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Iran: Background and U.S. Policy

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Iran: Background and U.S. Policy

In 2024, the Islamic Republic of Iran faced military and strategic setbacks, largely at the hands of Israel and the United States, that appear to dramatically diminish advantages and leverage Tehran had built up through years of investment. Blows to Iranian regional partners like Lebanese Hezbollah and the former Asad regime in Syria, as well as the underwhelming performance and uncertain future of Iran's once-vaunted ballistic missile program, suggest that Iran's leaders may no longer be able to rely as much on these traditional asymmetric methods of Iranian power projection. In their stead, the Iranian government could seek to bolster its position and to deter further U.S. and Israeli actions by other means, including the potential weaponization of Iran's nuclear program or attempts to engage with the incoming U.S. Administration. Iran and the United States do not have formal diplomatic relations and have largely acted antagonistically since the Iranian Revolution of 1979 but have periodically participated in bilateral or multilateral negotiations. Opposition to the United States and its regional influence has been a defining feature of the Islamic Republic's identity and ideology since its establishment.

Successive U.S. Administrations have identified a number of activities by Iran and its regional partners as challenges to U.S. policy, including the October 2023 Hamas-led attack on Israel; subsequent operations by other Iranian partners in solidarity with Hamas; and the Iranian government's human rights violations, nuclear program, and deepening ties with Russia and the People's Republic of China. Congress has played a major role in shaping U.S. policy toward Iran, including by authorizing extensive U.S. sanctions, scrutinizing past diplomatic agreements with Iran, and funding support to U.S. partners facing Iranian threats. Some issues of potential congressional engagement or interest include

Iran's Foreign Policy. Setbacks in 2024 may raise questions about the future of the Iranian government's longtime strategy to erode U.S. influence in the Middle East and project power in neighboring states by backing a range of regional armed groups (sometimes known as the "axis of resistance"). Israel severely degraded Iran-backed groups in Lebanon and Gaza in 2024, and regime change in Syria removed a longtime Iranian ally and key facilitator of Iranian support to Lebanese Hezbollah. Iran-backed groups in Yemen and Iraq appear to retain considerable military capabilities and domestic political influence but may be less able or inclined to play as active a role against Israel or the United States as Hezbollah or Hamas. In part to counter U.S. pressure, the Iranian government has for several years sought to strengthen its economic and military ties with Russia and China—for example, by exporting UAVs and missiles to bolster Russian military operations in Ukraine, and selling oil to China—while also restoring ties with Middle Eastern states, including some U.S. partners.

Iran's Domestic Politics. Iran's authoritarian political system appears relatively stable but has experienced stresses since its founding in 1979, including large-scale protest movements. Iran's government violently cracked down on protests in 2022–2023 related at least in part to women's rights, but the grievances underlying them remain unresolved amid continued government repression and economic hardship. The election of relative moderate Masoud Pezeshkian as president, after his hardline predecessor was killed in a helicopter accident, may signal continued public discontent. Ayatollah Ali Khamenei (born 1939), who has no publicly designated successor, remains Supreme Leader and primary decisionmaker.

Iran's Nuclear Program. U.S. policymakers have for decades signaled concern about Iran's nuclear program. The 2015 Joint Comprehensive Plan of Action (JCPOA) imposed restraints on Iran's nuclear activities in exchange for relief from most U.S. and international sanctions. The Trump Administration ceased U.S. participation in the JCPOA, reimposing all U.S. sanctions by 2019; Iran has since decreased compliance with its JCPOA nuclear commitments and barred some international inspectors. The U.S. intelligence community continues to assess that Iran is not currently undertaking nuclear weapons-related activities, but that Iran could enrich enough uranium for more than a dozen nuclear weapons within weeks if it chose to do so. In 2024, Iranian officials and pundits have engaged in what appear to be unprecedentedly open discussions on the subject of possible nuclear weapons development.

The U.S. government has employed various tools to counter what U.S. officials describe as Iranian threats, including comprehensive sanctions, limited military action, support for partners like Israel, and diplomatic engagement with leaders in Iran and other countries. These tools appear to have contributed to the difficult strategic position in which Iran finds itself, facing the degradation of some of its key allies, its own military shortcomings, and domestic uncertainty. Still, the Iranian government has remained able to project influence in the Middle East, contest U.S. interests there and beyond, and continues to develop ties with Russia and China. In this context, Members of Congress may consider U.S. policy goals and specific measures toward Iran, including efforts to counter Iran's regional influence and deter its nuclear development activities.

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Overview and Issues for Congress

The Islamic Republic of Iran, the second-largest country in the Middle East by size (after Saudi Arabia) and population (after Egypt), has for decades played an assertive, and by many accounts destabilizing, role in the region and beyond. Iran also derives influence from its oil reserves (the world's fourth largest) and its status as the world's most populous Shia Muslim country.

Figure 1. Iran at a Glance



Geography	Total Area: 1,648,195 sq km (636,372 sq. miles), 2.5 times the size of Texas
People	Population: 88,386,937 (17 th largest in the world) % of Population 14 or Younger: 23.5% Religion: Muslim 98.5% (90-95% Shia, 5-10% Sunni), other (Christina, Baha'i, Zoroastrian, Jewish) 1.5% (2020) Literacy: 88.7% (male 92.4%, female 88.7%) (2021)
Economy	GDP Per Capita (at purchasing power parity): \$21,220 (2024, 78 th in the world) Real GDP Growth: 3.3% Year-on-year Inflation: 37.5% Unemployment: 8% (2024 forecast) Major Export Partners: China (36%), Turkey (20%), Kuwait (6%), Pakistan (5%) Major Import Partners: China (28%), UAE (19%), Brazil (13%), Turkey (9%)

Source: Graphic created by CRS. Fact information (2024 estimates unless otherwise specified) from Economist Intelligence Unit, International Monetary Fund, and Central Intelligence Agency, *The World Factbook*.

Since the 1979 Iranian Revolution that overthrew the U.S.-backed Shah and ushered in the Islamic Republic, Iran has presented a major foreign policy challenge for the United States, with successive U.S. Administrations identifying Iran and its activities as a threat to the United States and its interests. Of particular concern are the Iranian government's nuclear program, its military capabilities, its support for armed factions and terrorist groups, and its partnerships with Russia and the People's Republic of China (PRC). The U.S. government has condemned the Iranian government's human rights violations and detention of U.S. citizens and others, and has wrestled with how to support protest movements in Iran. The U.S. government has used a range of policy tools intended to reduce the threat posed by Iran, including sanctions, limited military action, and diplomatic engagement.

Congress has played a key role in shaping U.S. policy toward Iran, providing for extensive U.S. sanctions, providing aid and authorizing arms sales for partners threatened by Iran, seeking to influence negotiations over Iran's nuclear program, and enacting legislation that allows Congress to review related agreements. Much of that legislative energy was related to the 2015 Joint Comprehensive Plan of Action (JCPOA), which restricted Iran's nuclear program in return for relief from most U.S. and international sanctions; the Trump Administration ceased U.S. participation in the agreement in 2018 as part of its strategy to deploy "maximum pressure" against Iran.

In 2021-2022, as the Biden Administration engaged in negotiations intended to reestablish mutual compliance with the JCPOA, Members expressed a range of views, some in support of and others opposed to renewing the agreement. The prominence of the JCPOA in U.S. policy toward Iran waned in late 2022 as negotiations stalled amid other developments, such as nationwide unrest in Iran and Iran's provision of weapons to Russia for use in Ukraine. In September 2023, the United States and Iran concluded a prisoner exchange and the United States facilitated the transfer of \$6 billion in Iranian assets from South Korea to Qatar, attracting significant congressional attention.

The October 2023 attack on Israel led by Hamas, an Iran-backed Palestinian Sunni Islamist group (and U.S. designated Foreign Terrorist Organization, or FTO), and subsequent attacks on U.S. forces and other targets by Iran-supported groups in Iraq, Syria, and Yemen, have increased tensions and focused congressional attention on Iran's regional activities. The former "shadow war" between Iran and Israel has escalated into increasingly open and direct armed clashes: Iran's unprecedented April 2024 missile and drone attack against Israel marked a watershed in the two countries' long-simmering conflict. Shortly after the April 2024 attack, Congress enacted an emergency supplemental appropriations measure that included numerous provisions authorizing expanded U.S. sanctions on Iran.

Since summer 2024, the following key setbacks for Iran and the groups it supports may raise questions about the balance of power in the Middle East and the evolution of Iran's strategic considerations, particularly as they relate to its backing of armed groups and its nuclear program.

- **Direct strikes in Iran.** Neither Iran-backed groups nor Iran's own capabilities have deterred additional direct Israeli action against Iran: a second Iranian missile attack on Israel in October 2024 was largely ineffective and prompted another round of Israeli strikes that reportedly destroyed much of Iran's air defenses and missile production capabilities, rendering Iran potentially vulnerable to future direct attacks.
- **Lebanese Hezbollah.** Israeli operations against Hezbollah, another FTO long viewed as the most powerful of Iran's proxies, have killed most of its leadership and destroyed much of its arsenal; while the group retains some military capabilities and political influence in Lebanon, it appears considerably degraded. Israel also killed two top Hamas leaders in succession (including one in Tehran) as part of its war against the group in Gaza.
- **Syria.** The December 2024 fall of Bashar Al Asad, a longtime ally of Tehran who facilitated Iran's support for Hezbollah, compounds other blows to Iran's regional position and could complicate its efforts to help Hezbollah rebuild and put direct pressure on Israel.

