

## **Event Transcript:**

### **Panel Two:**

### **New Openings for Regional Diplomacy**

#### **Featuring:**

**Ambassador Anne Patterson**

**Ambassador Douglas Silliman**

**Dr. Ali Vaez**

**February 24<sup>th</sup>, 2020**

*This event was made possible by generous support  
from the United Arab Emirates Embassy.*

**Jon Alterman:**

Welcome back. I think we didn't solve all the problems on the last panel, so we'll try to solve them all on this one, so General Votel will have an easier time when he comes.

Right now, we're going to shift over to thinking about some of the more diplomatic aspects of this problem set.

One of the things we heard from the previous panel was that a lot of the solutions come from the diplomatic toolkit. We have another remarkable panel to help us think through that. On the extreme right from your perspective, Ambassador Anne Patterson is the former assistant secretary of state for Near Eastern affairs. She was the ambassador to four different countries: Egypt, Pakistan, Colombia and El Salvador. She was also the assistant secretary of state for international narcotics and law enforcement, the aptly named "drugs and thugs" portfolio, and she was the acting ambassador and deputy ambassador to the United Nations.

Next we have Ambassador Doug Silliman. He's the president of the Arab Gulf States Institute in Washington. He previously served as the U.S. ambassador to Iraq and Kuwait and was the deputy chief of mission in Baghdad and Ankara. At the end, Dr. Ali Vaez is the director of the Iran Project and the International Crisis Group, where he previously served as Senior Iran analyst. Before he joined ICG, he headed the Iran project at the Federation of American Scientists. He has a PhD in Biomedical Sciences from the University of Geneva, and a Master's in international policy from the Johns Hopkins School of International Studies, where he studied with Jon Alterman. So, I'm quite delighted to have Ali on the stage as well.

It seems to me that the last panel kind of kicked it all to you guys and said, "This is a fundamentally diplomatic problem set." What are the unexploited diplomatic opportunities that we're not addressing? I'm not even talking about the low-hanging fruit, although it's interesting to talk about those, but

diplomatically, what are the big things that we need to do that we're not doing?

**Anne Patterson:**

I wanted to pick up where the last panel left off, and I'm going to leave Doug and Ali to discuss the key issues about Iran and

Saudi Arabia, and what we might do about that. But I wanted to make a few introductory remarks about the state of

American

diplomacy in the Gulf and frankly in the Middle East generally. Simply put, it's eroded dramatically. And what are the implications of this? That we don't know what's going on out there in key areas.

It's not just about sending a high level person out to bust heads, although that has a role obviously in some cases, but we just don't get about like we used to, and I suspect relevant to the Gulf, that this is particularly true in Saudi Arabia, where we don't know what's going on with the clerics, we don't know what's going on with the royal family, and we don't know what's going on outside the major cities, although many people are visiting there. This is a truly destructive result of what took place in Benghazi, although in fairness, it has been going on for years after the Beirut bombings and the bombings of our embassies.

Basra is closed, our embassy in Yemen closed, our embassy in Libya is closed. After the Jeddah attack, we went back to one year in Saudi Arabia instead of the three and four years.

So, what are the implications of this apart from not knowing what's going on? Without which, diplomacy can't succeed. We look afraid and it aggravates enormously the sense of withdrawal on the ground. Because when you ask somebody to come to your fortress embassy

*Simply put, [American diplomacy in the Gulf and in the Middle East generally] has eroded dramatically.*

instead of going to their office, the signal is you're afraid to engage with the local population, and the sense of withdrawal, I think, is much more dramatic.

So, the first imperative, I think, is to build up diplomatic capacity in the Middle East and enable people to get out. And to do that, we have to take more risks. And we have to have people that speak the language and we have to have people that are there for longer than a year.

*There are still opportunities. The first, I would say, is to do everything we can to heal the rift among the GCC countries.*

in the administration have worked on this, but it was always perceived as a second-tier event. It really had very little to do with Iran, it certainly had nothing to do with Israel's security, it really didn't affect the flow of oil and gas from the Gulf, so it was always sort of relegated. It was never a high-level issue, I would argue.

But I think it does have implications, really serious implications, and that's what I would call the spillover effect. Because what we've seen is that this rift has been weaponized in places like Libya, in places like the Horn of Africa. There's certainly potential, I would think, for it to be weaponized with the peace deal with the Taliban, and of course the Russians have taken enormous advantage of this.

So, I think the U.S. needs to do everything it can to work on this. I think it's very unfortunate that the GCC is collapsing. I know the security architecture was always sort of a myth, but the fact that the U.S. was there and working on this, and there were modest successes over time. There were certainly successes on the economic side. And they're pretty boring, like postal

So, what are the opportunities? There are still opportunities. The first, I would say, is to do everything we can to heal the rift among the GCC countries. I would be the first to say that people

integration and economic integration, but they were things worth doing.

And I want to mention one more reason we should work on the Gulf and the GCC, and that's the IMF report that came out about two weeks ago. What the report said was that—and I know many of you in the audience are very familiar with the Gulf and sort of poo poo this because scholars and others have been predicting the fall of the House of Saud for like 70 years—but it basically said that without massive fiscal improvements, the countries in the Gulf will have serious financial issues in 15 years, Saudi Arabia in particular.

