – the recent Iran's plot against the Saudi ambassador that you mentioned earlier, the storming of the UK embassy in Tehran, which I think is far more significant than people have really considered. And – and they continue to sort of – continue in this way. But what – sorry, I'm losing my train of thought.

Okay –

MS. LAKSHMANAN: About the game of chicken.

MR. OSTOVAR: Yes, the game of chicken, thank you. So what Iran is doing is essentially challenging the United States and saying we think that we can get there before you can get there. Now, where there is, we don't know. Whether it's a nuclear weapon or not, we're unclear. But they seem to be willing to push it down the line and to use the threat of coercion against us, military coercion as a significant threat that forestalls any real movement against – against the Iranian program.

On the one hand, we are using soft coercion. We are saying that sanctions are a mild way of getting the Iranians to fall back in line with international opinion. But on the other hand, Iran is experiencing another side. They're experiencing the assassination of nuclear scientists, by whom, we don't know. They don't know. They have ideas and they articulate it, but I don't think anybody in this room really knows.

They also have like a recent article in *Foreign Policy* talked about Mossad working with Jundollah, the terrorist organization working in Iran's southeastern province. To have a Western nation, if it's true, working with a terrorist organization that's been responsible for the beheadings of dozens of Iranian security officials and the bombing of mosques in Iran is a significant act and I think for Iran, they feel that this is already a war. This is already a conflict. And what they are doing is conflict management as opposed to diplomatic management. They are trying to see how far they can get without it escalating any further, because what Iran wants more than anything – and this is what Ali, I think, spoke to pretty effectively in a real holistic way, but it's something I want to really nail down, is what Iran wants more than anything else is the preservation of its regime. The leaders in Iran want to remain the leaders in Iran. They want the regime to remain the same. And they are willing to sacrifice their domestic standing, their international standing, the economy, the happiness of their people, and

everything else in order to preserve what they feel is their – (inaudible) – their regime. And they have been feeling this way since the revolution itself.

This is 32 years of consistent paranoia against the United States and against Israel, fearing that together U.S. and Israel are somehow going to invade Iran, take it over, replace the regime, and so forth. And so far, through our actions, we haven't really disabused them of that idea. Certainly, we have become in a certain conflict with Iran that it is untenable for us to just allow Iranians to continue down that path. But on the other hand, what we are doing is just feeding their paranoia. And if we really want – and this gets back to my earlier comment about the title of this conference – if we really want Iran to not get a nuclear weapon, then the only thing that's really going to do that, if that can even be done at this point, is to convince the Iranians that we have no interests in replacing their regime, that we have no interest in compromising their national security.

Now, I don't know if we actually feel that way. But that is the only thing in my understanding of the history of Iranian leadership that would convince them that things are safe.

Now, what a bomb affords them, of course, is this at least semblance of security. They can look to Pakistan. They can look to North Korea. They can look to any other nuclear power and feel that, okay, if we achieve this, even in a crude form, that'll have to be deliverable. It doesn't have to be a clear successful test like in the case of North Korea. There can be some ambiguity to it. But if we can get it in some crude form, then we can at least probably put off the idea that a foreign power is going to invade us, which is really what they are worried about. They can handle bombs being dropped on their country, but they can't handle an invasion. And so that is really what it would take, I think, from the American side. The American side wanting the Iranians to change course is, frankly, I think – I think we've passed that point. Perhaps, in 2007, 2008, before the 2009 election certainly, there was opportunities for the United States and Iran to slowly engage at a diplomatic level that would have been meaningful and significant perhaps in a military-to-military capacity, perhaps in a higher diplomatic capacity.

There seems to have been that opportunity. Now, even if our current administration or a subsequent administration were interested in that, it does not seem that the Iranians are interested in pursuing that right now.

So that gets me to the second point, can we prevent Iran from going nuclear? That I don't know. I was having a conversation with a colleague and the phrase came out that ship has sailed, in that I don't know if it's up to us anymore whether Iran gets a bomb or not. I think it's up to Iran. And that includes if we engage Iran militarily because if we attack Iran, whether we do strikes against their nuclear facilities or we have a more holistic sort of engagement that's sea and air and some land components, if we engage Iran militarily to take out its nuclear program, from my understanding – and I could be wrong – there's not – there's not a lot of confidence that we could absolutely end their nuclear program. We could perhaps forestall it. We could push it down the road. We could give ourselves two or three years of breathing room. But in doing so, we give

Iranians what they most fear, and that is an attack by the West. And so their motivation for abandoning a nuclear program or at least not going that extra step in creating a nuclear weapon also evaporates because they will now that the threat is not – is not just going to come through soft coercion or covert operations, but is overt. And if we do it once, then we'll do it again. So why not go as quickly as you can to develop a nuclear weapon.