These developments could represent a fundamental transformation of regional dynamics, including Iran's role in the Middle East. While recent developments appear to benefit the United States and its partners, they could also compel Iranian leaders to take greater risks to improve their standing or deter further setbacks. It is unclear what the Iranian government might perceive

as the greater danger: the decline in influence and legitimacy that could come by failing to decisively respond to recent blows, or the broader war with the United States and/or Israel that such Iranian reprisals could trigger.

In light of setbacks to the asymmetric methods of power projection that have largely defined Iranian foreign and defense policy for decades, as well as a possible return to “maximum pressure” under the incoming U.S. Administration, Iranian leaders may pursue new strategies. One potential response could be to reconsider the possibility of developing nuclear weapons. At the same time, some Iranian leaders have made public statements about diplomatic reengagement with the West; such engagement could be challenging given the importance Iranian revolutionary ideology places on opposing the United States.

Iran’s future actions could present policy choices for the incoming Administration and Members of Congress. If Iran seeks nuclear weapons, Congress might consider immediate questions about the authorization of U.S. military force against Iran and other war powers issues, U.S. support to Israel and other regional partners potentially threatened by Iran, or efforts to discourage nuclear proliferation in the region. If Iran seeks to reduce tensions or even pursues rapprochement with the United States, congressional action could include oversight of executive branch responses (including questions about Iran’s motives) and measures supporting, opposing, or placing conditions on the relaxation or removal of sanctions. In the 119th Congress, Members may also be able to shape U.S. policy toward Iran through their consideration of nominations to the incoming Administration, legislative work (including FY2025 and FY2026 appropriations and initial consideration of the FY2026 National Defense Authorization Act), and oversight of incoming Administration policy.

Iran’s “Axis of Resistance” and Regional Conflict

Iran-backed groups, which sometimes refer to themselves as the “axis of resistance,” have for decades threatened various U.S. interests but since 2023 have engaged militarily against U.S. forces and partners across multiple fronts to a degree not previously seen. Observers debate the varying nature of Tehran’s relationships with and influence over these groups. During 2024, Israel has significantly weakened Hamas and Lebanese Hezbollah, but they retain some capabilities (and likely the intent) to threaten U.S. interests. Israeli strikes have also arguably weakened Iran itself, and the fall of Bashar Al Asad in Syria may limit former Iranian supply lanes to arm its partners. While neither the United States nor Iran appears to seek direct military engagement, the evolving threat perceptions, political calculations or miscalculations, and strategic goals of multiple actors in a dynamic combat environment could increase the risk of such a conflict.¹

Background

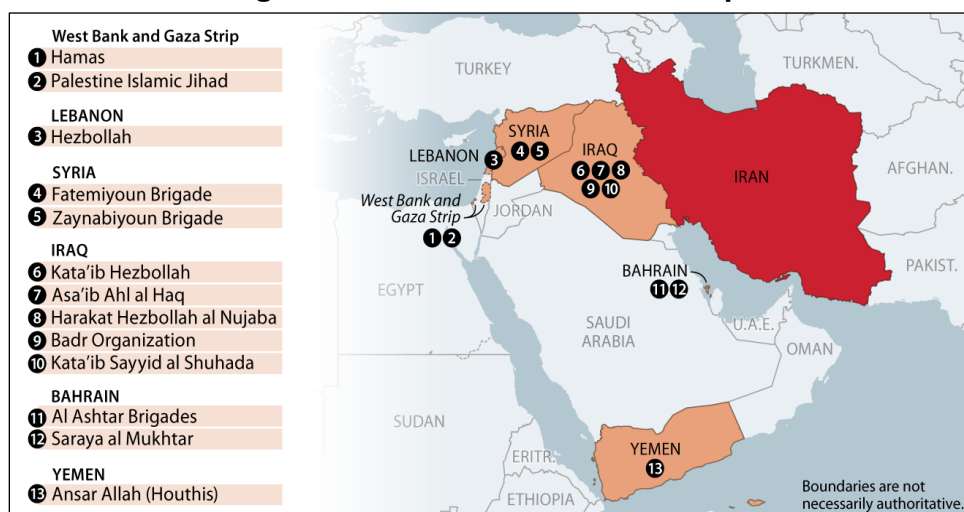
To advance its priorities, such as reducing U.S. regional influence, defending Shia communities, and projecting power in neighboring states, Iran has backed a number of political and armed groups in the Middle East (see **Figure 2**). Support for these groups, a pillar of the Iranian government’s foreign policy since the 1979 founding of the Islamic Republic, has carried strategic benefits and risks for Iran. Iranian leaders might see supporting armed groups as a cost-effective way to project power, given that Iran lacks some key conventional military capabilities (such as modern fighter jets). Iran-backed groups are often both relatively decentralized and “deeply embedded in the socio-political fabric” of the countries in which they operate, arguably

¹ Aaron Boxerman, “Iran’s retaliation likely to be limited, but errors could lead to war, experts say,” *New York Times*, April 12, 2024.

giving them greater resilience.² The sometimes-opaque nature of Iranian support for these groups may also allow Iran to attempt to deny responsibility for its beneficiaries' actions.³ At the same time, the United States and others may still seek to hold Iran accountable, including for actions that Iran may not have specifically directed or approved in advance.

U.S. government statements have catalogued Iranian support to various armed groups, including the “funding, training, weapons, and equipment” that Iran has provided to them.⁴ Experts debate the nature of Iranian influence over these groups and their activities. Some contend that the groups are “mere appendages” of Iran that directly follow Tehran’s orders.⁵ Others assert that these groups have their own origins and grievances, “varying degrees of autonomy,” and “symbiotic” relationships with Tehran, and sometimes take actions independent of those of the Iranian government.⁶ The Intelligence Community’s 2024 *Annual Threat Assessment* describes the axis of resistance as “a loose consortium of like-minded terrorist and militant actors.”⁷

Figure 2. Selected Iran-Backed Groups



Source: Created by CRS, based on U.S. Department of State, *Country Reports on Terrorism* and other open sources.

The Iranian government’s support for regional groups is coordinated by Iran’s **Islamic Revolutionary Guard Corps (IRGC)**. The IRGC is a parallel military institution to Iran’s regular armed forces, plays a major unofficial role in Iran’s economy, and is responsible for regime security.⁸ The **IRGC-Qods Force (IRGC-QF)** is the IRGC component “responsible for conducting covert lethal activities outside of Iran, including asymmetric and terrorist

² Andreas Krief, “Network model shows resilience as Iran-Israel clash expands,” *Amwaj.media*, July 15, 2024.

³ Nakissa Jahanbani et al., “How Iranian-backed militias do political signaling,” *Lawfare*, December 18, 2023.

⁴ State Department, *Country Reports on Terrorism 2023*.

⁵ Patrick Wintour, “As Middle East Crisis Grows, Does Iran have Control of its Proxy Forces?” *Guardian*, January 6, 2024.

⁶ Sara Harmouch and Nakissa Jahanbani, “How much influence does Iran have over its proxies?” *Defense One*, January 23, 2024.

⁷ Office of the Director of National Intelligence, *Annual Threat Assessment of the U.S. Intelligence Community*, February 5, 2024. See also Erin Banco, “US Intelligence Officials Estimate Tehran Does Not have Full Control of its Proxy Groups,” *Politico*, February 1, 2024.

⁸ National Counterterrorism Center, “Foreign Terrorist Organizations: Islamic Revolutionary Guard Corps,” March 2022.

operations.”⁹ Both the IRGC and the IRGC-QF are designated for U.S. sanctions under terrorism-related authorities, as are many of the Iran-supported regional armed groups below.

Attacks and Setbacks Since October 2023

Iran-backed groups across the region have attacked a range of targets since October 2023, including Israel and U.S. forces. The United States has sought to deter and respond to these attacks, including via military action. Iranian official statements regularly tied ongoing regional conflict to the status of the war in Gaza. For example, Iran’s then-foreign minister said in mid-January 2024 that an end to the conflict in Gaza “will lead to an end of military actions and crises in the region.”¹⁰ The U.S. intelligence community assessed in February 2024 that Iran “will remain a threat to Israel and U.S. allies and interests in the region well after the Gaza conflict, and probably will continue arming and aiding its allies to threaten the United States.”¹¹

As detailed below, since summer 2024, this Iranian strategy has faced multiple setbacks, raising questions about the future viability of the “axis of resistance” and Iran’s support for and relations with each group comprising it.

October 2023-July 2024: Rising Resistance Attacks and Initial Iran-Israel Clash

In the aftermath of the October 2023 Hamas-led attack on Israel (see textbox), a number of Iran-backed groups began attacking Israeli, U.S., and other targets in unprecedented coordination, sometimes referred to as the “unification of the arenas.”¹²

Iran, Hamas, and the October 7, 2023, Attacks on Israel¹³

The Iranian government has backed Hamas for decades, going back nearly to the group’s inception in the 1980s.¹⁴ Since Hamas took de facto control of the Gaza Strip in 2007, it has engaged in several rounds of conflict with Israel, with continued reported material and financial support from Iran.¹⁵

Iranian officials expressed enthusiastic support for the October 2023 Hamas-led attack on Israel but denied direct involvement.¹⁶ The Intelligence Community’s 2024 *Annual Threat Assessment* states, “We assess that Iranian leaders did not orchestrate nor had foreknowledge of” the October 7 attacks.¹⁷

⁹ Ibid. Executive Order 13224 of September 23, 2001, “Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism,” 66 *Federal Register* 49079, as amended.

¹⁰ “Iran foreign minister in Davos: Attacks on Israel will end if Gaza war stops,” *Reuters*, January 17, 2024.