Kuwait and Qatar and the UAE will be insulated because of their sovereign wealth funds. But Haaretz had a very interesting article about the implications of this, which would be they would turn on each other, assistance to Jordan and Lebanon and the Palestinians would drop.

And very critically, because I think this issue has been under studied by scholars, guest workers would be sent home to already-struggling

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countries like Egypt and Pakistan. So in other words, I think, given our long-term strategic objectives in the Gulf, we need to do everything we can to encourage security and energy integration no matter how hard it will be, and I don't think it'll be all that hard if we concentrated on it, and to work on this for our long-term objectives.

Then finally, on the opportunities, there's Yemen. And I know Doug's going to talk about this as well. Four years ago, five years ago when this started, I think it would have been a lot easier to get the Iranians out, because they were basically just doing it to stick it to the Saudis, and they had no real strategic interest in Yemen. I think it's probably a lot harder now,

but I'm not sure. But this is an issue that just cries out for sustained U.S. engagement to try and reach some sort of settlement, because the humanitarian costs are so high. And secondly, a real cost, as my colleague, Jerry Feierstein keeps saying, is it has ruined the Saudi relationship with the United States. That has strategic implications too. So, we need to do everything we can to repair that and that would be the next place I would put U.S. diplomatic emphasis.

**Douglas Silliman:**

During the crisis in early January at one point, I was on Fox News talking to a couple of their anchors and they played for me the clip from Senator Rand Paul when he said, "This means the death of diplomacy. So, Mr. Ambassador, how do you react to that?" And I said, "I can't have been a diplomat for 35 years and actually believe that diplomacy will ever be dead."

I think what you heard at the beginning of the first session is, there are really lots of opportunities for diplomacy. It's just that that is not the priority either of the academic community or the administration to identify and implement right now. The final question from the last panel about the growth of multi polarity is actually where I wanted to start my discussions.

Looking at the Middle East, and particularly now in my new job, as I was in Riyadh and Abu Dhabi last week, and I've been all over the Gulf--the United States is no longer the only game in town in the Gulf or in the Middle East. And that means that the Emiratis, the Saudis, the Qataris, the Kuwaitis, the Omanis, are looking for other alternatives for commercial goods. They purchased their 5G infrastructure from China and not the United States or Europe.

But what also struck me is that looking around the region, we'll restrict it to the Gulf right now, there is no other country that is able to pull together the different regional powers like the United States. Some people want to draw a parallel between the British withdrawal from empire after World War II where Britain

physically gave up colonies and retired back to the UK territory. The United States is actually not doing that. First of all, we aren't a colonial power in the traditional sense. We don't occupy countries and run them around the world. What we have is a number of cooperative agreements where we have soft economic power, U.S. military presence, often, and in most cases, guided by an embassy with a very broad representation of the U.S. Government.

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Looking, again, specifically at the Gulf, there are a number of things that probably need to be done. There are lots of opportunities given the very quick escalation that happened at the end of 2019, beginning of 2020. What I saw was conscious decisions by both Washington and Tehran to walk back from a war between the United States and Iran.

I actually disagree a little bit with the evaluation of the first panel on whether or not there would be further U.S. or Iranian escalation after the killing of Soleimani. I think, because the United States took direct responsibility for killing Soleimani, Iran felt it had to respond directly as Iran, and therefore the missile strikes on the Iraqi basis that had U.S. soldiers were Iran's parallel strike to even the playing field. But after that escalation and near war, both sides went back to the *status quo ante*. You saw Secretary

Pompeo and Secretary Mnuchin double down on sanctions, sanction new people. You saw the Iranians saying, "We're not going to do anything for now." But a whole host of Iranian proxies in the region, especially in Iraq, said, "We have not yet taken our retribution for the killing of Soleimani and Abu Mahdi al-Muhandis," the Iraqi militia leader.

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So, what both sides have done is walked to the brink, decided they didn't want to jump off, and gone back to their areas of comfort—which, for Iran, is support for proxies and attempting to put pressure on the allies of the United States to reduce the impact of U.S. economic sanctions and, for the United States, to double down on economic sanctions and try to pick out individuals where the

individual impact could potentially work on Iranian policy.

There are several areas where I think there is a real role for American diplomacy to build international alliances with our European allies, with our Gulf allies, with Israel and potentially, in some cases, even with China. First is a JCPOA 2.0. It's pretty clear that the Iran nuclear agreement is not coming back in the way that it was negotiated before, but it's also pretty clear that Iran is willing to move in that direction. And Javad Zarif, over the course of last summer, laid out on three different occasions, slightly different visions of what Iran might be able to accept, including accelerating the additional protocol by a couple of years in a way that President Trump could claim that he had got a better deal on a nuclear deal than Obama had got. That seemed to be the direction.

If you look at the use of Iranian ballistic missiles against U.S. forces in Iraq, you can also see that, to a large extent, Iran's strategic projection is

going to be more easily done with missiles than with nuclear weapons. This is because it doesn't have the same international implications if you are using conventional warheads rather than nuclear ones, and Iran was able to use those ballistic missiles to strategic effect. If you look at the attack on Abqaiq, it wasn't ballistic missiles, but it appears to have been cruise missiles guided by drones. Again, a huge technological leap by Iran. So, Iran may not be as concerned about keeping its nuclear weapons program as it might have been in the past.

