The United States Withdraws from the Nuclear Deal with Iran: Lessons from a Simulation

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The Institute for National Security Studies (INSS), incorporating the Jaffee Center for Strategic Studies, was founded in 2006.

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Executive Summary

In the coming days President Donald Trump is to decide whether or not to authorize the continued suspension of nuclear-related sanctions on Iran. The US president is required to waive sanctions every 120 days to remain in compliance with the 2015 Joint Comprehensive Plan of Action (JCPOA). Failure to waive sanctions will result in the automatic reinstatement of American sanctions on Iran, which contravenes the commitments stipulated in the agreement and therefore constitutes a breach of the deal and, in practical terms, an American withdrawal from it.

This scenario was examined in a simulation that took place in November 2017 at the Institute for National Security Studies (INSS), in collaboration with the RAND Corporation. The purpose was to consider Iran’s potential response and the responses of other relevant parties should the United States withdraw from the deal, as well as the consequences of such a development for Israeli national security.

There are several advantages of a simulation over a more conventional roundtable discussion. One is that participants are playing the roles of key stakeholders and remaining “in character” during the simulation. Another is the structuring of interactions between different groups as they simulate the considerations and policies of the countries they represent. As a practical example, the simulation featured many bilateral discussions between the United States and Israel that other stakeholders were not invited to join, which mirrors the reality of how U.S.-Israeli coordination would occur in the real world.

Of course, the scenario considered—effective U.S. withdrawal from JCPOA—does not necessarily reflect the most likely scenario in reality, but it does highlight ideas and options that experts may have missed, and thus the responses to the scenario and the emerging policy might well be realized.
The United States, whose moves in the simulation (as in reality) drove the developments, set as its strategic objective to improve the nuclear agreement and apply stronger wording that would be more binding regarding the sunset clauses, halt research and development by Iran on advanced centrifuges, increase supervision—including of military installations—and limit the Iranian missile program. However, apart from setting these goals, the United States did not present any concrete plan to achieve them, and it quickly became clear that the American administration wanted other international actors—the European parties to the agreement (France, Britain, and Germany) and Russia—to exert pressure on Iran as a way of forcing it to meet the US administration’s demands.

The European partners to the agreement were prepared to assume the role of mediator, but their opening position accepted the Iranian argument that it is not possible to renegotiate the deal. Therefore, their main interest was to preserve the JCPOA by maintaining economic relations with Iran while avoiding as much damage as possible in transatlantic relations. The Europeans recognized the need to address the Iranian missile program and to restrain Iran’s actions in the Middle East and attempted to create a new arrangement that would preserve the agreement in return for Iranian concessions regarding its missile program and regional policy. They were even prepared to exert some economic pressure in the form of sanctions on Iran if necessary. However, this European position was not muscular enough to satisfy the United States, and the major disagreements between the parties were underscored in the simulation.

Russia cleverly positioned itself as the only realistic mediator within the simulation, which is how the American administration perceived it, to the dismay of the Iranian representatives. Russia proposed that the agreement be extended for another 10 years and that limitations be placed on the Iranian missile program and its presence in Syria. However, as is usually the case with Moscow, it demanded a quid pro quo from the West of lifting the sanctions imposed on Russia in response to its policy in Ukraine. Israel’s good relations with Russia and the United States enabled it to convey the Russian message to the Americans, a move that reflected the Israeli interest in avoiding termination of the agreement at this stage. However, the Russian attempt at mediation ultimately failed.
Two other regional elements with conflicting interests—Saudi Arabia and Hezbollah—were also represented in the simulation. Saudi Arabia’s interest was to undermine the agreement and harm Iran, while Hezbollah’s interest was to help Iran and prevent a breach of the agreement, however, neither party had a significant impact on the simulation. With limited independent means of exerting pressure, Saudi Arabia tried to encourage Israeli and American moves—including a military one—but without much success, even though Israel saw the chance for military cooperation with Saudi Arabia as an important achievement and was ready to use it in order to signal to Iran that it had a military option. Although it was prepared to use force and create points of violent conflict, Hezbollah was, in fact, restrained by Iran, which expressed a desire to avoid any move that might play into the hands of Washington.

Iran’s main goal was preserving the international consensus for continuing the agreement and its policy decisions were aimed at promoting this interest. Following intensive contacts with the other partners to the agreement, Iran estimated that none of them wanted to upset the deal. This was the basis of the Iranian policy of restraint, intended to prevent moves that would place the blame for harming the agreement on Iran. This policy did indeed facilitate mediation attempts by European countries, as well as Russia. During these attempts, the outline of Tehran’s policy emerged, which centered on its determined opposition to reopening the agreement and a certain limited willingness to discuss the missile program and the extent of its presence in Syria. The levelheaded Iranian policy made it hard for the American administration to recruit support for its policy and led to serious disputes between Washington and the European partners.

At the end of the simulation, Iran resumed the enrichment activity to pre-agreement levels, but only when it was clear that it would not be accused of torpedoing the agreement because the re-imposition of secondary sanctions meant that the United States was the party in breach.