¹¹ Office of the Director of National Intelligence, *Annual Threat Assessment of the U.S. Intelligence Community*, February 5, 2024.

¹² Amir Hossein Vazirian, “Iran’s unification of the arenas campaign against Israel: Foundations and prospects,” Middle East Institute, September 26, 2023; Raz Zimmt, “‘Unification of the arenas’ might turn from an opportunity for Iran into a threat,” Atlantic Council, March 22, 2024.

¹³ For more, see CRS In Focus IF12549, *Hamas: Background, Current Status, and U.S. Policy*, by Jim Zanotti and CRS Report R47754, *Israel and Hamas October 2023 Conflict: Frequently Asked Questions (FAQs)*, coordinated by Jim Zanotti, Jeremy M. Sharp, and Christopher M. Blanchard.

¹⁴ U.S. State Department, *Patterns of Global Terrorism: 1986*, January 1988 and *Patterns of Global Terrorism: 1989*, April 1990.

¹⁵ Fabian Hinz, “Iran transfers rockets to Palestinian groups,” Wilson Center, May 19, 2021; Adnan Abu Amer, “Report outlines how Iran smuggles arms to Hamas,” *Al-Monitor*, April 9, 2021; U.S. State Department, *Outlaw Regime: A Chronicle of Iran’s Destructive Activities*, September 2020.

¹⁶ Supreme Leader Ayatollah Ali Khamenei (@khamenei_ir), X post, October 7, 2023, at https://twitter.com/khamenei_ir/status/1710752170096701778. “Inside story: Iran’s supreme leader strongly rejects role in Hamas attack,” *Amwaj.media*, October 10, 2023.

¹⁷ Office of the Director of National Intelligence, *Annual Threat Assessment of the U.S. Intelligence Community*.

- In **Lebanon**, Hezbollah, backed by Iran since the group's founding in the 1980s, began firing into Israel in support of Hamas on October 8, 2023. Before 2024 Israeli military strikes greatly diminished its capabilities, Hezbollah was long considered one of the most powerful non-state armed groups in the world, and had been described as the “crown jewel” of Iranian foreign policy.¹⁸ Hezbollah also reportedly provided support to many other Iran-supported entities, including Hamas and the Asad regime in neighboring Syria.¹⁹ Hezbollah-Israel clashes and mutual threats in late 2023 and early 2024 displaced tens of thousands on both sides of the border.
- Iran-backed groups increased their attacks against U.S. forces in **Iraq** (where Iran supports a number of powerful military and political actors) and **Syria** (where Iran helped its longtime ally the Asad regime during that country's civil war, before Asad's late 2024 downfall).²⁰ Those attacks left dozens of U.S. troops injured and three dead (in Jordan).²¹ In response, the U.S. military has conducted occasional airstrikes on Iran-linked targets in both Syria and Iraq, including some facilities used by IRGC personnel. Groups in Iraq also targeted Israel.
- In **Yemen**, the Iran-backed Houthi movement claimed several drone and missile attacks against Israel, asserting solidarity with Hamas and Palestinians in Gaza. While most were intercepted by Israeli or U.S. forces, a July 2024 drone attack killed one Israeli in Tel Aviv, leading to retaliatory Israeli airstrikes in Yemen.²² The Houthis also began attacking vessels in the Red Sea in November 2023, prompting U.S. and allied airstrikes against Houthi positions starting in January 2024.²³

Amid this escalating regional violence, Iran launched the first-ever direct attack by Iranian government forces on Israel, firing hundreds of missiles and drones on April 14, 2024, in retaliation for an Israeli strike that killed an IRGC general in Syria.²⁴ Some evidently failed to launch or crashed before reaching their targets; of the remaining projectiles, most were reportedly shot down by Israeli air defense systems as well as by U.S., UK, French, and Jordanian forces.²⁵ The few projectiles that apparently did land inside Israel caused “very little damage,” per the Israeli Defense Minister.²⁶ Still, U.S. and Israeli officials contended that Iran, given the scale of the attack, was seeking to cause “significant destruction and casualties,” as National Security

¹⁸ Dana Khraiche, “Iran's ‘crown jewel’ has much to lose from a full-blown war with Israel,” *Bloomberg*, November 17, 2023; Jeffrey Feltman and Kevin Huggard, “On Hezbollah, Lebanon, and the risk of escalation,” Brookings Institution, November 17, 2023.

¹⁹ Michael Knights et al., “The Houthi Jihad Council: Command and Control in ‘the Other Hezbollah,’” *CTC Sentinel*, October 2022; Feltman and Huggard, op. cit.

²⁰ CRS Insight IN12309, *Iraq: Attacks and U.S. Strikes Reopen Discussion of U.S. Military Presence*, by Christopher M. Blanchard.

²¹ Carla Babb, “US forces attacked 151 times in Iraq, Syria during Biden presidency,” *VOA*, November 17, 2023. U.S. Department of Defense (DOD), “Pentagon Press Secretary Maj. Gen. Pat Ryder Holds a Press Briefing,” January 4, 2024. For a frequently updated collection of claimed attacks, see Michael Knights, Amir al-Kaabi, and Hamdi Malik, “Tracking Anti-U.S. Strikes in Iraq and Syria During the Gaza Crisis,” Washington Institute for Near East Policy.

²² CRS Insight IN12391, *Israel and Houthis in Yemen: Attacks Highlight Regional Conflict Risks*, coordinated by Christopher M. Blanchard.

²³ For more, see CRS Insight IN12301, *Houthi Attacks in the Red Sea: Issues for Congress*, by Jeremy M. Sharp.

²⁴ Gordon Lubold, “Many Iranian missiles failed to launch or crashed before striking target, U.S. officials say,” *Wall Street Journal*, April 15, 2024.

²⁵ Per CENTCOM, U.S. forces destroyed “more than 80” drones and “at least six ballistic missiles.”

²⁶ “Israel says Iran's missile and drone attack largely thwarted, with ‘very little damage’ caused,” CBS, April 14, 2024.

Communications Advisor John Kirby said on April 15, explicitly arguing against analysis that “the Iranians meant to fail.”²⁷ Kirby also said that Iran’s “vaunted missile program...proved to be far less effective,” characterizing the attack as an “embarrassing failure” for Iran.²⁸

On April 19, Israel reportedly launched a reprisal air attack that, while relatively narrow in scope, signaled an Israeli ability to evade and target Iranian air defenses in a province where some of Iran’s nuclear facilities are located.²⁹ Iranian leaders downplayed the strike’s impact while reiterating pledges to retaliate against any “proven” and “decisive” Israeli action against Iran.³⁰

July-December 2024: Succession of Setbacks Weaken Iran’s Axis

While Iran-backed groups in Yemen and Iraq appear to retain the ability and intent to threaten some U.S. interests, the capabilities of other Iranian allies in Lebanon, Gaza, and Syria have been significantly degraded since July 2024. Moreover, threatened or actual attacks from these groups or from Iran itself have failed to deter direct Israeli action against Iran, as seen in October 2024 airstrikes that reportedly destroyed much of Iran’s air defense capabilities.

- In July 2024, Israel killed **Hamas** political leader Ismail Haniyeh in Tehran, where he had attended the inauguration of Iranian President Masoud Pezeshkian. Three months later, amid continued military action in Gaza, Israeli forces killed Yahya Sinwar, Haniyeh’s successor and reported architect of the October 7, 2023, attacks. While Israeli officials and outside observers continue to debate the achievability of Israel’s stated war aim of destroying Hamas, Israeli military operations against Hamas to date led an unnamed U.S. official to say in December 2024 that “its entire military capacity has been destroyed.”³¹
- Conflict between **Hezbollah** and Israel, which had been escalating since July, exploded in September 2024, with Israel killing longtime Hezbollah leader Hassan Nasrallah in an airstrike in Beirut, an attack that also killed an IRGC general. Israel also launched ground operations against the group in southern Lebanon. After two months of fighting and the loss of significant manpower and parts of its arsenal, Hezbollah acceded to a U.S.- and French-brokered November 2024 cease-fire. A reported U.S. “side letter” to Israel appears to provide U.S. support for continued Israeli operations in Lebanon to prevent Hezbollah rearmament, particularly in the south.³² Even as some Iranian officials hailed the agreement as a Hezbollah victory, Tehran reportedly pushed for the cease-fire to prevent Hezbollah’s further weakening. According to some media sources, some in Hezbollah blame Iran and other Iran-backed groups for not having done more to support it.³³

²⁷ Tovah Lazaroff, “Iran’s attack is an ‘embarrassing failure,’ a success for Israel, says US,” *Jerusalem Post*, April 16, 2024.

²⁸ Lazaroff, op. cit.; Lubold, op. cit.

²⁹ “Israeli weapon damaged Iranian air defenses without being detected, officials say,” *New York Times*, April 21, 2024.

³⁰ Tom Llamas et al., “Iranian foreign minister says it will not escalate conflict and mocks Israeli weapons as ‘toys that our children play with,’” *NBC News*, April 19, 2024.

³¹ “Background press call on the situation in Syria,” White House, December 9, 2024.

³² “Report: US ‘side letter’ to Israel pledges to share intelligence on Hezbollah activity after ceasefire, cooperate against Iranian threat,” *Times of Israel*, November 27, 2024.

³³ Susannah George et al., “After setbacks, Iran sees Lebanon cease-fire as chance to regroup,” *Washington Post*, November 30, 2024; Giorgio Cafiero, “How Iran views the Hezbollah-Iran ceasefire in Lebanon,” *New Arab*, December 3, 2024.