So it seems to me that if we want Iran to get a nuclear weapon, the best thing we can do is to attack them and to attack them in a way that would not end their nuclear program, which to me, at least from my understanding, again, is impossible to do from the air or from the sea, outside of using nuclear weapons ourselves, which I don't think anybody has talked about and I hope nobody would.

But outside of a very significant land invasion, regime change kind of scenario, which again, I don't think anybody's talking about, and I hope nobody does, I don't think we have the capacity to really solve our problem. And the problem is of Iran getting a nuclear weapon. Could we forestall it? Sure. Could we push it down the road? Sure. Could we give Iran a decision to make? Do you want this to happen again? Do you want to behave now? Sure. But as I understand Iran, they are not persuaded by coercion. The more you twist their arm, the more rebellious they're going to be. It's just not – they don't respond to force well. They also don't respond to diplomacy well, at least not right now.

So at the point, we seem to be not at a crossroads, but at a trajectory that seems to be leading towards war. But I think if we want to avoid war, then it's really up to us to change course. We can't leave it to the Iranians.

MS. LAKSHMANAN: Well, we definitely want to come back and hear what you think that course change should be in the Q&A. Let's pass it over to Matt. Many of you may have read a piece by Matt in *Foreign Affairs* that has gotten a lot of attention because it examines the possibility of a military option. So Matt, why don't I let you pick it up and describe from there how you would see a military option working?

MATTHEW KROENIG: Thanks. I'd like to thank the Center for National Policy for having me and thank all of you for spending your lunch hour with us. I'd like to take a step back and ask: how can this end this crisis between the United States and Iran over its nuclear program?

And it seems to me like there are three possible outcomes. The first is some kind of diplomatic settlement between Iran and the United States. The second is that we acquiesce to an Iranian nuclear capability. And the third is that we conduct military action designed to prevent Iran from getting nuclear weapons. So I'd like to just take a few minutes to talk about each of those options.

So, obviously, some kind of diplomatic settlement with Iran would be the preferable option, if we could get it. I think we would be delighted if the problem were

somehow solved through negotiations. And that's clearly the administration's current approach – putting on pressure, putting on sanctions, hoping to compel Iran to come to the negotiating table and negotiate in good faith and get there some kind of settlement.

So, again, that would be ideal, but I think that's highly unlikely that we could actually achieve some kind of agreement. Afshon gave some of the reasons why that is, but if you think about what Iran's supreme leader would be willing to agree to and that would still allow him to save face domestically and save his nuclear program, have some level of enrichment in the country, not have international inspections that are too intrusive, and something that would convince the West and convince the United States that Iran's nuclear program is no longer a problem and that we can be certain that Iran isn't developing its nuclear capability, I don't see any overlap between those. It's really hard to imagine what a negotiated settlement would look like.

So I think there's a lot of hope among people following this issue that somehow sanctions or somehow diplomacy will work. But I think a lot of people are just ignoring the really hard questions that we're going to have to face because I don't have any hope that that will actually bear fruit.

So if that's the case, then that means that the United States is going to face a really difficult dilemma sometime soon. It depends on Iranian behavior. It could be tomorrow. It could be in 18 months, depending on how Iran's nuclear program develops. And that difficult dilemma is: do we acquiesce to an Iranian nuclear capability or conduct a preventive strike designed to prevent that?

So let's examine for a moment what a world with a nuclear armed Iran would look like. So a nuclear armed Iran I think would be more aggressive in terms of its support to terrorists and proxies. I think it would lead to proliferation in the region as other countries seek nuclear weapons in response. I think it could lead to greater proliferation globally as Iran itself becomes a nuclear supplier, potentially providing uranium enrichment technology to U.S. adversaries in other regions of the world. The global non-proliferation regime in general would be weakened. And I don't think that Iran would intentionally launch a nuclear war. I think that Iran has shown itself to be fairly pragmatic in terms of its foreign policy. But there is always the danger that some kind of crisis between Iran and Israel or Iran and the United States could spiral out of control and result in a nuclear exchange.