Israel found itself obliged to support President Trump’s policy, even though its immediate and urgent concerns were the Iranian missile program and its presence in Syria, and only secondary was the nuclear agreement, which is less urgent if not less important. Israel’s position rests on the assessment that at this stage, it is not possible to renegotiate the agreement, and focusing on this aspect could detract attention from more urgent issues. Israel also
did not want to be at the front line of activity against Iran, but supported President Trump’s steps and even decided to renew its military preparations, which it presented as a bargaining chip that the United States could leverage against the other parties to the agreement. However, in the framework of the simulation, Israel did not manage to advance Washington’s aim of recruiting the support of Europe, Russia, and China for the move, nor was it able to influence decisions taken by the US administration in this context.

In terms of the positions of the main actors in the simulation, there were a number of conclusions:

- **The American administration has no clear plan on how to achieve its stated goal vis-à-vis Iran – improvement of the JCPOA.** Its one-sided move relied on other elements, mainly European countries, and it hoped they would take action against Iran. However, since the US move was contrary to the interests of its European partners and was made without prior coordination with them, it was difficult to get their support for this decision and to navigate the ensuing developments.

- **The crisis created by the administration regarding the flaws of the nuclear agreement could be exploited to promote issues more urgent for Israel (mainly Iran’s missile program and presence in Syria).** The European countries and Russia were prepared to work on those issues if it was considered to be “enough” for the American administration. However, US insistence on amending the nuclear agreement and the problematic relations between the United States and Russia prevented any possible compromise.

- At the end of the day, Israel found itself in a situation where the agreement was breached; Iran resumed work on its nuclear program and continued its ballistic missile program; there was no agreed change to its regional conduct; and it was very doubtful that the current American administration was prepared to take serious action against Iran, beyond leaving the agreement.

- Although all the parties to the nuclear deal except for the United States want it to continue, the departure of the United States, particularly if it imposes secondary sanctions, would in effect neutralize the deal. Following that development, Iran would resume work on its nuclear program.
Methodology

The simulation was conducted by the Institute for National Security Studies (INSS) in conjunction with the RAND Corporation. The purpose of this simulation was to examine the possible developments and outcomes should President Donald Trump decide to withdraw from the Joint Comprehensive Plan of Action (JCPOA).

The model built by a combined INSS and RAND group consisted of seven teams representing stakeholders of various degrees in the scenario.

The simulation itself allowed different types of actions by the various stakeholders, including public declarations, news and social media updates, secret meetings, and policy decisions, including kinetic actions. Offensive actions required prior approval by the Directorate who oversaw the entire simulation and ensured an efficient and smooth process with minimal interference. Incidents were also injected into the simulation by the Directorate periodically when necessary to ensure as a realistic simulation as possible. This was coupled with assigning both INSS and RAND experts to the various teams in accordance with their knowledge and skill sets in order to create a scenario that would replicate each team’s realistic calculations and intentions to the extent possible. In addition, each team was assigned a reporter from the INSS, who took notes during all internal team meetings, discussions between groups, and plenary sessions throughout the simulation.

The main advantage of using this methodology is the creation of conditions for brainstorming and analysis that are significantly different from those in which we usually operate. A simulation creates an environment that encourages raising ideas that may otherwise remain unnoticed or even overruled. Another advantage of it is the addition of the less predictable, and mostly neglected, outcomes of human negotiations. These human interactions, either direct, parallel or via a third party, play a major role in real life.
One should bear in mind that a simulation increases the chances to reach scenarios and insights that may be different from those usually evaluated. However, the scenario generated by the simulation should not necessarily be considered the most probable scenario or likely outcome. Assuming the players are experts in their fields and aware of the existing geopolitical conditions, the simulation is meant to create a possible scenario with a relatively high degree of probability.

The simulation was divided into two parts: The opening scenario was sent to the heads of the teams prior to the start of the simulation, while the second scenario was a surprise development in the latter half of the simulation.
Opening Scenario

US President Donald Trump makes an announcement on January 15, 2018 that he is unwilling to continue lifting nuclear-related sanctions on Iran as agreed to in the JCPOA.

The president explains that the US administration decertified the nuclear agreement in October 2017 because it was not in the national security interest of the United States. The decision was based on the idea that Iran is violating the spirit of the agreement, even if it is technically in compliance, by continuing and, in some cases, intensifying its dangerous behavior, such as the development of ballistic missiles, supporting terrorist organizations like Hezbollah and Palestinian Islamic Jihad, and interfering in regional states, including Lebanon, Iraq, Syria, and Yemen.

Since October 2017, there has been no sign of improvement in Iran’s behavior toward the United States and its allies in the Middle East. In addition, the US Congress and the other parties to JCPOA have done little to curb Iran’s malign activities despite the president’s advice that they do so in order to prevent the collapse of the nuclear deal. Therefore, since the president has decided that the current state of affairs is unacceptable, he has decided to reinstate the nuclear-related sanctions that had been lifted under the JCPOA.