- In October 2024, in stated retaliation for the deaths of Haniyeh and Nasrallah, Iran launched its second direct missile attack against Israel. Greater in destructive potential than Iran's April strike, the October attack was largely thwarted by Israeli, U.S., and partner military forces. On October 26, Israel retaliated with airstrikes that reportedly hit Iranian air defenses, military bases, drone and missile manufacturing facilities, and launch sites. In December 2024, the United Kingdom's chief of defense staff said that the Israeli attack "took down nearly the entirety of Iran's air-defense system" and "destroyed Iran's ability to produce ballistic missiles for a year," an assessment echoed by a senior U.S. official the same month.³⁴
- On the same day that the Hezbollah-Israel cease-fire was announced in November 2024, Syrian armed groups opposed to the **Asad regime** began an offensive in northern Syria. Their advance gathered momentum amidst the apparent collapse of Asad's forces, and less than two weeks later, opposition groups entered Damascus as Asad fled for exile in Russia. U.S. officials and many outside observers have attributed Asad's downfall at least in part to what they say is the weakening of his main supporters, namely Iran, Hezbollah, and Russia.³⁵ Iranian officials have said that after Asad's ouster, which Supreme Leader Ali Khamenei blamed on an "American-Zionist plot," no Iranian forces remain in Syria.³⁶ Iran evacuated some personnel from Syria in the face of the opposition advance, and has reportedly engaged with former opposition forces now in power in Damascus that it once condemned as terrorists.³⁷

Assessing Impact

Together, these setbacks may raise questions about the viability of Iran's strategy of putting pressure on, and deterring direct attacks from, Israel and the United States by supporting regional armed groups. Even before the December 2024 fall of the Asad regime, the apparent attenuation of Hamas and Hezbollah led some to argue that Iran's regional strategy had failed and that the axis "was more or less a propaganda fiction to enhance the prestige of the Islamic Republic."³⁸ For Iran, Hezbollah's weakening is damaging not just because Iran's most valued and supposedly powerful ally has lost most of its senior leaders, thousands of fighters, and as much as 80% of its once-vaunted drone and missile arsenal to Israeli operations, but also because that ally has failed to prevent or deter direct Israeli attacks, including on Iran itself. One analyst has argued that 2024 has shown, "While Iran will use its partners in defense of itself, the reverse is not true, and it is unlikely to go to war with Israel to save one of those partners."³⁹

The fall of the Asad regime in Syria arguably represents an even more critical blow to Iran's regional outlook; one Iranian observer described Syria as "the backbone of our regional

³⁴ Jake Epstein, "Israel showed the 'power' of F-35s in destroying nearly all of Iran's air defenses without a loss, UK admiral says," *Business Insider*, December 5, 2024; "Background press call on the situation in Syria," op. cit.

³⁵ See, for example, "Remarks by President Biden on the latest developments in Syria," White House, December 10, 2024.

³⁶ Maziar Motamedi, "What is Iran signaling since the fall of Syria's Bashar al-Assad?" *Al Jazeera*, December 10, 2024.

³⁷ Parisa Hafezi, "Exclusive: Iran in direct contact with groups in Syria's new leadership, Iranian official says," Reuters, December 9, 2024.

³⁸ Ben Hubbard and Alissa Rubin, "Facing a big test, Iran's 'axis of resistance' flails" *New York Times*, September 30, 2024.

³⁹ Dan De Luce, "Is Iran's 'axis of resistance' collapsing under Israeli attacks?" *NBC News*, September 30, 2024.

presence.”⁴⁰ During a 2022 visit by Asad to Tehran, Khamenei said the bilateral relationship was “vital for both countries and we must not allow it to be weakened.”⁴¹ For decades, Syria was Iran’s ‘land bridge’ to Hezbollah. Iran’s ability to rebuild the group is likely to be constrained in the aftermath of Asad’s downfall, though much depends on the evolution of governing arrangements in Syria. One observer cautions that “Iranian arms smuggling has historically thrived in collapsed or weak state environments.”⁴² During Asad’s rule, Iran and groups it supports were able to threaten neighboring Israel directly from Syria, where they were often the target of Israeli airstrikes. Syria was also a key territorial link in Iran’s provision of weaponry to militants in the West Bank.⁴³ An unnamed U.S. official said that Asad “was effectively abandoned because his only friends—again, Iran, Hezbollah, and Russia—no longer had the capacity to help” and that his fall revealed “the brittleness, the weakness, the hollowing out” of “this entire Iranian-backed artifice in the region.”⁴⁴

Iran’s Options

Tactically, Iran’s regional activities going forward could focus more on partners in Iraq (where after discussions with the Iraqi government, the U.S. government announced in September 2024 that the U.S.-led coalition’s military mission would end within a year) and Yemen. However, various factors could limit the effectiveness of these groups as alternatives to Hezbollah for Iran, including the resistance of some Iraqis to greater Iranian influence wielded via Iran-backed Iraqi militias; doctrinal and ideological differences between the Iranian government and the Houthis; and Iraqi and Yemeni groups’ evidently smaller arsenals, local political and security constraints, and greater geographic distance from Israel.⁴⁵

More fundamentally, the Iranian government continues to wrestle with a strategic conundrum: the regime reportedly assesses that it could lose domestic and international legitimacy by not responding to Israeli attacks, but is unlikely to prevail in the all-out war with the United States and/or Israel that forceful reprisals could provoke.⁴⁶ While Iran and the groups it supports retain some capability to counter or threaten regional rivals, their underwhelming military performance in 2024 has led some observers to predict that Iranian leaders may seek to advance the country’s nuclear program as a more effective and reliable means of deterrence (see “Post-JCPOA Nuclear Expansion and Potential Weapons Development” below), particularly if U.S. and/or Israeli leaders attempt to press what they see as an advantage over a weakened Iranian regime.⁴⁷

Alternately, Iran could seek to de-escalate; some Iranian leaders have made public statements about diplomatic reengagement with the West, a stated goal of President Pezeshkian’s presidential campaign. In a December 2024 article, presidential advisor and former foreign minister

⁴⁰ Farnaz Fassihi, “In the Syrian regime’s hour of need, its patron Iran makes an exit,” *New York Times*, December 7, 2024.

⁴¹ Mazar Motamedi, “Syria’s Assad meets top Iranian leaders in surprise Tehran visit,” *Al Jazeera*, May 8, 2022.

⁴² Michael Knights, “Don’t assume Iran’s supply lines to Hezbollah are cut,” Washington Institute for Near East Policy, December 12, 2024.

⁴³ Farnaz Fassihi et al., “Iran smuggles arms to West Bank, officials say, to foment unrest with Israel,” *New York Times*, April 4, 2024.

⁴⁴ “Background press call on the situation in Syria,” White House, December 9, 2024.

⁴⁵ Matthew Bey, “Iran grapples with a weakened axis of resistance,” Stratfor, October 2, 2024.

⁴⁶ “Iranian politics and strategy complicate response to Haniyeh killing,” Soufan Center, August 20, 2024; Janatan Sayeh, “From ‘harsh punishment’ to ‘tactical retreat’ – time isn’t on Tehran’s side,” *Long War Journal*, August 21, 2024.

⁴⁷ Michael Eisenstadt, “If Iran gets the bomb: Weapons, force posture, strategy,” Washington Institute for Near East Policy, November 2024; Amos Harel, “As Syria collapses, will Iran go for the nuclear bomb to reclaim regional deterrence?” *Haaretz*, December 8, 2024.

Mohammad Javad Zarif reiterated Iran's openness to negotiations with the United States and wrote that "shared challenges could even prompt Tehran and Washington to engage in conflict management rather than exponential escalation."⁴⁸ His claim that Iran "has finally proven that it can defend itself against any external aggression" is arguably less realistic, though the regime has shown resilience during other periods of turmoil and failure in the 45 years since its establishment. While the Iranian government has shown few signs of moderating or otherwise altering its foundational opposition to the United States and Israel, ideology could be less important to the regime than self-preservation via de-escalation.⁴⁹

U.S.-Iran Relations: Background and Recent Approaches

U.S.-Iran relations have been mostly adversarial since the 1979 Iranian Revolution, which deposed Shah Mohammad Reza Pahlavi, an authoritarian monarch who was a close U.S. ally, and led to the establishment of the Islamic Republic. The United States and Iran have not had diplomatic relations since 1980, following the U.S. Embassy hostage crisis.⁵⁰

U.S.-Iran tensions continued in the following decade, punctuated by armed confrontations in the Gulf and Iran-backed terrorist attacks (including the 1983 bombings of the U.S. Embassy and Marine barracks in Beirut). U.S. sanctions, first imposed in 1979, continued apace with the U.S. government designating Iran as a state sponsor of acts of international terrorism in 1984, an embargo on U.S. trade with and investment in Iran in 1995, and the first imposition of secondary sanctions (U.S. penalties against firms that invest in Iran's energy sector) in 1996.

After bilateral relations briefly improved during the late 1990s, tensions rose again in the early 2000s amid reports of Iran's armed support for Palestinian groups and the revelation of previously undisclosed nuclear facilities in Iran.⁵¹ The United Nations Security Council imposed sanctions on Iran's nuclear program in response to concerns that the program could enable Iranian nuclear weapons development. The Obama Administration sought to address concerns about Iran's nuclear program through continued economic pressure via sanctions as well as through diplomatic engagement.⁵² That engagement culminated in the 2015 multilateral nuclear agreement (Joint Comprehensive Plan of Action, JCPOA) that placed limits on Iran's nuclear activities in exchange for relief from most economic sanctions.