That also brings us to the second issue; how do we work with our allies in the Gulf and partners in Europe and the international community to reduce the regional threat of Iran's missile programs? Again, there's lots of experience in the U.S. Government in the State Department and DoD and DoE, and elsewhere, on how you can walk into an effective arms control agreement, especially a missile control agreement. I'm not sure anybody's going there now. But when I'm in the Gulf, the big elephant in the room is not nuclear weapons or ballistic missiles, it's actually support for proxies.

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Those in the GCC countries are very concerned about continued Iranian interference with groups in their societies that oppose their policies. This is now more prominent in Iraq and Syria than it has been in the Gulf. And I think that the maximum pressure campaign has probably reduced the amount of money that the Iranians have to fund some of these external activities.

And again, this is something maybe even Ali can address, we have been hearing some indications that the Iranians are tiring of support to the Houthis in Yemen. One, it hasn't

really done much except prolong a war and gig the Saudis a bit. But it is expensive, the Houthis are not really good Iranian allies, they are too disunited, and they have not always used Iranian training and weapons the way that Iran might've intended. So, there may be an opening, through the UN potentially, for discussions to de-escalate in Yemen as an opening to discussion of other security issues.

It's also possible, and Ali and I were in a group at NDU a few weeks ago where there was some talk of a larger discussion of regional security issues that might bring in missile programs, support for proxies, Gulf security, numbers of U.S. forces in the region and their capabilities, numbers of other allied forces, all as bargaining chips with the Iranians to have them reduce their support for groups. So again, I lay out these issues, not because much is happening on them, but I see opportunities for the United States to grab some of these diplomatically and move forward. But we can't do it unilaterally. It's going to have to be done with our allies. We'll have to get over this growing multi-polarity in the world. We will have to bring together the most influential nations and the most affected nations, probably in different groups for these different issues.

**Jon Alterman:**

Thank you. Ali?

**Ali Vaez:**

Thank you very much, Jon. It's a great pleasure to be at CSIS. And now that you've taken credit for my education, I hope you also take the blame for whatever mistakes I make today.

I thought it might be useful to shed some light on Iranian strategy here. The first panel, I think, did a good job in discussing the confusions around the U.S. strategy. Now, the Iranians, for the first year of the Trump administration's maximum pressure strategy, adopted a policy of maximum patience. They decided to basically stay in the nuclear deal to the extent possible, to sit on their hands and be careful in the

region. The number of skirmishes between the U.S. Navy

and the Iranian Navy came down, Israel targeted Iranian assets in Syria

hundreds

of times, and the Iranians basically didn't respond in the hope that they could isolate the United States and thereby neutralize U.S. sanctions.

The policy really didn't work in the end. The Europeans and others really couldn't save the Iranian economy. So as of May 2019, when we pushed for basically bringing Iran's oil exports to zero, the Iranians decided to adopt a policy of maximum pressure of their own. This took two different forms. One was in the nuclear realm. Every 60 days they took a step back from their obligations under the JCPOA.

And in the region we saw a string of attacks: from limpet mines on tankers and the Port of Fujairah in the UAE, to attacks on tankers in the Gulf of Oman, to the East-West pipeline in Saudi Arabia, to the shooting down of the drone, to the very brazen attack on Saudi Aramco. Now this obviously culminated in the killing of General Soleimani and then Iranian retaliation. And I agree with Doug that, for the Iranians, taking a direct strike on a U.S. military installation somewhere in the region was crossing a psychological threshold in the same way that killing an Iranian general by the U.S. was crossing a red line.

The Iranians basically wanted to establish that this cannot happen again. The Iranians have deterrence of their own. If you talk to U.S. military officials—and I'd be curious what General Votel would say about this—from what I've heard everybody agrees that what Iran did was quite risky. It's just sheer luck that no one was killed in the attacks on Ayn al Asad base in

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Iraq. But in any case, now there is a debate in Tehran about whether they should go back to maximum patience for the remainder of President Trump's first term and then reassess after the November elections, or to stay where they are or even double down on their own maximum pressure strategy.

There are arguments on both sides. You can, I think, probably guess who's advocating for what within the Iranian system. The more moderate forces of Iranian politics obviously want to go back to maximum patience, and the IRGC and the more hardline elements are quite content

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with what they have done in terms of regional pushback, because they believe it has demonstrated Iran's capabilities.

A lot of people in the region were concerned, afraid, or impressed by the accuracy of the missiles that Iran used in the attack on

Saudi Aramco, for instance, or even the ballistic missiles on U.S. bases in Iraq. It has demonstrated the vulnerabilities of the other side. The fact is, we didn't have a single Patriot missile battery protecting the bases in Iraq, and not a single missile was fired at the low-flying cruise missiles that were coming to hit Aramco.

Finally, I think, to a certain extent they wanted to drive a wedge in this anti-Iran coalition that the Trump administration has put together. And their view is that that has been a relative success. Because we saw some shifts in the UAE position, maybe not a 180, but at least some de-escalation in tensions. Even with the United

States, by September we came pretty close to a potential de-escalation package that President Macron of France was trying to mediate.