The US administration asks of its partners from the P5+1 to follow suit and reinstate the sanctions that they had agreed to waive as parties to the JCPOA. The administration also explains that US sanctions on Iran include secondary sanctions and if its allies do not re-impose sanctions, those companies of countries that fail to comply with US policy will not be permitted to conduct business with the United States.
Secondary Scenario

Following the failed efforts on the part of the United States, Europe, and the Russians to meet President’s Trump demands, the Trump administration has decided to immediately implement secondary sanctions. European companies then declared a freeze of their business activities in Iran. Under these circumstances, Iran decided to resume its nuclear activities at a hastened pace. It has initiated the installation of centrifuges, including new and advanced models, in its nuclear facilities in Natanz and Fordow, and it has announced its intentions to return to 20 percent enrichment.
Annex 1: The United States

The US team set as its **strategic objective the achievement of a stronger version of the JCPOA, or an equivalent reality**, in which:

- Iran’s nuclear restrictions would be subject to longer sunsets.
- Advanced R&D on the centrifuges would be disallowed.
- There would be stronger inspection protocols to ensure military sites would be covered.
- Restrictions would be expanded to include Iran’s ballistic missile program.
- The United States also sought to achieve significantly reduced Iranian regional provocations.

The initial discussions conducted by the United States with the other teams focused on:

- **Getting the European Union** to help convince Iran to accept the tougher terms that the United States was seeking.
- **Asking the Gulf Cooperation Council (GCC)** to upgrade their enforcement of sanctions against Iran.
- **Telling the Israelis** that the United States was open to threats of Israeli military action as a deterrent against Iran resuming its nuclear program, but, **insisted on coordination with the United States before any actual military strike**.
- **Seeking cooperation from the Russians** on getting Iran to agree to tougher terms by offering support for their role in Syria, while also promising Israel that it would support Israeli freedom of action against Iran in Syria.
- Not communicating directly with the Iranians, and rather relying on the European Union and Russia to play that role.
What was discovered during the course of the simulation was that each of the other actors found a way to either frustrate or fail to deliver in helping the US administration achieve its goals, leaving it with a profound dilemma. **What was available as a realistic goal by the end of the simulation fell far short of Trump’s objectives.** These goals included: a possible extension of the sunsets of the JCPOA by 10 years, if Russia was able to deliver Iran on that goal; reliance on the ballistic missile provisions that had come back into force with the imposition of UNSCR 1929; expanded inspections or curtailing advanced R&D; and reliance on US, Israeli, and GCC actions to counter Iranian regional provocations, which were not always in a coordinated fashion, and with the attendant risk of escalation rather than getting Iran to agree to curtail its destabilizing regional role.

Some additional observations and conclusions about the role played by the United States and other parties in the simulation emerged:

- **The United States got the ball rolling but had little ability to dictate the events thereafter.** Although the United States launched the decision to terminate the JCPOA, it quickly discovered that without any international consensus (and with gaps in the internal US consensus as well), it could not control the direction of events thereafter. The United States rapidly became dependent on other actors—the European Union and Russia—who did not share the same goals, at least not entirely, and who even worked to frustrate them.

- **The European Union emerged as a frustrating partner for the United States.** While the United States initially sought the European Union to play the primary role of the negotiator with Iran, pressing for tougher JCPOA terms—a fifty-year extension; total openness of military sites; a halt to R&D, manufacturing, and proliferation of ballistic missiles with long range and precision guidance as well as inspections to enforce it—the European Union was determined to protect the JCPOA at all costs, even if the United States decided to withdraw. It ruled out any reopening of the existing agreement categorically, to the point of allowing Iran to define what additional terms—even if Iran agreed to them—would be considered violations of the JCPOA. The European Union did not respond well to US threats to begin enforcement of secondary sanctions against European
companies within thirty days (later extended to sixty days) and threatened retaliatory sanctions. Rather, they dragged their feet, seeking to stretch out consultations with Iran and the United States and via a meeting of the Joint Commission, at a very slow pace, to protect the agreement as long as possible. The United States was unsuccessful in exploiting possible disunity within European ranks (such as French President Macron’s statements of openness for tougher JCPOA and missile terms on Iran), which might suggest a gap in the realism of the simulation, although the European team did signal a willingness to discuss side agreements on ballistic missiles.

- **Russia** emerged as the pivotal player. The reluctance of the European Union to play the role of negotiator opened the door for Russia to emerge as the critical mediator, and the Russian team cleverly carved out a role for itself as the key player in the simulation. Everyone was turning to Russia to try to help them achieve their goals. The US team, having grown frustrated by the EU approach, was increasingly tempted to rely on Russia’s offers to get Iran to agree to tougher terms than even the European Union had said it was prepared to support—the ten-year sunset extension—although questions remained about whether they could actually deliver the Iranians on that point. The US team was faced with an additional dilemma about whether to accept any such outcome as the result of a bilateral Russian-Iranian agreement, or whether it would be possible to upgrade it into a UNSCR, which would require EU support that may have been unattainable at that point.