President Donald Trump announced on May 8, 2018, that the United States would cease participating in the JCPOA, reinstating all sanctions that the United States had waived or terminated in meeting its JCPOA obligations. In articulating a new Iran strategy in May 2018, then-Secretary of State Mike Pompeo said that due to "unprecedented financial pressure" through reimposed U.S. sanctions, U.S. military deterrence, and U.S. advocacy, "we hope, and indeed we expect, that the Iranian regime will come to its senses."⁵³ He also laid out 12 demands for any

⁴⁸ Mohammad Javad Zarif, "How Iran sees the path to peace," *Foreign Affairs*, December 2, 2024.

⁴⁹ Karim Sadjadpour, "How Iran and Israel are unnatural adversaries," *New York Times*, May 8, 2024; John Raine, "Iran's strategic limbo," IISS, December 4, 2024. In his December 2024 article, Zarif wrote that "Iran will agree to any solution acceptable to the Palestinians," while calling for a referendum for "everyone living between the Jordan River and the Mediterranean Sea...to determine a viable future system of governance."

⁵⁰ For an account of the crisis, see Mark Bowden, *Guests of the Ayatollah* (Atlantic Monthly Press, 2006).

⁵¹ John Ghazvinian, *America and Iran: A History, 1720 to the Present* (Knopf, 2021).

⁵² White House, "Statement by the President on Iran," July 14, 2015.

⁵³ "After the Deal: A New Iran Strategy," Heritage Foundation, May 21, 2018.

future agreement with Iran, including the withdrawal of Iranian support for armed groups throughout the region. Iran's leaders rejected U.S. demands and insisted the United States return to compliance with the JCPOA before engaging on a new or revised accord.

The Trump Administration policy of applying “maximum pressure” on Iran after late 2018 took two main forms: additional sanctions and limited military action. From mid-2019 on, Iran escalated its regional military activities, at times coming into direct military conflict with the United States. Several Iranian attacks against oil tankers in the Persian Gulf and a September 2019 drone attack against Saudi Arabian oil production facilities further increased tensions. Those tensions peaked with the Trump Administration's January 3, 2020, killing of IRGC-Qods Force commander Qasem Soleimani in Baghdad, and Iran's retaliatory ballistic missile strikes against U.S. forces in Iraq and subsequent attacks by Iran-backed forces in Iraq against U.S. targets.⁵⁴ Iran also began exceeding JCPOA-mandated limits on its nuclear activities in 2019, according to the International Atomic Energy Agency (IAEA).⁵⁵

Developments under the Biden Administration

As a presidential candidate in 2020, Joe Biden described the Trump Administration's Iran policy as a “dangerous failure” that had isolated the United States from its international partners, allowed Iran to increase its stockpiles of enriched uranium, and raised tensions throughout the region.⁵⁶ The Biden Administration initiated indirect talks with Iran and after months of halting negotiations, reports in August 2022 indicated that all sides were close to achieving agreement before stalling over Iran's reported revival of some demands that the other parties had considered closed issues.⁵⁷ The Iranian government's violent crackdown against nationwide unrest the following month (see “2022-2023 Protests” below) further diminished the prospects of a new agreement.⁵⁸

In its October 2022 National Security Strategy, the Administration laid out its policy toward Iran, stating the United States would “pursue diplomacy to ensure that Iran can never acquire a nuclear weapon, while remaining postured and prepared to use other means should diplomacy fail,” and that “we will respond when our people and interests are attacked.”⁵⁹ The Strategy also states, “we will always stand with the Iranian people striving for the basic rights and dignity long denied them by the regime in Tehran.”

In 2023, friction between the United States and Iran persisted, with Iranian or Iran-backed attacks against commercial shipping in the Gulf, and the continued application of U.S. sanctions, including the interdiction of a tanker transporting Iranian oil. At the same time, the Biden Administration reportedly engaged directly with Iranian diplomats in an attempt to decrease tensions.⁶⁰ That engagement led to a September 2023 prisoner exchange, in connection with which the United States facilitated the transfer of \$6 billion of Iranian funds from South Korea (where they had been held as payment for pre-2019 exports of Iranian oil to South Korea) to

⁵⁴ For more, see CRS Report R46148, *U.S. Killing of Qasem Soleimani: Frequently Asked Questions*.

⁵⁵ See, for example, IAEA Board of Governors, *Verification and monitoring in the Islamic Republic of Iran in light of United Nations Security Council resolution 2231 (2015)*, November 11, 2019.

⁵⁶ Joe Biden, “There's a smarter way to be tough on Iran,” *CNN*, September 13, 2020.

⁵⁷ Ishaan Tharoor, “Is the Iran deal worth salvaging?” *Washington Post*, August 26, 2022; “Iran nuclear talks in ‘stalemate,’ says EU foreign policy chief,” *Arab News*, September 15, 2022.

⁵⁸ Nahal Toosi, “‘Everyone thinks we have magic powers’: Biden seeks a balance on Iran,” *Politico*, October 25, 2022.

⁵⁹ White House, *National Security Strategy*, October 12, 2022.

⁶⁰ Laurence Norman and David Cloud, “U.S. launches quiet diplomatic push with Iran to cool tensions,” *Wall Street Journal*, June 14, 2023.

Qatar.⁶¹ In a September 2023 press briefing, a U.S. official stated that the funds in Qatar would be “available only for transactions for humanitarian goods [namely, food, medicine, medical devices, and agricultural products] with vetted third-party, non-Iranian vendors.”⁶²

Observers and some Members of Congress responded in varying ways to the exchange and transfer of funds. Some characterized the transfer of Iran’s South Korea-based funds to Qatar as a “ransom” that incentivizes hostage-taking.⁶³ Some of these critics argued that even if the regime was not able to use the unfrozen funds for malign activities, the regime’s access to additional funds for humanitarian purposes would free up other resources for those destabilizing activities.⁶⁴ Supporters of the arrangement lauded the Administration for securing the release of U.S. citizens held abroad and argued that supporting the conditional release of Iranian funds for humanitarian purposes could deprive the regime of an excuse for domestic economic problems.⁶⁵

The October 2023 Hamas-led attack on Israel changed U.S. policy with respect to the funds. According to press reports, Deputy Treasury Secretary Wally Adeyemo told legislators that in the wake of the attack, U.S. and Qatari officials had agreed to prevent the use of the funds to finance the purchase of humanitarian goods for export to Iran for an unspecified period of time.⁶⁶ In November 2023, the House passed legislation (H.R. 5961) that would, among other provisions, direct the President to impose sanctions on any foreign financial institution that engages in transactions with the \$6 billion in Iranian funds. In testimony the following month, a State Department official said of the funds, “Not a penny of this money has been spent and these funds will not go anywhere anytime soon.”⁶⁷

Iran-Backed Assassination Plots and Cyberattacks

For several years, U.S. government agencies have reportedly collected intelligence related to Iranian government-backed plots to kill U.S. officials or former officials at least partly in retaliation for the January 2020 U.S. killing in Iraq of IRGC-QF commander Qasem Soleimani, in some cases releasing information publicly:

- In August 2022, IRGC member Shahram Poursafi was charged with “attempting to arrange the murder of former National Security Advisor John Bolton.”⁶⁸
- The Federal Bureau of Investigation (FBI) announced in March 2024 that it was seeking Iranian intelligence officer Majid Farahani “in connection with the recruitment of individuals for various operations in the United States, to include lethal targeting of current and former United States Government officials” as well as “surveillance activities.”⁶⁹

⁶¹ The Administration issued a waiver permitting banks in several European countries to engage in the transfer of the Iranian funds from South Korea to Qatar. Lee, “The US moves to advance a prisoner swap deal,” op. cit.

⁶² White House, “Background press call by senior Administration officials on the return of American detainees from Iran,” September 17, 2023.

⁶³ See, for example, Sen. Ted Cruz, “Sen. Cruz blasts Biden-Iran nuclear side deal on hostages,” September 11, 2023.

⁶⁴ See, for example, Chairman Michael McCaul, “McCaul statement on release of Americans held hostage in Iran,” September 18, 2023.

⁶⁵ See, for example, Sen. Ben Cardin, “Cardin statement on the release of Americans from Iran,” September 18, 2023; Ryan Costello, “The latest Iran deal is a win-win,” *Defense One*, August 10, 2023.

⁶⁶ Jeff Stein and Jacob Bogage, “U.S., Qatar agree to stop Iran from tapping \$6 billion fund after Hamas attack,” *Washington Post*, October 12, 2023.

⁶⁷ House Financial Services Subcommittee on Oversight and Investigations holds hearing on Iran’s financial support of terrorism, *CQ Congressional Transcripts*, December 13, 2023.

⁶⁸ U.S. Department of Justice, “Member of Iran’s Islamic Revolutionary Guard Corps (IRGC) charged with plot to murder former National Security Advisor,” August 10, 2022.

⁶⁹ FBI, “Seeking Information: Majid Dastjani Farahani,” available at <https://www.fbi.gov/wanted/terrorinfo/majid-dastjani-farahani/>.