So we shouldn't kid ourselves. A world with a nuclear armed Iran is a more dangerous place. The United States of course would put in a deterrence and containment regime to try to deal with that, but that would also require a huge commitment and involve any dangers for the United States. So one of the things the United States would likely do would be to sign defense pacts with allies in the region, with Saudi Arabia, with Gulf States, maybe with Israel. So, essentially, it will be pledging to fight a nuclear war on their behalf in order to deter an Iranian attack. So, essentially paraphrasing something Charles de Gaulle said during the Cold War, we'd be threatening Riyadh for New York.

So it's not a very credible threat. The United States would have to do things to improve the credibility of that threat. We'd probably do things we did in Europe and Asia during the Cold War, forward deploy troops in the region, forward deploy U.S. nuclear weapons in the region to ensure that if Iran attacked the neighbor allies that we'd automatically be dragged into the conflict.

So, in short, a world with a nuclear armed Iran is a more dangerous place, involves massive U.S. commitments to the region and increasing the U.S. commitments to the region and many dangers including possibility of nuclear war. And there's only been one country in history that's given up nuclear weapons, South Africa. So it's likely that Iran would have nuclear weapons for years, decades, maybe forever. So these are challenges we'd be living with probably for the rest of my lifetime. So not an attractive option.

What does the military option look like? The military option is also an unattractive option, but having spent last year working as an adviser in the Pentagon thinking a lot about this issue, I think it's more attractive than many people think. I think there's a lot of misinformation out there about what we could do and what the likely results would be. And, in my opinion, it's a bad option but the least bad option that if we're faced with a choice between acquiescing to a nuclear armed Iran or conducting a preventive strike against Iran's key nuclear facilities designed to stop that, we ought to at least try for the strike.

So I say that for a few reasons. First I think that there's no doubt that the United States could destroy Iran's key nuclear facilities. There's a lot of discussion out there about whether that would be possible or not. I think a lot of confusion between what the Israeli option is and what the U.S. option is. So the U.S. option is much stronger than the Israeli option. We could destroy the key facilities at Natanz, Esfahan, Iraq, et cetera.

There would certainly be Iranian retaliation. And I don't want to downplay the dangers of that at all. Iran has three major ways of retaliating and has ballistic missiles that it could launch against U.S. bases and ships, against population centers in the region. It has ties to terrorist groups. It could support terrorist and proxy attacks against U.S. interests around the world, including in Afghanistan. And it has naval capabilities that it could use to harass ships or attack ships in the Strait of Hormuz or even attempt to close the Strait of Hormuz. So I think that that's serious retaliation that needs to be taken into consideration.

But I think that there are things the United States could do to try to mitigate some of those outcomes. We could try to issue deterrent threats to Iran as we have in the past couples of weeks, for example, and say that if you take certain steps, if you, for example, close the Strait of Hormuz, we'll retaliate with a devastating military response. We're interested only in these key nuclear facilities, but if you want to make this a bigger fight, we can make it a bigger fight.

There would also be, obviously, consequences in terms of U.S. international reaction, spikes in oil prices, potentially negative effects in trajectories on Iranian domestic politics. And so these are all things that we'd have to take into account. And, again, I think there are some things we could do to mitigate it.

So, in short, I think that there are no good options for Iran. Again, I'm pessimistic the diplomatic track will work. If it doesn't work, we're forced with this bad decision between a strike or a nuclear armed Iran. Those bad decisions – in my opinion, a strike would be the least bad option given that decision but reasonable people can disagree. And look forward to your questions and comments.

MS. LAKSHMANAN: Terrific. Thank you guys so much. I'm going to take the moderator's privilege of starting out with a question for our panel. I wanted to dig in a little bit on what Alireza had alluded to but not actually said. Matt has laid out the case for preventive military strike. I'd like to hear from you what you think the case against it is.

MR. NADER: Well, first of all, it is true that the U.S. option is different than the Israeli option because Israel does not have the capabilities the United States has in the region. They don't necessarily have the capability to launch hundreds of sorties against Iran's nuclear sites which are scattered and many are underground.