- The role played by the **Saudi** team (GCC) was often unhelpful and distracting to US negotiating objectives, which became difficult to manage and led the US team to ignore the Saudi team as the simulation progressed. The Saudi team was constantly making unrealistic demands from the United States, like decisive military action against the Houthis in Yemen and the transfer of the al-Udeid base from Qatar to the UAE. They sought to escalate tensions with Iran through a number of aggressive actions, to which Iran responded with more restraint than might have been expected, but which could have also triggered a much wider escalation. The Saudis tried to be more helpful on the economic side, offering to compensate European companies who walked away from deals in Iran
and cutting off Gulf markets to those who continued to work in Iran, but their efforts had little impact on the Europeans.

- **Israel**, while supportive of the US approach, was not able to deliver much in terms of garnering support for US goals. Israel offered its help in convincing the Europeans and Russians/Chinese to reinstate sanctions against Iran, but its diplomatic interventions and military exercises to signal consideration of a military option had little impact. Israel’s passing of a Russian secret message to the United States that it would reach a bilateral agreement with Iran on a longer sunset and increased inspections in exchange for the United States and Europe to lift Ukraine sanctions was unwelcome and unhelpful.

- **Iran** played the simulation smart by not overreacting and that made it hard to recruit others to support the US position. In reality, Iran would be faced with its own internal debate between more hardline and more pragmatic voices, and it is not clear that Iran would respond in such a restrained fashion. The United States never seriously considered a secret or overt discussion with Iran, which, of course, left the United States completely dependent on others who did not share its goals and whom it could not fully trust.

- Quite understandably, but also unrealistically, the simulation did not factor in other developments, both foreign and domestic, that could certainly affect US decision making on Iran. The most prominent of these is North Korea, which could also reach a crisis point or a breakthrough, or remain perpetually on the verge of one, in 2018. The United States would likely be very cautious about approaching the point of possible military confrontation in both the Middle East and the Far East at the same time, and its ability to get Russian and Chinese support on both fronts simultaneously is questionable and may require some prioritization, with North Korea more likely to preoccupy the decision makers. Elections will also take place in the United States in 2018. The president and his party will need to balance the national security requirements that might dictate increased tensions with Iran and the political implications as some members of his base will be motivated by tough rhetoric while other voters will be potentially alarmed by the risk of military conflict and uneven management of diplomacy.
• The unique **personality of President Trump** is an important factor in how such events would unfold in reality. Leaders are always relevant to the decisions taken by nations, but perhaps to a greater degree than normal, many international actors seem focused on trying to figure out what President Trump will do and how he will make decisions, as his unpredictable nature adds a destabilizing element. The US team tried to capture that essence by having the president issue a series of tweets during the course of the simulation that ran contrary to the diplomatic discussions being held at the time, making excessive threats that the United States was unlikely to fulfill and exposing tensions with allies and even criticizing them.

**The overall conclusion** from the simulation is that the United States will have difficulty rallying support for its decision to terminate the JCPOA and even more difficulty controlling the flow or pace of events that follow it. The United States might well find itself, in a relatively short time, faced with a number of unsavory choices, from settling for achievable but far less ambitious goals on Iran’s nuclear program, to prolonged tensions with key allies, to a dramatic escalation with Iran at a time when other priorities, like North Korea, make that undesirable.
Annex 2: Iran

The Iranian role in the simulation was a measured effort to cope with the nuclear crisis in a way that advanced its interests and minimized the harm caused by US actions. Iran did not do so through a confrontational approach but one which largely emphasized its adherence to its commitments and international norms. This succeeded in garnering international support for Tehran’s position and the JCPOA but could not entirely negate the very real damage that Washington was able to inflict on its interests.

The Iranians estimated the American position as uncompromising.

Iran wanted to allow for international negotiation and diplomacy between the other parties to the JCPOA to take place for as long as possible, while keeping their cards close to the chest. In particular, Iran wanted to see how the EU, Russia and China would react in order to ensure that its options would not be exhausted prior to escalation. Therefore, the Iranians kept what could be perceived as aggressive activity and rhetoric to a minimum, in order to prove to the international community, they were not responsible for the crisis. Iran sought to take JCPOA-breaking measures only after irrefutably proving that it was not responsible for the agreement’s demise. This would enable Iran to minimize U.S. leverage against it. In contrast, if the international community was to unite behind the American position then Iran would have no choice but to accede to Washington’s demands while preserving its own interests to the extent possible. Simultaneously, Iran wanted to preserve its growing influence and control in the region.

Despite their certainty about the American intention to withdraw from the deal, the Iranians understood that there was not much it could do to change such intentions, therefore the goal was to present Iran as the solution to the crisis, as opposed to the source of the problem, while presenting the US as the leading factor in undermining stability.
Iran would go on to release public statements questioning US credibility when it signed on to international agreement, from the Paris Climate Agreement through the TPP to the JCPOA, and emphasized Iran’s proven compliance with the nuclear deal. Iran also attempted to cast the responsibility for resolving the crisis on the international community, in reminding all players that the UN resolution approving JCPOA was an international deal, rather than one between the US and Iran. While the government in Tehran attempted to take a more hands-off approach, the Islamic Revolutionary Guard Corps (IRGC) independently released declarations of a more heated nature; this would have the effect of creating ambiguity and increasing the pressure on the relevant players. In this context, the regime’s estimate was that domestic support was unwavering. Radical factors both internal and external did not push it to take an extreme position, and this allowed it to preserve its freedom to maneuver in the negotiations.