So, you put all of this together. There is a debate in Tehran about the costs and benefits of continuing on this path. But the biggest question is how do we change Trump's calculus? And if Trump is there for another four years, so we're talking about another five years of Iran under sanctions, what should Iran do?

I think the majority view is Iran should not become another Cuba—a country that just gets to live under sanctions for years and years—or another

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Iraq that was basically significantly weakened under sanctions and then toppled easily with a push. My own sense is, also given the results of the elections this past Friday, that the hardliners now have the upper hand in Iran, and the more moderate forces of Iranian politics are more and more isolated. So, if I wanted to bet, and it's a risky thing to bet in Washington in front of a crowd but I'll do it anyways.

**Jon Alterman:**

And C-SPAN is here.

**Ali Vaez:**

And C-SPAN—is that I think the Iranians would

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probably slow down the nuclear escalation. Because on that front, we have ended up

in an implicit “less for less” situation. The Iranians obviously are doing less with regards to their obligations under the nuclear deal, and they're getting less out of it. But I don't think they want to escalate any further out of fear that they would push the Europeans into the arms of the Trump administration. And there is a major milestone coming up for the Iranians, which is the lifting of the UN conventional arms embargo in October that I think the Iranians really care about. Because this would be the first time in many years that they would be able to buy conventional arms and maybe narrow the gap in conventional capabilities in the region. So, they're keen on keeping the deal alive until October. Then obviously between October and November, we're talking only about a few weeks to get a sense of who the next U.S. president would be. So, on the nuclear front, I think we'll see a slowdown, but on the regional front, I think that the hardliners will get the upper hand, but they would do it in a way that is comfortable for Iran.

Iran has a lot of experience operating in this gray zone of asymmetric warfare. What is likely is that they would try to impose a cost on the United States by targeting areas around U.S. assets. You'll see a lot of rockets fired near U.S. diplomatic facilities in Iraq, even near U.S. companies like Exxon in the south of Iraq, just to make life very difficult for U.S. forces without killing Americans. The hope would be that it would result in some sort of a drawdown of U.S. forces in Iraq, which would mark a political victory for the Iranians.

But then in places that there is plausible deniability, I'm afraid the Iranians might even try to go after Americans. One of those places that is of particular concern to me—not necessarily a focus of our discussions today—is Afghanistan. If this deal with the Taliban falls apart, and they have ties with the Taliban, they might try to go after U.S. forces in Afghanistan where plausible deniability works much better than in Iraq, Syria, or Lebanon. So, that is a major concern.

But I think one question that I hope either we can answer in this

panel or at the next panel, which is fundamental to resolving this dilemma and shifting towards the grand strategy priority of great power competition is to answer these two questions. One, what level of Iranian influence can we tolerate in the region?

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They're part of the region; they're of the region. We can't exclude them from the region.

And all the coalitions that we've tried to put together in the past few years from the Middle East Strategic Alliance, to Sentinel—the multilateral maritime security force in the region—to the Warsaw conference, all of it has been aimed at excluding Iran. These are not inclusive mechanisms that could bring about some sort of a regional *modus vivendi*.



So, the question is “What degree of Iranian influence is tolerable to us?”

And then the second is, “Does Iran have legitimate security concerns?” If we agree that Iran has some legitimate security concerns, what is the solution to them? Because one has to understand that for the Iranians, their ballistic missile program and their forward defense policy—which is basically this policy of hiring proxies and partners around the region to deter a direct strike on their own soil—is their weapons system. They're not going to give it away, especially under pressure and under threats from the outside. The only way that they might compromise on it is that we change their threat perception. So, these are questions that I'm also putting out there for our discussion today.

**Jon Alterman:**

Thank you very much to all of you. One of the troubling problems in untying this knot of the U.S. presence in the region is, in many ways the measure of Iranian success is survival. They have a pretty low bar. The measure of U.S. success, if we were resort to diplomacy, diplomacy is never done. I mean, there will always be further engagement or further effort to shape Iranian behavior. There's a way in which we are set up so that the Iranians will always perceive themselves as long as they survive as being successful, and we will always see our diplomacy as being on the way to being successful, but not arriving there yet. How do we deal with that problem of defining success in order to encourage a continuation of the process?

**Douglas Silliman:**

Oh boy, that's an easy question. What I have generally tended to say, especially to younger diplomats as they enter and come up through the service, is the job of a diplomat is very seldom to solve a problem. You occasionally get the opportunity to negotiate an arms control agreement that solves a piece of a problem, but even all the arms control agreements between

the United States and the Soviet Union never ended the tensions between the two systems, between the two peoples, the different sets of ambitions. Most of what we do as diplomats is manage difficult situations so that they do not get out of hand and lead to violence or economic deprivation to the extent possible. It's hard to define complete and total success when you are looking mostly at keeping the status quo or a slightly improved status quo.

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**Jon Alterman:**

And it's hard to get credit for things that don't happen, because people say they wouldn't happen anyway.