The U.S. does have that capability, but even the U.S. capability is constrained. If you look at the nuclear facility near the holy city of Qom, it's under a mountain. It's buried within – it's under 300 feet of rock. That's the estimate. And even the most advanced U.S. bunker buster, which is called the MOP, it probably won't penetrate that bunker with one shot. The United States will have to keep dropping MOPs on that specific bunker. So several – probably several dozen sorties.

It's hard to actually estimate any of this. If you talk to any real military planner – I'm not a military planner, but I talk to military planners. If you talk to a real military planner, it looks much easier on paper than in reality.

So there's also the fact that we don't necessarily know where all of Iran's nuclear facilities are located. We have a very good idea of where all these facilities are located. But how do we know Iran has not dug two underground mountain site bunkers we don't know about? How do we know that Iran has not received major assistance from North Korea in setting up a secret centrifuge facility? The United States intelligence community didn't know about North Korea's uranium enrichment capabilities. We knew they are developing nuclear weapons through plutonium production. And we had a clue that they were working on uranium enrichment but we found out when the North Koreans invited two U.S. academics and showed them a very advanced uranium enrichment facility that was missed by the United States intelligence community.

So how do we know that Iran has other – does not have other underground facilities? Iran has admitted that it's working on up to 12 other facilities such as a facility

near the holy city of Qom. Probably they don't have 12, but if you look at Iran, they've been preparing for the possibility of military strikes against their facilities for years and years and years. So I wouldn't underestimate their capabilities.

In terms of the consequences of a military strike against Iran, again, on paper it sounds manageable that we can mitigate certain consequences. But if the United States strikes Iran, it's not going to be a surgical conflict. It's not going to be a clean conflict. Iran can launch hundreds of ballistic missiles toward U.S. facilities in the region. It can hit our allies, the GCC states that produce up to 30 or 40 percent of the world's oil and natural gas. It can impede traffic in the Persian Gulf. It can significantly increase insurgency in Afghanistan by giving more advanced weapons to the Taliban. We know that Iran has provided measured support to the Taliban but they haven't given the Taliban their best weapons, but they could. I mean, they have missiles that can bring down U.S. helicopters.

A strike against Iran could spread to Iraq, which is very unstable at south. Iraq's oil facilities could be attacked so we can see a cutoff of Iraqi oil. Although Syria's embroiled in its own civil war, Syria could become involved as well. It has several hundred missiles that can target Israel. Iran's ally in Lebanon has become involved – according to the Israeli military, Hezbollah has up to 50,000 missiles that can target Israel. And Hamas and the Gaza Strip can also become involved.

So war with Iran would not just be confined to Iran but the entire Middle East. And although the U.S. has much superior military capabilities, conventional and nuclear, Iran's strategy is to prologue a war and inflict enough pain and suffering on the U.S. and its allies that they'll rue the day that they attacked Iran.

So, yes, an Iranian military – or an Iranian nuclear capability is very dangerous. But not only does it guarantee a solution to the problem. It can make the major problem the United States faces with Iran even more difficult. And when I say the major problem I mean not the nuclear program but the relationship the United States has with Iran, the rivalry between the two countries for the last 32 years, because it's not that we're just worried about an Iranian nuclear capability. Well, we're worried about the Islamic republic having nuclear weapons. Pakistan has nuclear weapons. And we weren't very worried when they developed them. Well, we were worried, but it was to a certain degree that we were worried about Iran when they developed them. So it's the nature of the regime in Tehran.

And we have to remember – and I'll stop now. I know I'm going on. But we have to remember that the United States provided the shah in 1960s with the technology to start Iran's nuclear program. And at that time the shah was our ally. He was not a major concern.

So, again, the ultimate U.S. objective is to facilitate a more democratic Iran. And if that democratic Iran has nuclear capabilities, it is less of a worry.

MS. LAKSHMANAN: Okay. Obviously, a dire scenario. We'll delve more into it in the questions, but just one on the more positive side. Afshon referenced the possibility of a solution. Your whole presentation was about why there hasn't been a solution so far and all the obstacles to solution. I want to hear, do you see a path for solution? Is it through negotiation? Is it through these crippling sanctions that the U.S. and the EU are putting on? Briefly tell us if you even see a way out of this? It sounded like Matt doesn't see, although he would like to see, a negotiated way out of it. He doesn't think it's very likely. Tell us if you do think it is.