The Trump administration was faced with fierce opposition to the unilateral step it took and failed to garner support from its global partners. Thus, Iran’s immediate conclusion was that it could manipulate the situation to promote its interests. Therefore, a primary Iranian objective was to preserve international opposition to the American position among Russia, China, and the EU states while influencing international firms in general and European companies in particular not to rush to cancel already-signed contracts and promoting additional commercial agreements.

With that in mind, bilateral dialogue between Iran and the EU clarified that reopening JCPOA was a red line for Tehran. Iran would also make clear that putting in place amendments to certain clauses in the deal was out of the question. However, Iran showed some voluntary willingness to discuss the missile program, mainly around the range issue, and hinted at the possibility of eventually withdrawing some Iranian forces from Syria.

The Iranian estimate was that the Europeans largely supported Tehran’s position as they did not put significant pressure on the Iran negotiating position, nor did they rush to cooperate with the US. Brussels also did not hide its dissatisfaction with the American position.

Simultaneously, Iran held continuous and close negotiations with the Russians and the Chinese. Later Iran was willing to consider a Russian offer that, in exchange for an Iranian commitment not to pursue to pre-JCPOA
levels of enrichment, Iran would receive Russia’s unequivocal support in international negotiations.

Iran was concerned about a re-imposition of sanctions by the US and prepared an economic plan to deal with potential snapback sanctions. Iran’s alternative economic options were presented as the following:

- Adjustments in the budget
- Transferring money designated for investments to the current economic activity
- Proceeding with bank reforms designed to increase transparency
- Issuing Islamic bonds
- Creating new partnerships with Russia, China and the region

Iran sent indirect threats regarding possible next steps to pressure all parties, including leaking to the media about upcoming military maneuvers in the Gulf, officially increasing military readiness as well as the successful launching of a ballistic missile with a range of 1,300 KM. Most importantly, in the second stage of the game, Iran declared the possible re-launch of a centrifuge program in Fordow, the elevation of uranium enrichment level to 20% and the addition of centrifuges in Natanz. All of these steps were taken in compliance with NPT rules and strict IAEA surveillance. Iran would also leak the possibility of fomenting unrest in Bahrain and in Saudi Arabia, stirred up by its Shi’a proxies. The message Iran was attempting to convey was that even in the worst-case scenario, it would be no worse off than it was prior to the JCPOA.

During the crisis, Iran held continuous talks with Hezbollah, and made it clear that it was not in Hezbollah’s nor Iran’s interest to create tension with Israel prematurely as doing so would undermine Iran’s strategic objectives. However, in the event Iran needed to increase pressure on the international community, Iran affirmed its ability to inflict damage and destruction along Israel’s northern front via its proxy Hezbollah – which served as a measure of deterrence.

As a result of the continuous negotiations with the EU, Russia and China, Iran and Russia began to negotiate a defense treaty in order to protect Iran in case of a foreign attack. If such an agreement materialized, it would
position a major world power on the side of Iran while possibly isolating the US even further.

However, towards the end of the simulation, when the facilities in Natanz and Qom were attacked by unknown external forces, Iran declared an end to any possible diplomatic solution and escalated its response by activating Hezbollah and conducting independent measures. 

Despite the challenges that the scenario created for Iran, it was able to accomplish several significant objectives:

• Iran was not directly blamed for JCPOA’s collapse by any major international player except the US.

• The European Union showed willingness to negotiate with Iran, and even pointed out Iran was giving them bargaining chips with which they could hold constructive negotiations with the US (the missile range issue and the matter of Iran’s presence in Syria).

• Private European companies did not rush to cut ties with Iran, but they were increasingly cautious of violating any new US sanctions.

• Russia remained supportive of Iran by putting forth offers that did not significantly undermine Iran’s interests.

• Domestic unity in Iran was sustained, which gave the regime the space it needed to promote its policies according to its interests.

• Iran reached the point where it was forced to break the deal after succeeding, from its perspective, in proving that the US was the cause of the deterioration and eventual collapse of the JCPOA.

However, there are also important points that Iran should take into consideration following the simulation:

• The JCPOA collapsed and it was made clear that the US had the ability to cause damage to Iran in the long-term. The scope of this damage to Iran by the snapback of sanctions will be dependent on the administration’s determination to enforce them on international bodies. The harsher the sanctions, the greater the pressure on the Iranian economy, and this could potentially increase internal instability.
• **Iran’s status and international prestige has been undermined** in the eyes of the international community which may contribute to the unraveling of the JCPOA.

• It is likely that international companies that have business both with the US and Iran will have significant influence on Iranian conduct: the intensity of the Iranian reaction will correlate with the companies’ conduct regarding sanctions.

