

MIDDLE EAST

# Iran Sticks to Terms of Nuclear Deal, but Defies the U.S. in Other Ways

By DAVID E. SANGER    JULY 13, 2016

WASHINGTON — A year after President Obama’s nuclear deal with Iran, the worst predictions of what would happen next have not come to pass.

The Iranians, defying the expectations of the deal’s most vociferous critics, gave up 98 percent of their nuclear material. They dismantled thousands of centrifuges and filled the core of a major plutonium reactor with cement. Inspectors roam their facilities.

By late January, even Israel’s top military officer said he was impressed. “The deal has actually removed the most serious danger to Israel’s existence for the foreseeable future,” Lt. Gen. Gadi Eisenkot, the chief of staff of the Israel Defense Forces, told a conference in Tel Aviv, “and greatly reduced the threat over the longer term.”

But if the celebrations inside the White House this week appear muted, it is in part because very little about the Washington-Tehran relationship outside the strict parameters of the 130-page agreement has improved. Tehran is still sending its forces to support President Bashar al-Assad of Syria and to gain influence in Iraq, and now has begun to honor its fallen soldiers there as heroes. Taking advantage of a newly worded United Nations resolution that merely “calls upon” Iran to limit its missile testing, it has kept up a steady pace of tests, with more and more capable weaponry. The United States has protested, but has recognized that Russia and

China would never permit the imposition of sanctions.

The agreement, of course, covered only Iran's nuclear activity — the most urgent problem. The goal was to ensure that it would take more than a year for Iran to assemble the makings of a bomb — rather than the few months American intelligence agencies believed it would have required a year ago.

Today few dispute that it would take Tehran at least that long — and probably much longer. As a result, threats from Israel that a strike against Iran's facilities might be necessary have ceased, even from Prime Minister Benjamin Netanyahu, who has fallen largely silent about the agreement after the dire warnings he offered in an attempt to sink it.

Yet a year later, the easing of economic sanctions against Iran has gone much more slowly than most Iranians expected, leading to a sharp decline in popular support for the deal and the government of President Hassan Rouhani, which staked its political future on the negotiation.

And that in turn threatens the biggest bet of the deal: that Washington's fraught relationship with Iran would begin to turn, as it has with Cuba and Myanmar. Mr. Obama's top aides say it is far too early for that; the moment will come, they argue, only after the death of the supreme leader, Ayatollah Ali Khamenei. Even then, there is no assurance hard-liners will not prevail in the struggle for influence inside Iran.

"It's complicated," Secretary of State John Kerry, who staked much of his reputation on the deal, acknowledged over the course of two recent conversations, one in Warsaw during a NATO summit meeting, and a follow-up discussion in Washington. "Without this agreement there would be no chance of talking or having this conversation" with Iran, Mr. Kerry said. "We'd be talking about, 'O.K., what is next in the confrontation route?'"

Mr. Kerry cited Iran's participation in the effort to bring about a cease-fire in Syria — one that critics view as a cynical effort to extend Mr. Assad's rule — and the quickness with which Iran released American sailors after it seized them in the Persian Gulf in January as some of the positive results of the relationship.

But he also acknowledged that forces in Iran that “didn’t want the agreement in the first place” were doing all they could to stoke terrorism and press ahead on other ways to challenge the United States and Saudi Arabia, both of which are regularly denounced in Iran. Missile tests, cyberattacks and support of the militant group Hezbollah are not covered in the nuclear agreement.

It is a measure of the ugly tone, in both nations, that all talk of Mr. Kerry visiting Tehran before the end of Mr. Obama’s term is now dead. “It’s not even under discussion,” said Mr. Kerry, in a tone that contrasted sharply with his optimism a year ago, when the agreement was struck.

He added, “I’m not sure they would even want me to come at this moment,” because of the perception in Iran that the long-anticipated result of the deal — a freeing up of tens of billions of dollars in frozen assets, a flood of investment and an economic boom — was a false hope. He added, “I’ve got much bigger fish to fry than that right now,” a striking comment given the centrality of the Iran deal to Mr. Obama’s and Mr. Kerry’s legacies.