- Media reports in July 2024 indicated that the U.S. intelligence community had gathered evidence of an Iran plot to kill former President Donald Trump.⁷⁰ An Iranian official rejected those reports but said that Iran was determined to prosecute President Trump for his role in Soleimani's killing.⁷¹
- In August 2024, a Pakistani national "with ties to Iran" was charged with "murder-for-hire as part of an alleged scheme to assassinate a politician or U.S. government official on U.S. soil."⁷²

Several Trump Administration officials have received government security details after leaving office due to "serious and credible" threats from Iran.⁷³ Beyond government officials, Iran has reportedly targeted dissidents in the United States, including two plots related to U.S.-based journalist Masih Alinejad, part of the Iranian government's wider transnational repression efforts.⁷⁴

Additionally, in August 2024, several U.S. agencies confirmed media reports that attributed to Iran "activities to compromise former President Trump's campaign" and that the U.S. intelligence community (IC) was "confident that the Iranians have through social engineering and other efforts sought access to individuals with direct access to the presidential campaigns of both political parties" in order to "influence the U.S. election process."⁷⁵ In September 2024, the Justice Department unsealed an indictment charging three Iranian nationals and IRGC members with a "hack-and-leak" operation targeting the Trump campaign. This represents a continuation, if not escalation, of Iran's efforts in the 2020 U.S. presidential campaign, when Iran "carried out a multi-pronged cover influence campaign intended to undercut former President Trump's reelection prospects...undermine public confidence in the electoral process and US institutions, and sow division and exacerbate societal tensions in the US," according to an IC assessment released in March 2021.^{76 77}

Iran's Foreign Policy

Iran's foreign policy appears to reflect overlapping and at times contradictory motivations, including countering perceived threats from the United States and U.S. partners like Israel, with which Iran "sees itself as locked in an existential struggle";⁷⁸ positioning Iran as the defender of Shia Muslim communities and other groups that the Iranian government characterizes as oppressed, such as the Palestinians; and the pursuit of Iran's geopolitical interests.⁷⁹

Relations with Middle Eastern States

Iran's relations with many of its Middle Eastern neighbors have often been tense, underlaid by a number of factors, including some of these countries' close ties with the United States, hostility

⁷⁰ Evan Perez et al., "Exclusive: Secret Service ramped up security after intel of Iran plot to assassinate Trump; no known connection to shooting," CNN, July 16, 2024; Erin Banco, "US officials have gathered increasing amount of intel about Iran plotting to assassinate Trump," *Politico*, July 16, 2024.

⁷¹ "Iran blasts Trump assassination plot claims," *Al Jazeera*, July 17, 2024.

⁷² U.S. Department of Justice, "Pakistani national with ties to Iran charged in connection with foiled plot to assassinate a politician or U.S. government official," August 6, 2024.

⁷³ Shachar Bar-On and Jinsol Jung, "Secret Service paid over \$12 million for a year's protection of 2 Trump advisers from potential Iranian threats," CBS News, February 27, 2024.

⁷⁴ Freedom House, "Iran: Transnational repression origin country case study," 2021.

⁷⁵ FBI, "Joint ODNI, FBI, and CISA statement on Iranian election influence efforts," August 19, 2024.

⁷⁶ National Intelligence Council, "Foreign Threats to the 2020 US Federal Elections," March 10, 2021.

⁷⁷ FBI, "Two Iranian nationals charged for cyber-enabled disinformation and threat campaign designed to influence the 2020 U.S. presidential election," November 18, 2021.

⁷⁸ Office of the Director of National Intelligence, *Annual Threat Assessment of the U.S. Intelligence Community*, February 6, 2023.

⁷⁹ For example, Iran has supported Christian-inhabited Armenia, rather than Shia-inhabited Azerbaijan, possibly in part to thwart cross-border Azeri nationalism among Iran's large Azeri minority. Borzou Daraghi, "Nagorno-Karabakh: An unexpected conflict that tests and perplexes Iran," Atlantic Council, November 9, 2020; Vali Kaleji, "Iran increasingly uneasy about threats to common border with Armenia," *Eurasia Daily Monitor*, October 14, 2022.

toward Iran's revolutionary regime, and religious differences with Iran. Much of this tension has focused on Saudi Arabia, which has long accused Iran of interference via its Shia minority community. In 2016, tensions boiled over, with the Saudi execution of a Shia cleric sparking an attack on Saudi diplomatic facilities in Iran. The two countries severed relations and backed opposing sides in several civil wars or domestic power struggles, including in Yemen, Syria, and Lebanon.

Iran has since 2021 sought rapprochement with several regional powers, particularly Saudi Arabia. The two countries held talks throughout 2022 that culminated in a 2023 trilateral announcement, with China, that Iran and Saudi Arabia would reestablish ties.⁸⁰ The two countries have reopened their respective embassies and exchanged some official visits but have arguably "reached a plateau in restoring full relations" as envisioned by the agreement, as Iranian officials have reportedly expressed dissatisfaction with what they view as the underwhelming economic effects of the agreement.⁸¹ Saudi Arabia reportedly shared intelligence to counter Iran's April 2024 strike against Israel.⁸²

Meanwhile, Iran has sought rapprochement with other Saudi-aligned Arab states from which Iran has been estranged in recent years, such as Egypt, Sudan, and Bahrain.⁸³ Iran has normal political and economic relations with other U.S. regional partners including Qatar, Iraq, Kuwait, and Oman; some of these countries have acted as intermediaries for U.S.-Iran engagement. Presidential advisor Zarif wrote in December 2024 of a potential "new regional arrangement that reduces the Persian Gulf's reliance on external powers," citing UN Security Council resolution 598 (1987) as the legal basis for "comprehensive regional talks."⁸⁴

Relations with Russia and China

Iran has acted to maintain and expand economic and military ties with Moscow and Beijing, reflecting what analysts describe as a "look East" strategy favored by Supreme Leader Khamenei.⁸⁵ In 2024, Iran formally joined the BRICS group of emerging economies (Brazil, Russia, India, China, and South Africa).⁸⁶ The economic impacts of Iran's BRICS membership are likely to be minimal, at least in the short term, but Iranian leaders characterize joining the group as a "strategic victory" that will buttress the Iranian government's efforts to resist U.S.-led attempts to isolate and pressure it (including sanctions).⁸⁷

⁸⁰ See Ministry of Foreign Affairs of the Kingdom of Saudi Arabia (@KSAmofaEN), "Joint Trilateral Statement by the Kingdom of #Saudi Arabia, the Islamic Republic of #Iran, and the People's Republic of #China," X post, March 10, 2023, <https://twitter.com/KSAmofaEN/status/1634180277764276227>. For more on past agreements, see Faris Almaari, "Clarifying the status of previous Iran-Saudi agreements," Washington Institute for Near East Policy, March 16, 2023.

⁸¹ International Crisis Group, "Great expectations: The future of Iranian-Saudi détente," June 13, 2024.

⁸² CRS Report R48162, *Possible U.S.-Saudi Agreements and Normalization with Israel: Considerations for Congress*, by Christopher M. Blanchard.

⁸³ Khalil al-Anani, "Egypt and Iran: A quest for normalized ties amid significant obstacles," Arab Center Washington DC, June 9, 2023; Giorgio Cafiero, "Iran's concerted efforts to secure a foothold in Sudan," Gulf International Forum, June 27, 2024; William Roebuck, "Bahrain and Iran aim to restore ties," Arab Gulf States Institute in Washington, July 2, 2024.

⁸⁴ Zarif, "How Iran sees the path to peace."

⁸⁵ Javad Heiran-Nia, "How Iran's interpretation of the world order affects its foreign policy," Atlantic Council, May 11, 2022; Pierre Pahlavi, "The origins and foundations of Iran's 'Look East' policy," Australian Institute of International Affairs, October 4, 2022.

⁸⁶ Farnaz Fassihi et al., "What to know about the 6 nations joining BRICS," *New York Times*, August 23, 2023.

⁸⁷ "Deep dive: Iran hails invite to join BRICS, but few expect major dividends," *Amwaj.media*, August 25, 2023.

Iran and **Russia** maintain a multifaceted relationship, bolstered by a shared rejection of what they consider a U.S., or Western, led international order.⁸⁸ In the words of one analyst, “as long as the West builds on its pressure campaign against Russia and Iran, Moscow and Tehran are likely to pursue further integration as a collective response.”⁸⁹ Relations between Iran and Russia have grown significantly in the wake of Russia’s full-scale invasion of Ukraine in February 2022. Iran’s drone program is at the heart of its growing military partnership with Russia: according to news accounts, Iran has transferred “at least 1,000 attack drones” and “dozens of multipurpose” drones to Russia, and the two countries have engaged in a “joint venture” at a factory in southeastern Russia that is producing hundreds of Iranian-designed drones.⁹⁰ In return, Iran has reportedly sought advanced fighter jets and air defense systems from Russia.⁹¹ Iran-Russia military cooperation has not been accompanied by a commensurate expansion of economic activity, given their similar economic profiles, though Russia and Iran have reportedly sought to cooperate on evading U.S. sanctions.⁹²

For the past several decades, the **People’s Republic of China** (PRC or China) has taken steps to deepen its financial presence in numerous sectors of the Iranian economy, as well as to expand military cooperation. China is Iran’s largest trade partner and the largest importer of Iran’s crude oil and condensates, despite U.S. sanctions; Chinese imports of Iranian oil reportedly reached new heights in 2024 (see CRS Insight IN12267, *Iran’s Petroleum Exports to China and U.S. Sanctions*). On March 27, 2021, Iran and the PRC signed a 25-year China-Iran Comprehensive Cooperation Plan “to tap the potential for cooperation in areas such as economy and culture and map out prospects for cooperation in the long run.”⁹³ U.S. officials also report that PRC-based entities have supplied Iran-backed armed groups with UAV technology.⁹⁴ The United States has imposed sanctions on a number of PRC-based entities for allegedly supplying Iran’s missile, nuclear, and conventional weapons programs.