• **Russia has the ability to become an intermediary** between the US and Iran. For that strategy to succeed in brokering any sort of agreement, however, the Iranians would have to pay a price (though it did not fully materialize in the simulation). Post-game assessments also questioned whether the Russians would be as willing in reality to help find a compromise that would satisfy the Americans, given broader aims to undercut U.S. interests in the Middle East and beyond.
Annex 3: Israel

Israel’s main goals were preventing Iran from acquiring nuclear weapons and demonstrating support for the Trump administration’s goals. That being said, Israel recognized that its **immediate interest** was not the nuclear issue, which was on hold within the context of the JCPOA. Israel concluded that it could use the US threat to leave the JCPOA and reinstate sanctions as an opportunity to advance its own urgent interests:

**Iran’s ballistic missile program** is perceived as a serious threat, including as part of the delivery system of Iran’s nuclear program. As such, it should have been addressed within the original framework of the JCPOA.

- **Iranian influence in the region**, especially in Syria, is an immediate threat to Israel’s national security and is also a concern for the United States and the GCC states. Therefore, diminishing Iranian political, economic, and military power in Syria, Iraq, Lebanon, and Gaza is of utmost importance. Israel sought to build common ground with other teams on this issue and acted as a go-between for the United States and other players.

- The “snap back” of sanctions and Trump’s effective withdrawal from the agreement has left Israel with some concerns:

- Washington’s hostile attitude to the JCPOA would cause a large rift between the United States and the rest of the P5 +1 and that would dramatically reduce the feasibility of establishing an internationally recognized and supported sanctions-regime led by the United States.

- The United States set the tone in the simulation as aggressive, demanding, and zero-sum. Israel was wary of this, and while publicly supportive of President Trump, feared backlash from the European countries if it was perceived as taking too hard of a line during the simulation.
• The possibility of reprisals from Iran or Iranian proxies in Syria and Lebanon against Israel, because of its perceived role in the agreement’s demise.

Israel therefore decided on two action items:

• One, to remain behind the scenes as much as possible, focusing its strategy on lobbying the other partners of the agreement as well as the Congress;

• Second, to raise its military preparedness level in case the situation was to escalate.

This policy decision was based on the belief that conducting behind the scenes diplomacy, coupled with shows of military force on the Iranian border (in coordination with the GCC states) in the form of flyovers by Israeli fighter jets, thereby creating a viable military option, would ideally recreate the pre-JCPOA pressure on Iran.

During the first half of the simulation, Israel was seen by other players as an important influencer, even gatekeeper, of US foreign policy vis-à-vis Iran. This was evident during meetings conducted between Israel and Russia:

• Russia believed it could leverage the current crisis by demanding relief from Ukraine-related sanctions in exchange for playing a constructive role like brokering an agreement or serving as a guarantor. It attempted to convey this message initially through Israel, believing the Israel had outsized influence in the United States. Russia was willing to exert its relatively strong influence over Iran to help address some of Israel’s concerns and desire to create supplementary agreement(s) to the JCPOA.

• Saudi Arabia also saw Israel as a strong conduit for sending its messages to the United States. The Saudis wished to coordinate policy with the United States and sought confidence-building measures from the United States to reassure Riyadh. Riyadh also wanted to see a show of force against Iran by the Israelis, offering the use of Saudi airspace and even an airbase for that purpose. In return, the Saudis wanted to start an intelligence-sharing relationship with Israel. This was a major development for Israel, as it would allow for a strong albeit clandestine relationship with a leading
Arab country, which in turn could help address other strategic issues facing Israel.

During the second half of the simulation, it became apparent that **Israel was less relevant to the decision-making process once the United States had already withdrawn from the JCPOA**. The European stance toward the JCPOA and Iran showed a divergence of interests between Israel and Europe, which was cause for concern from the Israeli perspective. A positive trend that continued into the second half of the simulation was that the Sunni Arab world, especially the Saudis, was willing to ally with Israel. A military option is dramatically more viable in a potential crisis if Israel and Saudi Arabia are able to coordinate with one another. As the simulation continued to play out, it became clear that the Israeli efforts to mediate between the United States and Russia failed, likely because of complications that accompanied Israel positioning itself as a broker between the two sides.

While Israel attempted to pursue a diplomatic offensive coupled with a UNSC resolution, it also believed it should continue to coordinate on a bilateral level with the United States. This included coordinating real-time secretive actions and requesting logistical support in the form of providing Israel with more advanced arms at a reduced cost. Israel also believed that they would need to convince the rest of the international community, most importantly Europe, to join any effort to pass a binding security council resolution that would allow Russia to take a more formal guarantor role in any future deal between the world powers and Iran, but this would only happen if Israel presented a credible military option.

If a scenario similar to the simulation were to occur, **it would be critical to get President Trump more involved in regional affairs**. However, the Israeli team concluded that the likelihood of the United States becoming significantly more proactive in the Middle East is low.
Annex 4: The European Union

The European Union wanted to maintain the JCPOA and its economic relations with Iran while delaying or preventing US secondary sanctions on European companies. With that in mind, the looming threat of secondary sanctions imposed by the United States and its impact on EU business interests was considered a significant concern. The European Union saw itself as the guardian of this agreement as well as the chief negotiator for any bargain to preserve it, although it was unwilling to reopen the deal. In the capacity of mediator, Europe was willing to discuss and supply proposals to alleviate the crisis.