**Douglas Silliman:**

Exactly. But again, if you look at the JCPOA, the JCPOA, I mean, Anne can talk to this a little bit more because she was more intimately involved, seems to me to have been a pragmatic attempt by the Obama administration to deal with one of the serious problems of Iranian threat, a potential nuclear weapons program. It did not deal with ballistic missiles really. It didn't deal at all with support for proxies. It didn't touch on human rights inside Iran, religious minorities, political opponents, all the things that others might have wanted to see included in the deal, because I assume the Obama administration decided it would not be able to lump all of these things into one agreement and have a successful conclusion.

So, they necessarily pulled back the scope of

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the agreement they were working on to have success where they thought success was possible, and where there was international consensus. And you saw what happened, there was a broad perception, at least in parts of the U.S. political

structure, that said this was a failed agreement. I think it was not a failed agreement because it was a good application of internationally coordinated economic sanctions on Iran, it was an incomplete agreement that only dealt with part of the perceived problem, and that's the problem we have to deal with.

**Anne Patterson:**

Yeah, I think that's right. This is not the official Obama explanation, but I always thought of the JCPOA as a bet. It was going to take the nuclear issue off the table and in the next ten years the old boys would die off. There would be openings, and the Obama administration toward the end of its tenure explored and talked about some of those openings with Iran. Whether it would be counternarcotics, whether it would be some kind of scientific exchange, whether there were things you could do to sort of bring them back into the international fold. There was never any illusion that they were supposed to address the ballistic missile

problem or the proxy problems up front. Those were always seen as way down the road.

**Ali Vaez:**

Jon, can I just say something on the JCPOA experience, because I think it actually has some valuable lessons for the path forward. I think we committed mistakes both before and after the JCPOA. Before, in the sense that we started these secret negotiations in Oman, which were critical to the success of the nuclear deal later on, but I think that already burned the bridges to the Gulf countries and also to Israel to a certain extent. They thought we were trying to deal with the Iranians behind their back, and this is by definition going to come at their expense.

So now we have tried different scenarios of trying to either encourage the Gulf countries to negotiate with Iran on their own, or to negotiate with Iran behind their back, or to stop them from negotiating with Iran or deescalating with Iran, which I think is

the case right now. I think the lesson of the JCPOA is that these two processes should happen in parallel. You can't have a separate arms control negotiation and a discussion about the region in subsequent steps, but rather these things have to happen in parallel, because any narrow transaction with Iran will not survive in the context of the broader enmity that exists.

And second, I think after the JCPOA we also committed the mistake in order to alleviate the

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concerns of the Gulf countries. What did we do? We sold them billions of dollars' worth of arms, right? That exacerbated Iran's sense of conventional weapons asymmetry in the region, pushed them to double down on their support for proxies and partners in the region and on their ballistic missile program, which the Trump administration then used as evidence that the JCPOA was a bad deal because it didn't correct Iran's behavior on those other fronts.

**Jon Alterman:**

That's known in Washington as a self-licking ice cream cone. So, if the United States were to try to engage the Iranians on aspects of missile development, regional behavior, and provide a pathway out of the maximum pressure, what should the regional priorities be? Should it be about the Iranian presence in Iraq? Should it be about Yemen? Should it be about Afghanistan? If the United States were to try to take this pathway on the regional picture, or even the relationship with Saudi Arabia, who needs to be reassured and what kind of reassurance would they find reassuring?

The questions don't get easier.

**Anne Patterson:**

And I think the Gulf countries have been sort of schizophrenic recently, because I think what they wanted was for the United States to sort of

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keep Iran in a box and poke at them periodically. What they didn't want, and this is where Abqaiq scared them along with all the other escalation in

the Gulf, they really didn't want a real shooting war, and they became worried about that.

One is we didn't respond to Abqaiq, and two, because our response was just inconsistent and incoherent, and that precipitated some of them running off allegedly to Tehran to cut their own deal. Certainly, some of these countries have longstanding relations with the Iranians anyway. I think they're in a state of great anxiety right now about what our policy is, and they don't quite know what to do with it. Some of it's our own fault of course, but I'd be interested in what the other panelists thought.

**Douglas Silliman:**

I was in Riyadh and Abu Dhabi last week, and I was speaking to the Diplomatic Institute in Riyadh and the National Defense College in Abu Dhabi, among other meetings. And in both places, there was a lot of interest in the topic that Anne mentioned earlier, the Gulf Cooperation Council and

*There is a mechanism that can help [with the intra-GCC dispute] and we can provide a bit of a political push.*

whether or not the Gulf Cooperation Council is an effective mechanism to pursue Gulf policies, or how it can be made more effective. Many of the questions were about what we can do to bring the Qataris back in, because the schism in the Gulf and Qatari search for strategic depth anywhere outside the region, most specifically with Turkey, is causing competition, as Anne mentioned, in other parts of the region.

There was a beginning of an idea of how we can reunify the Gulf. What is it that Riyadh or Abu Dhabi has to do to bring the Qataris back in and to begin to form a unified position on Iran? We don't want to go at this separately; we want to do this together.