Iran’s Political System

Iran’s Islamic Republic was established in 1979, ending the autocratic monarchy of the Shah, and is a hybrid political system that defies simple characterization. Iran has a parliament, regular elections, and some other features of representative democracy. In practice, though, the government is authoritarian, ranking 153rd out of 167 countries in the Economist Intelligence Unit’s 2023 Democracy Index.⁹⁵ Shia Islam is the state religion and the basis for all legislation and jurisprudence, and political contestation is tightly controlled, with ultimate decisionmaking power in the hands of the Supreme Leader. That office has been held by Ayatollah Ali Khamenei since 1989, when he succeeded the Islamic Republic’s founding leader, Ayatollah Ruhollah

⁸⁸ Hamidreza Azizi and Hanna Notte, “Russia’s Dangerous New Friends,” *Foreign Affairs*, February 14, 2024.

⁸⁹ Alex Vatanka, “Can the West stop Russian-Iranian convergence?” Middle East Institute, April 3, 2023.

⁹⁰ Joby Warrick, “Russian weapons help Iran harden defenses against Israeli airstrike,” *Washington Post*, April 15, 2024.

⁹¹ Ibid.

⁹² Matthew Karnitschnig, “Iran teaches Russia its tricks on beating oil sanctions,” *Politico*, November 9, 2022; Tom Keatinge, “Developing bad habits: What Russia might learn from Russia’s sanctions evasion,” RUSI, June 2023.

⁹³ Ministry of Foreign Affairs of the PRC, “Wang Yi Holds Talks with Iranian Foreign Minister Mohammad Javad Zarif,” March 28, 2021.

⁹⁴ Testimony of Department of State Assistant Secretary of State for Near Eastern Affairs Barbara Leaf, in U.S. Congress, Senate Foreign Relations Subcommittee on Near East, South Asia, Central Asia and Counterterrorism, *China’s Role in the Middle East*, hearing, 117th Cong., 2nd sess., August 4, 2022.

⁹⁵ Economist Intelligence Unit, *Democracy Index 2023: Conflict and polarization drive a new low for global democracy*, February 2024.

Khomeini. Prospects for leadership succession to Khamenei (born 1939) are unclear. Iran's top directly elected position is the presidency, which, like the directly elected unicameral parliament (the Islamic Consultative Assembly, also known as the *Majles*) and every other organ of Iran's government, is subordinate to the Supreme Leader.

In May 2024, Iranian President Ebrahim Raisi was killed in a helicopter accident, jolting Iran's political scene.⁹⁶ Raisi, a hardliner who was closely aligned with (and a potential successor to) Khamenei, had succeeded reformist president Hassan Rouhani by winning the June 2021 presidential election. Turnout in that election, in which several moderate candidates were barred from running, was the lowest in the Islamic Republic's history up to that point; slightly less than half (49%) of eligible Iranians voted. Turnout declined further to 41% in March 2024 parliamentary elections.⁹⁷ Raisi's presidency was characterized by a popular protest movement and violent crackdown at home (see textbox), and regional turmoil and escalating tensions with the United States abroad.

2022-2023 Protests

Iran has intermittently experienced popular unrest, focused most frequently on economic conditions but also reflecting other grievances with Iran's leadership. The government has often used violence to disperse protests, in which hundreds have been killed by security forces.

The September 2022 death of 22-year-old Mahsa Amini, who was arrested by Iran's Morality Police for allegedly violating Iran's mandatory hijab (head covering) law and died after reportedly having been beaten in custody, sparked another bout of nationwide unrest. In protests throughout the country, demonstrators voiced a broad range of grievances, with some calling for an end to the Islamic Republic and chanting "death to the dictator." In response, the Iranian government deployed security forces who reportedly killed hundreds of protesters and arrested thousands, and shut down internet access. In March 2024, the Independent International Fact-Finding Mission on the Islamic Republic of Iran issued its first report to the United Nations Human Rights Council, assessing that the Iranian government's "violent repression of peaceful protests...led to serious human rights violations," including extrajudicial killings, enforced disappearances, rape, and gender persecution.⁹⁸ The protest movement receded over the course of 2023 but the fundamental grievances that motivated the outbreak of unrest in September 2022 (and in previous years) remain unresolved, so further rounds of popular protests are possible. The protest movement apparently lacked an organized structure, a visible leader, and a shared alternative vision for Iran's future, arguably limiting its capacity to pose an existential risk to the Islamic Republic.

In response to the protests, the Biden Administration announced sanctions designations targeting Iran's Morality Police and dozens of other government entities and officials for their role in the crackdown; issued a general license to counter what officials described as Tehran's move to "cut off access to the Internet for most of its 80 million citizens to prevent the world from watching its violent crackdown on peaceful protestors"; and led a successful effort to remove Iran from the UN Commission on the Status of Women in December 2022.

Raisi's unexpected death triggered a snap election in which several candidates were permitted to run; they included a number of prominent hardline figures as well as Masoud Pezeshkian, who was a relatively unknown member of parliament. Many analysts saw those hardliners as closer to Khamenei's own views, but also speculated that Pezeshkian's lack of a "popular base" or "following within the regime structure" might make him an acceptable option for Khamenei.⁹⁹ Pezeshkian ran on a platform that included reengaging with the United States to secure the lifting of U.S. sanctions on Iran and opposing the Morality Police (the institution responsible for Mahsa

⁹⁶ CRS Insight IN12365, *Iran's President Dies in Helicopter Crash*, by Clayton Thomas.

⁹⁷ Mehrzad Boroujerdi, "Iran's Faustian 2024 elections: Statistics tell the story," Stimson Center, March 4, 2024.

⁹⁸ United Nations, Office of the High Commissioner for Human Rights, "Iran: Institutional discrimination against women and girls enabled human rights violations and crimes against humanity in the context of recent protests, UN Fact-Finding Mission says," March 8, 2024.

⁹⁹ Shay Khatiri, "There are several Iranian presidential candidates, but only one Khamenei might want," Atlantic Council, June 21, 2024; Aniseh Bassiri Tabrizi, "Iran under Masoud Pezeshkian: Aiming for change without rocking the boat," Chatham House, July 8, 2024.

Amini's death).¹⁰⁰ He is thus generally regarded as a moderate, though some argue against describing Pezeshkian, or any participant in the tightly-controlled official politics of the Islamic Republic, as such.¹⁰¹ Despite his low profile, Pezeshkian was able to consolidate reformist votes and apparently boost voter turnout, advancing to the run-off election and then winning that race, defeating a hardliner 55% to 45%.

Whatever Pezeshkian's intentions, his presidency has been dominated to date by regional tensions that were further escalated by the killing of Hamas leader Haniyeh in Tehran just hours after Pezeshkian's inauguration. Moreover, his ability to decisively change the course of U.S.-Iran relations appears limited, given his lack of a political base and the ultimate decisionmaking power of the Supreme Leader.¹⁰² In July 2024, Secretary Antony Blinken said "the bottom line is that the Supreme Leader continues to call the shots. So I can't say that we have any great expectations, but let's see what he and his team actually do once they're in office."¹⁰³

Before he was even inaugurated, Pezeshkian faced his first political test in nominating a cabinet. Statements from his campaign that he would seek a younger and more diverse cabinet drew criticism from some hardline skeptics;¹⁰⁴ the cabinet that he nominated, which includes the second female cabinet minister in the Islamic Republic's history but a number of older and more conservative figures, disappointed some supporters.¹⁰⁵ Still, in late August 2024, Iran's parliament approved all members of the cabinet, a notable win for the new president.¹⁰⁶ The cabinet includes figures both from Raisi's administration as well as Rouhani's. One prominent figure from the latter group is Foreign Minister Abbas Araghchi, previously a member of the JCPOA negotiating team.

Iran's Military: Structure and Capabilities

Given the adversarial nature of U.S.-Iran relations and the centrality of various military-related entities in Iranian domestic and foreign policy, Iran's military has been a subject of sustained engagement by Congress and other U.S. policymakers.

Iran's traditional military force, the *Artesh*, is a legacy of Iran's Shah-era military force. The *Artesh* exists alongside the IRGC, which Khomeini established in 1979 as a force loyal to the new regime. Rivalries between the two parallel forces (each have their own land, air, and naval force components) stem from their "uneven access to resources, varying levels of influence with the regime, and inherent overlap in missions and responsibilities."¹⁰⁷ While both serve to defend Iran against external threats, the government deploys the *Artesh* primarily along Iran's borders to

¹⁰⁰ Pejman Tavahori, "Pezeshkian vs. Jalili: Women, morality police, culture," *Iran Wire*, July 2, 2024; Farnaz Fassihi, "Facing stark choices, Iranians vote in competitive presidential runoff," *New York Times*, July 5, 2024.

¹⁰¹ Najmeh Bozorgmehr, "Iran's reformist candidate jolts presidential race with nuclear pitch," *Financial Times*, June 20, 2024;

¹⁰² Mohammed Salih, "Pezeshkian and Iran's regional policy: Continuity and grappling with structural constraints," Foreign Policy Research Institute, July 26, 2024.

¹⁰³ U.S. Department of State, "Secretary of State Antony J. Blinken at Aspen Security Forum fireside chat moderated by Mary Louise Kelly of National Public Radio," July 19, 2024.

¹⁰⁴ Arash Azizi, "Pezeshkian's push for a diverse cabinet has exposed divisions in Iran," *National*, July 25, 2024.

¹⁰⁵ "Zarif resignation sparks criticism over president's cabinet choices," *Iran International*, August 11, 2024.