In its diplomatic efforts, the European Union attempted to tow the middle ground. To do so, the Europeans believed they needed Iran to compromise on its ballistic missile program by accepting some restrictions or limitations. The European Union sought to buy as much time as possible in order to delay the US re-imposition of sanctions as well as an Iranian withdrawal from the agreement. They also considered it a priority to prevent any military escalation between Israel or the United States and Iran.

During the simulation, EU policy was consistently more in line with Tehran than with Washington. This has been reflected in the meetings between the European Union and other players and subsequent actions taken by the European Union. It staunchly held the view that the Trump administration’s move not only created an unnecessary crisis but also violated the agreement, which cast a very negative light on the United States. The Europeans view the JCPOA as a stabilizing factor in the region, which places them at odds with the United States, Saudi Arabia, and Israel, all of which see the JCPOA as destabilizing in its current form. This manifested itself in the simulation with constant EU rebuffs of Saudi offers to cooperate on policy and action plans. It was also seen in the United States’ sixty-day ultimatum before the reinstatement of sanctions in a “take it or leave it” scenario, by which the
European Union was forced to find an alternative agreeable to the United States and Iran.

The European Union was open to policy suggestions and negotiations that preserved the JCPOA, and it showed a willingness to explore limits on Iran’s ballistic missile program but not the issues more deeply intertwined with the JCPOA, such as sunset clauses or increased inspections (the opening of which could cause the agreement to unravel). In taking this route, the European Union demonstrated to the United States that it was serious about finding a solution but at the same time was not willing to compromise on its commitment to maintain the JCPOA. The European Union was also unwilling to work with the Russians, at least in the initial phase of the simulation, because of disagreements over the Ukraine crisis. This placed the European Union in a unique bargaining position as mediator and broker while also maintaining relatively positive ties with both sides.

In the second part of the simulation, during which sanctions were reintroduced, Europe became much less relevant and had to completely reorient its policy toward prevention of war and damage control. It should be noted that the European Union lost its ability not only to act as mediator but also to achieve its contingency plan of trying to maintain economic relations with Iran.

This turn of events changed the EU approach, as preventing Iran from leaving the Non-Proliferation Treaty, preventing conflict, and laying the groundwork for future negotiations became its priority. The European Union would go on to combat a joint Israeli-American United Nations Security Council Resolution by proposing their own resolution, which accepted Iran’s 20 percent enrichment.
Annex 5: The Russian Federation

The Russian Federation saw the US decision of threatening to withdraw from the deal and later impose snap back sanctions as both a risk and an opportunity. Russian interests in the simulation included:

- Maintaining regional stability (which could be upset by the collapse of the JCPOA or an Israel/US–Iran conflict)
- Countering US interests
- Preventing Iran from going nuclear or having a short nuclear breakout time
- Stimulation of the Russian economy (including the removal of sanctions imposed for actions in Ukraine)
- The reduction of Iranian influence in Syria.

Moscow felt that it had a crucial bargaining chip vis-à-vis the United States for advancing its interests, derived from its role as a conduit of communication between Iran and the international community, its status as a signatory of the JCPOA, its role in Iran’s nuclear program, and its role in Syria.

At first, the Russians explained that they would not allow for the nuclear agreement to be annulled but were willing to help improve it. Moscow assured Iran of its strong interest in preserving the deal and was willing to pursue this goal in exchange for a reduction of Iranian presence in Syria (a win-win for Putin); this would provide a key source of leverage in later discussions with other teams, especially the United States, Israel, and the European Union.

As the simulation progressed, there were few advances in negotiations vis-à-vis the United States, despite several rounds of promising discussions. This, in turn, contributed to more assertive Iranian posturing, which threatened aggressive action.
The Russian delegation believed that a possible bilateral agreement with Iran—in which Moscow would take on the role of guarantor—could address the major issues raised during the negotiations. The Russian proposal for such an agreement included Tehran’s withdrawal from certain areas of Syria and an extension of the sunset clauses for one decade. In exchange for serving as the agreement’s guarantor, Moscow wanted Ukraine-related sanctions lifted. During its talks with the United States, Russia tended to exaggerate Iran’s willingness to compromise in an effort to convince the two sides that they would get a better deal than each side was initially willing to offer.

Ultimately, Russia’s strategy of playing the role of mediator failed. The Russian attempt to find a compromise that was both acceptable to the Iranians and satisfactory for the Americans was unsuccessful. Therefore, any such agreement could not be used as a tradeoff for advancing the Russian aim of relief of sanctions that were imposed for its actions taken in other arenas.
Annex 6: Saudi Arabia

The Saudis attempted to pursue a policy of promoting American interventionism vis-à-vis Iran. Saudi Arabia believed that by provoking an aggressive Iranian move they would be able to force the Americans to take a harsh response (including kinetic actions). The endgame for the Saudis was a pushback led by the United States (but international in scope) on Iran’s nuclear program and regional activity, either through the creation of a new agreement that is more restrictive and comprehensive than the JCPOA or through unilateral action. It is important to note that this goal aligns with Israel’s interests and brought the teams together.