Few national security issues divided Washington like the nuclear deal, reached a year ago Thursday in Vienna. Every Republican in Congress who voted on the agreement opposed it. A year later, the battle continues. The House recently passed, overwhelmingly, an amendment to block a \$17.6 billion deal for Boeing to sell aircraft to Iran Air. It would be the largest transaction between the United States and Iran since the hostage crisis 37 years ago.

Yet the congressional action has caused frustration in the aviation industry, because everyone agrees that if the Boeing deal falls through, Airbus will get Iran Air’s business. And it has become a symbol in Iran of an American effort to undermine the sanctions relief negotiated under the agreement.

Congress has also threatened to block Iran’s access to the American financial system, a way of neutralizing the sanctions relief. (The White House has threatened to veto both measures.) And opponents have objected to the Energy Department’s quiet decision to purchase heavy water — used in plutonium production — from Iran to get it out of the country.

While many Republicans complain that the Iranians will profit from the sale, the Russians profited far more when the United States bought its excess weapons material and converted it into fuel for nuclear power.

However complex the politics of the agreement are in the United States, they are more divisive in Tehran. The Iranian foreign minister who negotiated the accord with Mr. Kerry, Mohammad Javad Zarif, is frequently on the phone with him — they talked Tuesday — complaining that the implementation of sanctions relief is happening entirely too slowly.

While congressional Republicans often refer to a “\$150 billion giveaway” to the Iranians — an overly high estimate of what the Treasury says is \$50 billion of Iranian-owned assets scheduled to be unfrozen in return for the nuclear concessions — the reality is quite different. Only a fraction of that \$50 billion has actually been returned. (The State Department and the Treasury will not say how much, apparently to keep from further inflaming public opinion in Iran.)

A recent poll of slightly more than 1,000 Iranians, a small sample, showed that 72 percent now have little confidence the United States will live up to its side of the bargain. That seems to reflect anecdotal evidence in Tehran’s markets that the agreement has been a disappointment, because investors have not flocked back to the country and banks have been reluctant to resume normal activities.

It is a perception Mr. Kerry has been spending much of the past year trying to change, meeting with European bankers, among others, to allay fears that if they resume business with Iran the United States will impose billions of dollars in penalties on them, as happened when predeal sanctions were in effect.

To some degree, the Iranians had inflated expectations of the economic benefits. “I said to the Iranians through the negotiations that we will do everything we can,” said Wendy Sherman, who was Mr. Kerry’s chief negotiator. “But businesses make investments largely by looking at risk. And if Iran continued to do what it has been doing in the region, I told them, the risk profile of investing there would only reduce so much — even with a deal.”

Iran’s antiquated banking system and politicized justice system have also made

it difficult for companies to return.

So today, there is still risk that the deal could be upended — either by Republicans if Donald J. Trump is elected, or by Iranians who claim the United States is backing away from commitments and use that to undercut Mr. Zarif and Mr. Rouhani.

There are other risks. While Iran has not seriously tested the limits of the agreement, it made an effort, several months ago, to purchase carbon fiber from Germany, a high-technology product used in the production of advanced rotors for centrifuges that purify uranium. The deal was quickly halted.

For Mr. Obama, perhaps the most immediate benefit of the deal is what is not happening in the Middle East — a race for nuclear weapons. A recent study for the Brookings Institution by two former administration proliferation experts, Robert Einhorn and Richard Nephew, concluded that one of the great benefits of the deal is that it has quashed talk of an arms race in the Middle East.

So for Mr. Obama and Mr. Kerry, the Iran deal a year later looks largely successful, at least by the strict measurements of the deal itself. Whether it succeeds at its larger task, fundamentally changing the relationship with Tehran, is largely out of American control.

The deal itself, Mr. Kerry argues, accomplished its primary goal — preventing a war triggered by Iran’s nuclear advances. He added, “What’s beyond that, I don’t know.”

*Follow The New York Times’s politics and Washington coverage on Facebook and Twitter, and sign up for the First Draft politics newsletter.*

A version of this article appears in print on July 14, 2016, on page A1 of the New York edition with the headline: A Year Later, a Mixed Record for the Iran Accord.