MR. OSTOVAR: I think I'm prone to Matt's thinking in that regard too in that it's difficult to see how a diplomatic solution could arise out of what is now an incredibly strained relationship. However, I feel that the United States still has the ability to unilaterally, not in P-5 plus One setting, but to unilaterally engage Iran diplomatically in a way that would be uncomfortable and perhaps politically dangerous for any political leader in the United States to do, which I think is part of Matt's point that domestically it's a very difficult issue to sell.

But I do believe that the possibility of engaging Iran diplomatically is out there. And I think that we have proven our point quite effectively that we can ratchet up the pain on Iran's regime and really constrain its ability from growing economically or for engaging internationally through these sanctions. I think the sanctions have been successful in that regard. We have twisted the arm enough that it hurts. And Iran has acted out a little bit.

So this would be a prime to really pursue avenues of engagement and that would have to be sort of outside the view of the media I think. It would have to be behind closed doors. But we would also have to target the decision makers in Iran that make the decisions. And our problem is that we often negotiate with the government of Iran, which Ali had talked a little bit earlier about the disputes between Ahmadinejad and the supreme leader. And the problem with engaging the government of Iran, unless they are given the power to negotiate on behalf of the regime – are generally powerless when it comes to foreign policy decisions. The foreign policy decisions are made by the security apparatus and by the Supreme Leader's Office. And unless we can penetrate those sectors of the Iranian regime, we're not going to find an interlocutor that can actually make things happen.

MS. LAKSHMANAN: That's very challenging. All right. Well, I'd like to open it up so that folks have a chance to ask their questions. If you could kindly identify yourself when you're called upon and say what organization you represent, that would be great. Yes, the gentleman there. That's you, sir.

Q: Hi. My name is Greg Aftandilian. I'm a new fellow at CNP. My question is for Alireza dealing with the public opinion issue in Iran vis-à-vis the nuclear program. Ahmadinejad often plays the nationalist card it seems on the nuclear issue. But I'm wondering in your opinion, how does this play on the street? And if the price to have a

nuclear program or weapon is the economic squeeze of Iran, does public opinion then change against the regime? Thank you.

MR. NADER: I think that's a very good question. The Iranian government has actually been very clever about how it's depicted the nuclear program to the population. It's a peaceful program. It's for energy purposes. There's very little or no public discussion of a weapons program in Iran. The way we view the Iranian nuclear program is very, very different than the way Iranians view the nuclear program.

So if you ask the average Iranian if he or she supports the nuclear program, he or she will say yes, of course. Why wouldn't you support the nuclear program? Iran has a right to have nuclear technology, to enrich uranium, you know, has a right within the NPT to have a nuclear program. But the average person I don't think necessarily will know about the military dimensions of the program. Even the site at Qom, the government says it's for enriching uranium for medical isotopes to treat cancer patients.

Of course, I think a lot of Iranians are very well educated and sophisticated and they don't necessarily buy all of this. But since the Iranian government controls the information environment in Iran to a large degree, it has been able to dominate discussions and depictions of the nuclear program. I conducted a poll of Iranian opinions on the nuclear program in 2009. I think polling is very flat. I wouldn't just rely on polls.

But the RAND poll I conducted along with lots of other polls show that Iranians to a large extent support the civilian program. And I divided the questions civilian versus nuclear. I think 87 to 97 percent support the civilian program but it's surprisingly 46 percent supported the weapons program. They supported the weaponization anyhow. So I think there's even support among the population for nuclear weapons.

How will sanctions affect – it's really hard to tell. I don't think the nuclear program is the Iranians' chief concern. I think they're concerned about, A, the depreciating Iranian currency, getting by every day, being able to buy food for their kids, put them in school, being able to travel abroad for wealthier Iranians. They're worried about the stability of their lives. And I don't believe that they think every day when they get up, what about the nuclear program? What about Palestine? Some of these issues that concern us when it comes towards our relations with Iran.

But I think given the amount of pain the Iranian population is suffering right now, this is very problematic for the Iranian government. Anecdotally, I've heard a lot of Iranians are blaming the Ahmadinejad government for Iran's current economic crisis. Again, what percentage of the Iranian people, how will this play out is very unclear because, again, we don't have the type of access necessary to study that within Iran.

MS. LAKSHMANAN: Thank you. Yes, sir.