So, one step might be an intermediate step of continuing what this administration has done to try to help the members of the GCC unify themselves. There is a new Kuwaiti secretary general at the GCC who seems quite energetic

as he's starting his mission literally two weeks in, but I think that there is a mechanism that can help, and we can provide a bit of a political push that might also provide us a more effective way to canvass the countries of the Gulf, get them on the same page as us as we look at these other strategic questions that we have to address.

**Jon Alterman:**

But a note that the two diplomats didn't identify any Iranian regional behaviors that we should prioritize.

**Anne Patterson:**

Oh, well that's easy. My own view is that would be Yemen, because I think of Iran's complicated interests Lebanon, Iraq, and all the other places. Yemen is probably still the easiest because Iranian strategic interest is the least.

**Jon Alterman:**

But there's also a perception that the U.S. strategic interest is least in Yemen, so there will be people who object.

**Anne Patterson:**

Yeah, but not the Saudis. I mean, here is this country, it's sort of like as someone said, the Monroe Doctrine to keep the Iranians off the Arabian Peninsula. So that's, I think, where we should start. But again, I'm not in government anymore and the strategic picture may have shifted in the past few years.

**Douglas Silliman:**

I think you can add to that the beginning of discussions with our European allies in the Security Council and with the Gulf states and with Israel, how we could get back into negotiations or discussions on a Nuclear Weapons Agreement, a JCPOA 2.0. The fact that Zarif has laid out some options for moving forward is a good one.

I also, however, think that in this discussion it's going to be pretty clear that Israel and the Gulf

states are going to want to move quickly as part of that or on a

separate track toward regional security issues. Support for proxies, ballistic missile programs, and maybe I think as Ali may have suggested there's two separate paths there. But I think Yemen, as President

Macron was

pushing for in the summer, may be a way into some discussions that can then be broadened where there is international consensus. And again, I think that the United States should be working with our traditional friends and allies in Europe, in Asia, in the Gulf and with Israel to develop that consensus, and we can help shape that consensus if we put in the effort and begin to define the longer term goals.

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**Jon Alterman:**

Now, do you think that the Iranians are willing to have serious discussions about proxies? Whenever I talk to Iranian officials about their regional activities, they proudly tell me that they just support political parties and they're supporting democracies. Because Lebanese Shia support Hezbollah, it doesn't besmirch the Iranians; it's a besmirching of us for trying to put down Lebanese citizens. I mean, can you have a serious discussion with the Iranians about these proxy activities, in your mind?

**Ali Vaez:**

I always say the Iranian mentality is not a bizarre mentality, it's a bazaar mentality. It

***I always say the Iranian mentality is not a bizarre mentality, it's a bazaar mentality. It really depends on what they get in return.***

really depends on what they get in return. So again, when we're talking about the proxies, I mean not all proxies are the same, especially the ones that are very close to Iran or sort of you have the kind of alliance that you get between two NATO allies like Iran and

Hezbollah, for instance. It all depends on what kind of security assurances we are willing to provide.

For instance, I always say this is a really counterintuitive thought—it almost amounts to blasphemy if you say that out loud in this city—but I would argue if the Iranians are able to buy fighter jets after October from Russia, it would actually reduce their reliance on Hezbollah. Because when you think about the proxies as Iran's weapons system, you see this problem in a totally different way than if you look at it from a perspective of many countries in the region, that see it as an expansionist policy. Iran wants to restore the Persian Empire now, in the Shia form this time.

But I agree that Yemen is actually a low hanging fruit. Yemen is not a major strategic priority for Iran, and the Iranians have signaled in the past that they're willing to be more helpful on Yemen.

The question is, again, what would they get out of it? If we define this the way that the Saudis have defined it right now, which I think is problematic, as a way of removing a card from Iran's hands, that Iran can't use the Houthis as a way of escalating against the Saudis or the Emiratis or the Americans, I think the Iranians are going to try to be the spoiler here.

But if it's resolved in a way that would help the Iranians also either get a ceasefire with the United States in the current escalation path that we're in, or some sort of economic reprieve--It

might not have to be a lot, but enough to allow them to keep their head above the water for the next few months, or maybe in the short run generally, then maybe that's something that they can consider. But again, if we devise, even when we think about diplomacy, we still think about it in zero-sum terms, it is going to backfire.

**Jon Alterman:**

One of the themes that's run through this panel is that at the core of a lot of this is Saudi-Iranian animosity. I don't think any of us expect that Saudi-Iranian animosity, rivalry, whatever you want to call it, can be completely resolved. But I think it is an important question of how much can we expect it to be mitigated? Can it be a sort of a working relationship? What's the sort of, I don't want to say the floor--what should our realistic aspirational goal be for the nature of Saudi-Iranian ties?

**Anne Patterson:**

Well, it was that way for decades with the two pillars. Obviously, that was before--

**Jon Alterman:**

Different Iranian government.

**Anne Patterson:**

Different Iranian government, but to me it's not inconceivable that you could go back to some kind of "live and let live" scenario. You certainly can't go back to it under the current scenario that we have, which is maximum pressure. It's just simply out of the question for all the reasons that Ali has outlined.