During the simulation, Saudi Arabia had very limited influence on developments. In the opening scenario, Saudi Arabia had little impact on its allies and its adversary, Iran. Instead it adopted a “wait and see” approach when it came to possible action-orientated policy. The Saudis were willing to cooperate with Israel and even opened their airspace to Israeli shows of force against Iran, but were unwilling to act themselves. Saudi Arabia publicly supported President Trump in his attempt to renegotiate the JCPOA but sought to redirect the dialogue and diplomatic efforts to recognizing the genuine nature of the threat that Iran posed to the region, especially regarding its involvement in domestic Arab affairs.

Following the US withdrawal from the JCPOA and reinstatement of sanctions, which in turn led to Iran enriching at pre-JCPOA levels, Saudi Arabia took two immediate diplomatic actions. First, it successfully requested that Pakistan station a squadron of F-16s in Riyadh. This would demonstrate the Saudis’ widespread Sunni support during this crisis as well as the power of the kingdom, as it has the ability to “call to arms” the only Sunni (albeit non-Arab) nuclear-armed state in the Muslim world. Second, Riyadh demanded from the United States the right to domestically enrich uranium.
Saudi Arabia was seen as unreliable and as a wildcard by the other major players. Negotiations and relations with the United States were surprisingly tense and Saudi attempts to meet with the EU delegation were ignored, leading to frustration in Riyadh. Meetings with the Israeli delegation were the most successful, and those with Russia and China were largely uneventful. Attempts to buy support were rebuffed and threats were ineffective.

Saudi efforts to portray itself as an irrational actor that is prepared to take risky measures were not taken seriously, despite its sinking of an Iranian ship and execution of close to one hundred Saudi Shi’a oppositionists. Their bluff was called by both allies and enemies who realized that Saudi had few levers and limited capabilities. Although it did its utmost to direct other parties (primarily the United States) to its preferred policy, it exerted little influence, and events did not develop in its favor.
Annex 7: Hezbollah

Hezbollah’s importance in the simulation scenario was related to its role in the region and its close ties to Iran. It can both influence and be influenced by developments on the Iranian nuclear issue. In particular, it was possible that Tehran would call Hezbollah to bolster the Iranian position and/or that Hezbollah would be hit by the financial impact of the reinstatement of sanctions.

In a context of growing pressure on Iran by the United States and with the support of Saudi Arabia and Israel, Iran sought to re-affirm publicly that its Lebanese proxy, Hezbollah, can inflict pain on its enemies. As long as Iran saw the possibility of a compromise that would enable the continuation of the nuclear agreement, it would not request that Hezbollah carry out any attacks. Its only request of Hezbollah was for a public speech by Nasrallah expressing support for Iran.

Hezbollah’s interest in showing support for its Iranian patron were limited by its self-interest in avoiding direct conflict. The group developed several mechanisms for managing this tension and they are not mutually exclusive:

- It sought to interfere in theaters outside of Lebanon, including Yemen, the Israeli-Palestinian arena, and others.
- It sought to take actions that would instill fear but below the threshold would incur a serious response.
- It considered the possibility of indirectly harming Western interests, for example, by using the refugee flow from Syria to destabilize Europe.

Nonetheless, the group emphasized that Iran was limited as to what it could demand of Hezbollah in terms of intensifying pressure. In particular, Iran must take into account the value that the group places on avoiding confrontations with the United States and Israel – from which it has little to gain and much to lose.
Annex 8: Teams and Participants

The teams included:

- The United States of America, led by Ambassador Dan Shapiro
- The Islamic Republic of Iran, led by Col. (res.) Eldad Shavit
- The State of Israel, led by former Defense Minister and IDF Chief of Staff Lt. Gen. (ret.) Moshe Ya’alon
- The European Union, led by Ambassador Dr. Oded Eran
- The Russian Federation, led Ambassador Zvi Magen
- The Kingdom of Saudi Arabia, led by Dr. Yoel Guzansky
- Hezbollah, led by Brig. Gen. (res.) Assaf Orion
- Directorate, led by Sima Shine

Participants from RAND Corporation (listed alphabetically):

- Richard Baffa
- Ambassador Jim Dobbins
- Dr. Shira Efron
- Dr. Dalia Dassa Kaye
- Jeff Martini

Additional participants from the INSS (listed alphabetically):

- Yahel Arnon
- Anat Ben Haim
- Dr. Yehuda Ben Meir
- Brig. Gen. (ret.) Shlomo Brom
- Anna Catran
- Brig. Gen. (res.) Udi Dekel
- Lt. Col. Shahar Eilam
- Dr. Nizan Feldman
- Ezra Friedman
- Rob Geist Pinfold
- Dr. Avner Golov
- Ari Heistein
- Dr. Ephraim Kam
- David Kanfer
- Adi Kantor
- Hanna Kerli
- Dr. Emily B. Landau
- Galia Lavi
- Yonathan Lerner, Experienced Facilitator of Dynamic Simulations
- Danielle Levin
- Prof. Meir Litvak, Director of the Alliance Center for Iranian Studies at Tel Aviv University
- Vera Michlin-Shapir
- Sanjana Rathi
- Elai Rettig
- Dr. Carmit Valensi
- Or Yissachar