Q: Shelton Williams with the Osgood Center. Analyzing Iran's motivations, how about the U.S. motivations? Is our red line the regime or is it nuclear weapons or is it

enrichment, because you really can't separate those, and you can see if they accepted the enhanced protocol, the NPT and really implemented the terms of it, and got the security guarantee of the North Koreans, you could square those issues. But you get the feeling that it's not really enrichment or even really nuclear weapons. It's the regime.

MS. LAKSHMANAN: So what is the red line of the United States?

Q: What is the red line?

MS. LAKSHMANAN: Matt, do you want to take a stab at that first?

MR. KROENIG: Yes. It's a good question.

MS. LAKSHMANAN: Having worked inside the Pentagon, maybe you can give us some insight.

MR. KROENIG: I guess I should say that my opinions are my own and don't represent the government's opinion in any way. But I think the question is that what is the red line? Is it the regime? Is it enrichment or is it nuclear weapons? I think the answer is it's different for different people. I think there are a lot of people in Washington who think the regime is the issue and that we'll be dealing with this problem as long as the current regime is there.

I don't think that's the administration's position, at least from what Secretary Panetta said a couple of weeks ago. I think it was on "Face the Nation." He said that nuclear weapons are a red line and Iranians know that if they build nuclear weapons they will be stopped. So if that can be taken as a statement of the administration's red line, I think that's the way they've put it.

I personally think that that's a mistake. I think it's too high. I think the red line should be lower. And the reason is I think that saying the red line is nuclear weapons reflects a little bit of a misunderstanding about how nuclear weapons are made. As many of you may know, once you have – the most difficult part of building a nuclear weapon is enriching the uranium, getting enough fissile material. Once you have the fissile material, fashioning it into a simple gun type device is actually pretty easy. So if we're waiting for Iran to turn the screws on a nuclear device, it will be too late to stop them.

So what I (wrote ?) in the *Foreign Affairs* piece is that the red line should be things that Iran does with enrichment that suggests that it's dashing toward a nuclear device. So the three that I point out are if Iran enriches above 20 percent toward the 90 percent that it would need for nuclear weapons and for which there's no plausible civilian purpose, if Iran were to kick out International Atomic Energy Agency inspectors, or if Iran were to install advanced centrifuges at the facility at Qom, that those should be the U.S. red lines for military action. On the other hand, if Iran is willing to stop short of those red lines, I don't think that there's a good case to be made for a military option.

MS. LAKSHMANAN: Did anyone else want to take a quick stab at red lines, your perception of what the administration's red lines are?

MR. OSTOVAR: Yes. I would just echo what Matt said. I think that's right. I think it is different for everybody. I think the administration and I would say much of the military is comfortable with the idea of the regime being the regime. We know how to deal with it. We know how to deter it. We effectively patrol the Persian Gulf without any real problems. So they're distasteful. We don't like them, but we can live with them. There's lots of countries that you can put in that category.

But the alarming part is the regime with a nuclear weapon. And I think that is where the administration draws its lines. But when you talk about pundits within this town or you talk about hawks on either side of the aisle, the regime is a problem and they would like to counter it in any way possible.

MS. LAKSHMANAN: Yes. We have a question right here, the gentleman with a beard.

Q: Ryan Evans, International Center for the Study of Radicalization and Political Violence. What's to stop the Iranian regime from using negotiations as a sort of delaying tactic as they mature their program or get to that point sort of similar to what the North Koreans did in the '90s with their missile program and their nuclear program?

MR. OSTOVAR: Nothing. Nothing at all. Which is why negotiations haven't really gone that far. But if you change the style of negotiations, if you change the interlocutors, if you change the directionality, if you take it out of the P-5 plus One and make it a unilateral U.S.-Iran high level negotiations, it's going to be difficult for the Iranians to just kick the can down the road. I mean, obviously, it's gotten to the point where they can only continue kicking that can so far. They've already really incredibly in my mind allowed tremendous sanctions being placed against their country. So whether they're ever interested in negotiating further, I don't know. But there's nothing to prevent them from stalling in that regard.