But I think you could get to some kind of confidence building measures. One of the worries we haven't talked about with the Saudis

***It's not inconceivable that you could go back to some kind of "live and let live" scenario.***



and the Bahrainis is Iranian interference in the Eastern Province and with the Shia populations in the Gulf. You could get to some kind of confidence building measures that would get a process started, but I just think it's impossible under the current situation.

**Jon Alterman:**

One of the arguments, of course, is that the way to reassure the Saudis would be to increase the U.S. presence in Saudi Arabia, except the U.S. is trying to send the opposite signals, we want to reduce our presence in the region. That's the Obama administration strategy: We should let the region come to its own equilibrium. But the question then is what that journey looks like, and whether the equilibrium that gets struck is one we find desirable or even acceptable.

**Douglas Silliman:**

*Iran conducts policy at least on two different levels. It certainly conducts a state-to-state policy in negotiations, but it also conducts policy through proxies and support for non-governmental groups in many parts of the world.*

One of the issues that we have to deal with that is difficult is the fact that Iran conducts policy at least on two different levels. It certainly conducts a state-to-state policy in negotiations, but it also conducts policy through proxies and support for non-governmental groups in many parts of the world, including Latin America and Asia,

across the globe. One of the things I think has to happen from the standpoint of the Gulf, maybe Israel, and probably the Trump administration, is to draw this question into the discussion in some way.

To a large extent, I think that the decision to kill Solemani with a drone strike was to show Iran

that there were actual consequences for Iranian officials to their unofficial proxy-led policies, at least in Iraq. So again, to some extent the killing of Solemani has ripped the band aid off this idea that we will, in our policy, separate between what Iran does and what Iranian supported groups do. That's going to be one of the biggest problems in terms of addressing security.

Iran has to be brought into this discussion, as Ali suggests, through a broader regional security paradigm, or something that conceives of a role for Iran in regional security does not produce a regional security arrangement that is aimed at limiting Iran, which is the current step.

That's very difficult for this administration. I think that will be very difficult for the Gulf states. I don't know enough about Israeli policy toward Iran and the Gulf to know whether the Israelis could accept it, but I think that's a big leap. Because it's not a first step, it's got to come farther down in the process, but maybe Yemen is a first step into that much longer discussion.

**Ali Vaez:**

I would make two points. One is that I think if you look at Iran-Saudi relations, first of all, I don't think they're bound to be enemies forever. They're maybe bound to be rivals, but not necessarily enemies. We've seen this movie before in other regions of the world, right? I mean it's a cliché, but you look at France and Germany in

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Europe; you look at Brazil and Argentina in Latin America. It's not an unusual setting, and it has a solution. The ultimate solution is what Doug was talking

about, a regional security architecture in which both sides believe that their interests are preserved. The question is how do we get there?

I would argue it's the same way that some of the conflicts are just impossible to resolve, like Israeli-Palestinian issue, when we put our finger on one side of the scale. The fact that we've put our finger on the Sunni side of the Gulf is part of the reason this issue cannot be resolved.

And even again, when we have tried to bring about some sort of balance like the Obama administration, the second term, it has been done in ways that it has actually exacerbated the situation. At this stage I think it's very telling to think that the only de-escalation that has occurred in the past few years in the region has been as a result of the UAE thinking the United States is unreliable. That's very telling. The only positive thing has happened as a result of that, not because of anything positive that the United States has done.

John and I were at the Munich security conference. Foreign Minister Zarif mentioned

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that the Saudis have sent a message. I followed up later and apparently the message was sent through the Emiratis that maybe there should be a security

dialogue between Iran and Saudi Arabia in Pakistan. The Iranians had responded positively, but the Saudis had not followed up. The Iranian interpretation, correct or incorrect, is that it was because of U.S. pressure. I think it's in the U.S. interest without any doubt to try to push both sides, not just the Iranians and the Saudis, but also others, into some sort of dialogue.

Even if it doesn't resolve the issues immediately, you have to start somewhere. If you look at the Helsinki process, it took years.

Actually, Kissinger initially was not on board with the process initially. But he let it happen. He thought that the U.S. had nothing to lose. It would still do its own diplomacy with the Soviets, but let these other countries have their dialogues. You see countries like Oman, like Kuwait, who really tried hard in the past few months to figure out a way of deescalating, but I think the real obstacle is the Trump administration.

**Jon Alterman:**

Why don't we go to the audience for a couple of questions. If you can wait for the microphones. Right here in the front.

**Fariborz Ghadar:**

I'm Fariborz Ghadar. I'm with Penn State University, and on the advisory board at CSIS. My question really has to do with the recent changes in Iran, and whether you think that the administration or the government in Iran is getting ready to drink the poison. And the reason I say that is going back to Khomeini's phrase, "Now I drink the poison and make a deal."

The past election last Friday, the candidates who were offered to the populace were all conservative. It was no doubt that the conservatives will have a takeover of everything, and Qalibaf will now be the speaker of the Majles. That gives the government the capability of making a deal without having to explain to anyone, sort of like Nixon going to China. I'm wondering if you all think that that's a possibility, and if it is, what should the U.S. policy be to address any kind of rapprochement in that sense?

**Jon Alterman:**

Thank you. Then maybe if you could pass the microphone to the gentleman on the other end.

