## CRS INSIGHT

# **U.S-Iran Tensions Escalate**

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#### Overview

U.S.-Iran tensions have escalated in recent weeks as the Trump Administration has taken several additional steps to implement its "maximum pressure" campaign on Iran's economy and government, and Iranian leaders have announced responses. U.S. steps have included designating Iran's Islamic Revolutionary Guard Corps (IRGC) as a terrorist organization, ending exceptions for Iran's oil customers to buy Iranian oil without U.S. penalty, ending sanctions waivers for some assistance to Iran's nuclear program, and imposing new sanctions on transactions in some Iranian commodities. Iran's leaders have responded, and U.S. officials state that intelligence reports about potential Iran-linked threats to U.S. forces and interests have prompted the Administration to send additional military assets to the region as a deterrent. The escalating tensions have a wide range of potential consequences, which could become the subject for additional congressional oversight of the 2015 multilateral nuclear agreement with Iran (Joint Comprehensive Plan of Action, JCPOA) or congressional consideration of additional U.S. sanctions or even the use of force. One year ago, the Administration withdrew the United States from the JCPOA, asserting that it did not address the broad range of U.S. concerns about Iran's behavior.

Recent Administration Steps to Pressure Iran

Recent Administration efforts to increase pressure on Iran's economy and government include:

- In April 2019, the Administration <u>designated the IRGC</u> as a Foreign Terrorist Organization (FTO). Iran's parliament responded by <u>enacting legislation</u> declaring U.S. Central Command (CENTCOM) and related forces in the Middle East to be terrorists.
- As of May 2, 2019, the Administration <u>ended U.S. sanctions exceptions</u> for the purchase of Iranian oil to implement a stated policy of driving Iran's oil exports to "zero."
- On May 3, 2019, the Administration <u>ended waivers</u> under the Iran Freedom and Counter-Proliferation Act (IFCA, <u>P.L. 112-239</u>) that allow countries to help remove Iranian heavy water and low-enriched uranium that exceed JCPOA stockpile limits.
- On May 5, 2019, citing reports that Iran might be preparing its allies to conduct attacks on U.S. personnel or
  installations, National Security Adviser John Bolton announced that the United States is accelerating the
  previously-planned deployment of the U.S.S. Abraham Lincoln Carrier Strike Group to the region and sending a
  bomber task force to the Persian Gulf region. These actions are meant to "send a clear and unmistakable message
  to the Iranian regime that any attack on United States interests or on those of our allies will be met with
  unrelenting force."

Secretary of State Michael Pompeo rearranged his travel to visit Baghdad on May 8 to meet with Iraqi leaders, who have good relations with Iran and host IRGC advisers, stating "I wanted to go to Baghdad to speak with the leadership there, to assure them that we stood ready to continue to ensure that Iraq was a sovereign, independent nation, and that the United States would continue to help build out partners in the region..."

• On May 8, 2019, the President issued <u>Executive Order 13871</u>, imposing sanctions on persons and entities that conduct significant transactions with Iran's iron, steel, aluminum, or copper sectors. These commodities account for about 10% of Iran's exports, but the exports primarily go to regional companies that might not be easily penalized by U.S. sanctions.

## Iranian Responses and Other Reactions

Iran's reaction to the U.S. steps appears to reflect an attempt to avoid outright conflict with the United States while indicating that Iran will not bow to U.S. pressure. Some Iranian statements have appeared provocative, but IRGC and other hardline Iranian figures periodically issue threats that are not followed by any concrete actions.

- A top IRGC commander, Gen. Yadollah Javani, said on May 10 that the United States would not dare take action against Iran, and that <u>Iran would refuse</u> an <u>invitation by President Trump</u> to negotiate a revised JCPOA.
- On May 8, 2019, President <u>Hassan Rouhani announced</u> that Iran would no longer abide by JCPOA restrictions on stockpiles of low-enriched uranium and heavy water. He also presented the European Union countries with an ultimatum to "fulfill their commitments" to provide economic benefits of the JCPOA within 60 days or face a resumption of some aspects of uranium enrichment.
- The EU, as well as other parties to the JCPOA, have sought to de-escalate tensions and urge Iran not to leave the accord entirely. A May 9 joint statement by the EU and the foreign ministers of France, the United Kingdom, and Germany stated that "We reject any ultimatums.." by Iran but, "At the same time we recall our own firm commitments under the agreement including as regards sanctions lifting..." Secretary of State Pompeo again rearranged travel to attend a May 13 EU meeting intended to de-escalate the tensions and preserve the JCPOA.

## Scenarios and Possible Outcomes

There are several directions the escalating tensions might take, any of which might involve congressional oversight, potential considerations of new sanctions or authorization for use of military force, or congressional steps to support regional partners that could be affected by possible conflict.

- **Escalation.** U.S. and Iranian officials have said they do not want armed conflict, but the tensions have the potential to evolve to that point, perhaps by miscalculation or unauthorized actions. Assertions on May 12-13 by the United Arab Emirates and Saudi Arabia that several of their <u>oil tankers had been "sabotaged"</u> or vandalized" signals the potential for any incident in the region to cause a clash, if not necessarily all out military conflict. Iran denied involvement in the incidents.
- **Status Quo**. The tensions could remain, but neither escalate nor de-escalate, particularly if time goes on and there are no violent incidents that are attributed to either the United States or Iran.
- **De-Escalation**. Iran could potentially try to de-escalate by taking up U.S. offers to negotiate a broader, revised JCPOA, though U.S. demands for a new JCPOA are extensive and many see that as <u>unlikely</u>. Alternatively, tensions might subside if, for example, the United States were to take up Iranian Foreign Minister Mohammad Javad Zarif's May 2019 offer to negotiate a <u>swap of detainees</u> held by both sides.