MR. NADER: I wouldn't agree with that there's nothing. I think the recent sanctions against the central bank have made a deep impression on the government in Tehran. Up to this point, you could argue sanctions were not very effective. Sanctions are very effective right now because they have shaken Iran's economy. Iran's economy is very vulnerable right now. And this does create space for the United States to sit down with Iran. Iran has already indicated it wants to continue with talks. Now, is it serious about talks? Does it want –

MS. LAKSHMANAN: Or is it the right speakers, the point that Afshon was making.

MR. NADER: I don't think it's the issue of speakers. I think it's the issue of cost benefit calculation. Before it didn't benefit Iran as much as to sit down and speak to the international community including the United States.

MS. LAKSHMANAN: But the people who speak, are they empowered to actually take action? I mean, that was the point Afshon was making.

MR. NADER: I think so. Yes.

MS. LAKSHMANAN: You think the government – it doesn't have to be the supreme leader, the security apparatus?

MR. NADER: No. I mean, the supreme leader is telling his people what to do. I don't think ultimately Khamenei wants full engagement with the United States. But, look, if they're under a lot of pressure, if they're feeling the pain, they're going to consider that more seriously. I don't think they made a decision, we're going to have nuclear weapons no matter what. If the point of nuclear weapons is to protect the regime and there comes a time when the nuclear program is actually endangering the regime, they'll realize this. Well, does that necessarily mean we'll get a full negotiated settlement out of this? No, there are a number of obstacles. But I think the United States and the international community have put enough pressure against Iran to make him think twice about negotiating.

MR. OSTOVAR: But that, of course, wasn't the question. The question was could they use it to stall, and which I don't see how you could say they couldn't.

MR. NADER: But to stall what?

MR. OSTOVAR: Just to just stall –

MR. KROENIG: To pull any military action against – if I could weigh in. I do think the time is on Iran's side here because as we spend time negotiating or talking about negotiating, their nuclear program continues to develop and so they continue to get to a place that puts them in a better position and puts us in worse position. And if you think about the complicated things that would need to be negotiated, what levels of enrichment and how many sites, what type of inspection, you know, the whole range of issues, you could spend weeks or months negotiating over each of those items. And so that's another thing that makes me pessimistic about the possibility of achieving some kind of diplomatic solution before Iran achieves some latent nuclear capability.

MS. LAKSHMANAN: Yes, sir.

Q: David Isenberg, *Huffington Post*. A question for Dr. Kroenig. Sir, on page 78 of your *Foreign Affairs* article, you write, quote, "A nuclear armed Iran would immediately limit U.S. freedom of action in the Middle East," unquote. My question is:

what limitations on U.S. freedom of action do you – in the region do you think would warrant a U.S. attack on Iran?

MR. KROENIG: That's a good question. So my conclusion that a strike is the least bad option it comes from a holistic assessment of the full range of costs and benefits on both sides of the ledger, serious costs on both sides of the ledger. And so that is just one of the potential downsides of a nuclear armed Iran. And so the concern I raise there is that a nuclear armed Iran could essentially threaten nuclear war to try to stall or forestall any political or military development in the region that it finds contrary to its interests.

And so, you know, if the United States, for example, as part of a strategy for deterring and containing a nuclear armed Iran wanted to forward deploy nuclear weapons on Saudi soil, something that we've done in Europe, something that we've done in Asia, and you could imagine Iran saying that that's a grave threat to our interests, all options would be on the table to stop that.

And so what does the U.S. president do in that situation? Maybe he thinks they're bluffing. Maybe he goes ahead. But Iran say puts its nuclear weapons on high alert. Any U.S. president in that situation would be forced to at a minimum rethink his decision and so you might say, well, would Iran really do that? Would they really threaten nuclear war? You know, think about during the Cold War the United States was in a suicidal state. But we were willing to risk nuclear war over the Soviet Union doing a similar thing, forward deploying nuclear weapons on Cuban territory. We were ready to risk a nuclear war over that.

So the idea there is just that it's much more difficult for the United States to do what it wants to do in the Middle East if Iran has nuclear weapons than if it doesn't. And, again, that's just one of the potential costs of a nuclear armed Iran among a range of many others more – many other graver threats.

MS. LAKSHMANAN: Yes.

Q: Diane Perlman with the School for Conflict Analysis and Resolutions. And I'd like to propose a fourth option. And also the first option of diplomacy it's often perceived as pressure and not really negotiation and also creates a dynamic war – you know, parties are really confident about the possibilities of military action and other things that irradiate or that could be really environmentally devastating efforts and that sanctions often break down and fail. And there's belief that – (inaudible) – heard before that it will work and in a similar case – (inaudible) – sanctions – (inaudible) – of the time and they also increased the popularity of hard liners. And these are all in a paradigm that's – (inaudible) – change or – (inaudible).