**Peter Humphrey:**

I'm Peter Humphrey, an intelligence analyst and a former diplomat. I believe in weapons

evolution, but I don't believe in quantum leaps in weaponry, and so I have to ask who's helping out Iran with these drones, and shouldn't we be chatting with that nation as well?

**Jon Alterman:**

Thank you.

**Ali Vaez:**

On the domestic political scene in Iran, again it's one of those counterintuitive things. I don't think the system is becoming more monolithic. In fact, once you get the conservatives in control of all levers of power, the opposite happens. This is a movie we've seen before, right? In 2004, when Iran negotiations with the E3 failed and the more moderate forces of Iranian politics were discredited, the same thing happened. There was political apathy by the middle class. They didn't go out to vote. The system used that context to disqualify a lot of the moderates, knowing that the backlash would be limited. The parliament was taken over by the hardliners, and then the presidency was taken over by ultra-conservative Mahmoud Ahmadinejad. That then created a lot of infighting inside the Iranian government. It didn't turn it into a monolith.

I think what's happening right now is the system

*What's happening right now is the system basically hunkering down and closing down, because it feels that it's under siege from all sides.*

basically hunkering down and closing down, because it feels that it's under siege from all sides. Maximum pressure from their perspective is not just an economic course of policy, it's multidimensional. There's a covert dimension to it. There's a cyber dimension to it.

There's information warfare. So, for them, as Jon said, survival is victory, and they are trying hard to survive by trying to close down the

circle of elites who are in a decision-making position.

That doesn't mean they wouldn't want to deal. In fact, I think they wanted to deal with President Trump back in September. But there's a misconception about drinking the poison chalice in this town. People don't understand that when Khomeini drank the poison chalice, he didn't bring about the demise of the regime. He didn't compromise on any of the principles of the regime. What he did ensured and guaranteed the survival of the regime.

The Trump administration is basically signaling to the Iranians that the only deal that is acceptable to them is a deal that would come at the cost of the Islamic Republic's survival, and

*The Trump administration is basically signaling to the Iranians that the only deal that is acceptable to them is a deal that would come at the cost of the Islamic Republic's survival.*

that's never going to happen. It doesn't matter who's in charge in Tehran, as long as they believe that they can't get into a mutually beneficial deal with the Trump administration, I don't think there's a serious prospect for diplomacy.

And on the question of external help, obviously they've had some help from the outside. For ballistic missile programs they had help from Syria, from North Korea, they have some cooperation with Russia, some transfers from China. But overall this is a nation of 80 million. It has really top-notch universities. You know, necessity has no rule, right? It has been forced to basically develop some indigenous capabilities, that again, has created some degree of deterrence.

You talk to Israeli officials, for instance. After the attack on Saudi Aramco, there was some rethinking about the balance of deterrence in

the region, because of Iran's technique of using low-flying cruise missiles and swarming tactics by cheap drones. I mean, these are like \$10,000, or \$15,000 drones.

If these are used against Israeli critical sites like the chemical plant in Haifa or the nuclear plant in Dimona, it's a major game changer and it creates all sorts of dilemmas. Do you address this now, when Hezbollah might have 10 of these missiles? Or do you wait ten years when Hezbollah has 10,000 of them, at the risk of a major backlash that could happen if you take action now?

Or on the Iranian side, for instance, how far do you push without the risk of getting yourself or your military leaders vulnerable and susceptible to retaliation by the U.S. or its allies in the region?

That's why I'm saying we're in a pattern that is constantly evolving. But we shouldn't expect the weaker party, which is Iran in this case, to unilaterally either capitulate or give away capabilities that it sees as critical to its national security.

**Douglas Silliman:**

Back to your question about the hardliners

*One of the things that I would like to see is a better articulated and more consensus-driven U.S. foreign policy on Iran itself.*

taking over in Iran. I think Ali is basically right. As long as there is only pressure to pull down the regime, then it's not going to amount to much. One of

the things that I would like to see is a better articulated and more consensus-driven U.S. foreign policy on Iran itself, because what I see, what I saw when I was in the administration and still see, is divided opinions.

Some people are hoping that economic pressure on Iran is going to cause a collapse of the regime. The idea is that Islamic Republic will

fall and something else will come in its place, but it can't be as bad. Others are looking for specific changes to Iranian policies which are inimical to U.S. interests and those of our allies: nuclear weapons, ballistic missiles and cruise missiles, support for proxies.

The strategies for these two are entirely different, and I think we are kind of mixing this all up together.

Every once in a while, when I wonder how easy Iran is going to be to negotiate with, I pull out my copy of the Iranian Constitution and read the preamble, which is anti-American. It talks about exporting the achievements of the revolution and supporting the oppressed of the world against their oppressors. There is a lot in the basis of the Iranian State which supports an expansionist, more radical Iranian policy. The question in my mind is whether a more conservative, harder-line Iranian government can soft-pedal the revolutionary ideology in exchange for some sort of economic or security benefits. I think that's at this point unknown, because it hasn't really been tried since the JCPOA.

**Anne Patterson:**

I agree. Yep.

**Jon Alterman:**

General Votel is waiting. We're going to take a brief break as we set up a podium for his talk. Please join me in thanking Ali and Doug and Anne for an excellent presentation.