MS. LAKSHMANAN: Can I just ask you to phrase it in the form of a question for someone on the panel?

Q: Okay. Well, just a possibility of a fourth option that we consider a potential reduction, analyzing the underlying conflict, security assurances and – (inaudible) – that we have to keep our options on the table sometime to prevent violence but actually provoke escalation and sometimes potential reduction or doing – and even bringing in other parties like Turkey, Brazil and other countries – (inaudible)?

MS. LAKSHMANAN: This is directed at Matt or at someone else?

Q: Everybody.

MS. LAKSHMANAN: Who would like to take that?

MR. NADER (?): I can discuss reassuring the regime in Iran because the motivation for that nuclear program is the anxiety the regime feels because of the United States. The regime believes the United States is out to overthrow it, that nothing is going to change this, that the two countries are fundamentally opposed, not just the two countries but the interests of the two countries in the Middle East, the two kind of states that you have here, an Islamic republic and the United States.

And so this is why the regime is pursuing the program. And some have argued, well, if you reassure the regime, if you guarantee its interests in the Middle East that will basically assuage its anxieties. And I think there's merit in this discussion.

The issue I have with that is I don't believe that the United States and an Islamic republic can ever come to peace with each other because they are diametrically opposed. They have very different interests. It is to a large degree a matter by geology. No matter what we tell the regime in Tehran, they'll never trust us unless the regime in Tehran fundamentally changes when the supreme leader and the Revolutionary Guard or his supporters within the Revolutionary Guard are not making decisions, the dynamic will not change.

So that's why I think that the root of the problem is the regime in Tehran. And we can have discussions with – we could I think even have some negotiations regarding uranium enrichment. But I think the problem itself will not be solved until the regime in Iran is fundamentally changed.

MS. LAKSHMANAN: Okay. Final one-minute lightning round. I would like to hear from each of you what you think the possibilities are of a military strike on Iran this year.

MR. OSTOVAR: You're asking me to prognosticate whether I think it will happen or not?

MS. LAKSHMANAN: Yes. Whether you think it's gotten to the point where that will happen.

MR. OSTOVAR: Well, I think it's gone to the point where we're a small incident at sea away from a war. I think we're on the trajectory for war. Both countries are I think – I think we are essentially asking Iran to say uncle and if they don't, it's going to break out in a fight. Whether that happens this year, I don't think so. I don't think that in an election year war would be at least something that the United States would be interested in. And whether Iran or a third country would like to instigate it, I don't know. But I would hope that 2012 is not that year.

MR. NADER: I don't think neither the United States or Iran want a war, or they're necessarily planning for a war. And I would argue that it's in the U.S. interest to prevent Israel from attacking Iran as well. But I think wars happen sometimes even if they're not planned. And there's so much tension between the United States and Iran, especially in the Persian Gulf. And there's so much heated rhetoric between two sides that I think both countries may lose grasp of the situation, that they will walk into a shooting war without really desiring a shooting war.

MR. KROENIG: So I guess I'll go back to the three possible ways that this turns out from my opening remarks. So, again, I think the diplomatic solution to this crisis is very unlikely. I don't know what percent I'd put on it – 5 percent. The idea – Ali raises a good point. It's not just the U.S. that could initiate conflict. It's also Israel could initiate the conflict or perhaps Iran would try to overplay its hand and (say ?) the Strait of Hormuz that would then drag us into conflict. So the idea that both the United States and Israel would acquiesce to an Iranian nuclear capability I also think is fairly low. So that leaves us with some kind of direct conflict. So I don't know if it's this year but I think that over the next couple of years conflict is of the three the most likely.

MS. LAKSHMANAN: All right. Thank you all so much for joining us. I really appreciate your time.

MR. BATES: And thank you very much, Indira. And please thank all of them with a round of applause. (Applause.) Ladies and gentlemen, we look forward to seeing you on Wednesday when we have a program called "Shifting Sands: The Future of the U.S.-Egyptian Relationship." We'll see you Wednesday February 1<sup>st</sup>. And thank you.

(END)