¹⁰⁶ Nasser Karimi, "Iran's hard-line parliament approves all members of president's Cabinet, first time since 2001," Associated Press, August 22, 2024.

¹⁰⁷ Defense Intelligence Agency, *Iran Military Power: Ensuring Regime Survival and Securing Regional Dominance*, 2019.

counter any invading force, while the IRGC has a more ideological character and the more expansive mission of combating internal threats and expanding Iran's influence abroad.

Ballistic Missiles

According to the U.S. intelligence community's 2024 threat assessment, "Iran's ballistic missile programs have the largest inventory in the region and Tehran is emphasizing improving the accuracy, lethality, and reliability of its missiles."¹⁰⁸ Per CENTCOM Commander General Michael E. Kurilla, Iran has aggressively developed its missile capabilities to achieve "an asymmetric advantage against regional militaries."¹⁰⁹ Iran has used its ballistic missiles to target U.S. regional assets directly, including a January 2020 attack (shortly following the U.S. killing of IRGC-QF Commander Soleimani) against Iraqi sites where U.S. military forces were stationed, and attacks against Iraq's Kurdistan region in March and September 2022.¹¹⁰

Iran's medium-range ballistic missiles were assessed by the Defense Intelligence Agency (DIA) in 2019 to have a maximum range of around 2,000 kilometers from Iran's borders, reportedly capable of reaching targets as far as southeastern Europe; General Kurilla repeated that estimate in 2024 testimony.¹¹¹ U.S. officials and others have expressed concern that Iran's government could use its nascent space program to develop longer-range missiles, including intercontinental ballistic missiles (ICBMs).¹¹² According to a congressionally mandated report issued by the Office of the Director of National Intelligence in June 2023, Iran's work on space launch vehicles (SLVs) "shortens the timeline to an ICBM if it decided to develop one because SLVs and ICBMs use similar technologies."¹¹³ The Biden Administration has designated for sanctions several Iranian and Chinese entities for their involvement in the Iranian government's ballistic missile activities.¹¹⁴

In 2024, Iran twice used missiles to directly target Israel. In the first attack, Iran launched 36 cruise missiles and around 120 ballistic missiles; U.S. officials reportedly assessed that half of the ballistic missiles failed to reach Israel, and most that did were shot down.¹¹⁵ In October, Iran reportedly launched around 180 ballistic missiles, of which around 30 impacted in Israel, causing limited damage; President Biden described the attack as having been "defeated and ineffective, and this is a testament to Israeli military capability and [the] U.S. military."¹¹⁶ In response to the second attack, Israel launched airstrikes on Iran, including some targeting Iran's missile program. Those strikes reportedly destroyed solid fuel production sites that could take up to a year to

¹⁰⁸ *Annual Threat Assessment of the U.S. Intelligence Community*, February 5, 2024.

¹⁰⁹ Statement for the Record before the Senate Armed Services Committee, March 13, 2023.

¹¹⁰ "Who would live and who would die: The inside story of the Iranian attack on Al Asad Airbase," *CBS News*, August 8, 2021; "Iran attacks Iraq's Erbil with missiles in warning to U.S., allies," Reuters, March 13, 2022; White House, "Statement by National Security Advisor Jake Sullivan on Iran's Missile and Drone Attacks in Northern Iraq," September 28, 2022.

¹¹¹ *Iran Military Power*, op. cit. 43; "Two visions for the future of the Central Command," March 7, 2024.

¹¹² *Annual Threat Assessment*, op. cit.; Farzin Nadimi, "Iran's ballistic missile arsenal is still growing in size, reach, and accuracy," Washington Institute for Near East Policy, December 13, 2021.

¹¹³ Office of the Director of National Intelligence, *Iran's Nuclear Weapons Capability and Terrorism Monitoring Act of 2022*, June 2023.

¹¹⁴ U.S. Department of the Treasury, "Treasury Sanctions Key Actors in Iran's Ballistic Missile Program," March 30, 2022; "Treasury sanctions international procurement network supporting Iran's missile and military programs," June 6, 2023.

¹¹⁵ Laurence Norman, "Iran attack demonstrates ballistic missile capabilities," *Wall Street Journal*, April 14, 2024.

¹¹⁶ "Remarks by President Biden before an interagency briefing on response to Hurricane Helene," White House, October 1, 2024.

replace, meaning that “Iran cannot produce missiles,” per a U.S. official.¹¹⁷ Still, the intelligence community reports that “Iran has the largest inventory of ballistic missiles in the region and continues to emphasize improving the accuracy, lethality, and reliability of these missiles.”¹¹⁸

Iran’s Missile Program and UN Sanctions “Snapback”¹¹⁹

In July 2015, the UN Security Council adopted Resolution 2231 (UNSCR 2231), which, in addition to endorsing full implementation of the JCPOA, also contained provisions related to Iran’s arms and missile development activities. Specifically, Annex B of the Resolution provides for a ban on the transfer of conventional arms to or from Iran (the conventional weapons ban expired in October 2020), and restricts exports of missile-related items until October 2023. UNSCR 2231 also includes provisions that effectively allow any “JCPOA participant state” to force the reimposition of UN sanctions, including the arms transfer and ballistic missile bans as well as broader asset freezes and travel bans, in a process known as “snapback.”

In August 2020, the Trump Administration invoked the snapback provision in an attempt to extend the conventional arms embargo, but most other members of the Security Council asserted that the United States, having ceased implementing its JCPOA commitments in 2018, was not a participant and therefore did not have the standing to trigger the snapback of sanctions, and the conventional arms ban expired in October 2020.¹²⁰ The Biden Administration reversed the Trump Administration’s position on the snapback provision. On October 18, 2023, UN sanctions related to Iran’s missile-related activities also expired; on the day of expiration the United States and 47 other countries issued a statement expressing their commitment to “take all necessary measures to prevent” the transfer of drones and related technology to and from Iran.¹²¹

UNSCR 2231 states that ten years after the resolution’s adoption (October 18, 2025), Termination Day will occur. Accordingly, on that day, sanctions imposed pursuant to UNSCR 2231 are terminated and the Security Council “will have concluded its consideration of the Iranian nuclear issue” unless the snapback provision has been invoked. UNSCR 2231 and the snapback mechanism will cease to be operational after Termination Day.¹²²

Iran’s Nuclear Program¹²³

U.S. policymakers have signaled concern for decades that Tehran might attempt to develop nuclear weapons. Iran’s construction of gas centrifuge uranium enrichment facilities is currently the main source of concern that Tehran is pursuing nuclear weapons. Gas centrifuges can produce both low-enriched uranium (LEU), which can be used in nuclear power reactors, and weapons-grade highly enriched uranium (HEU), which is one of the two types of fissile material used in nuclear weapons. Iranian leaders claim that the country’s enriched uranium production is only for Tehran’s current and future civil nuclear reactors.

2015 Joint Comprehensive Plan of Action (JCPOA)

The Obama Administration pursued a “dual track” strategy of stronger economic pressure through increased sanctions coupled with offers of sanctions relief if Iran accepted constraints on the

¹¹⁷ Barak Ravid, “Israel strike crippled Iran’s military production, sources say,” *Axios*, October 26, 2024; “Background press call on the situation in Syria,” op. cit.

¹¹⁸ ODNI, “Iran’s Nuclear Weapons Capability and Terrorism Monitoring Act of 2022,” November 2024.

¹¹⁹ For more, see CRS In Focus IF11583, *Iran’s Nuclear Program and U.N. Sanctions Reimposition*, by Paul K. Kerr.

¹²⁰ “UNSC dismisses US demand to impose ‘snapback’ sanctions on Iran,” *Al Jazeera*, August 25, 2020. For more, see CRS In Focus IF11429, *U.N. Ban on Iran Arms Transfers and Sanctions Snapback*.

¹²¹ U.S. Department of State, “Joint statement on UN Security Council Resolution 2231 Transition Day,” October 18, 2023.

¹²² Danny Citrinowicz, “2025 will be a decisive year for Iran’s nuclear program,” Atlantic Council, November 20, 2024.

¹²³ Material in this section is drawn from CRS Report R43333, *Iran Nuclear Agreement and U.S. Exit* and CRS Report R40094, *Iran’s Nuclear Program: Tehran’s Compliance with International Obligations*, by Paul K. Kerr.

nuclear program. Many observers assess that U.S. and multilateral sanctions contributed to Iran's 2013 decision to enter into negotiations that concluded in the 2015 Joint Comprehensive Plan of Action (JCPOA) between China, the European Union, France, Germany, Iran, Russia, the United Kingdom, and the United States.¹²⁴

The JCPOA imposed restraints on Iran's nuclear program in exchange for relief from most U.S. and UN Security Council economic sanctions (see "Sanctions" below). The agreement restricted Iran's enrichment and heavy water reactor programs and provided for enhanced IAEA monitoring to detect Iranian efforts to produce nuclear weapons using either declared or covert facilities. The nuclear-related provisions of the agreement, according to U.S. officials, extended the nuclear breakout time—the amount of time that Iran would need to produce enough weapons-grade HEU for one nuclear weapon—to a minimum of one year, for a duration of at least 10 years.¹²⁵ In addition to the restrictions on activities related to fissile material production, the JCPOA indefinitely prohibited Iranian "activities which could contribute to the design and development of a nuclear explosive device," including research and diagnostic activities.

Post-JCPOA Nuclear Expansion and Potential Weapons Development

President Trump announced in 2018 that the United States would "withdraw" from the JCPOA and begin reimposing formerly-lifted U.S. sanctions.¹²⁶ The IAEA reports that Iran began to diminish implementation of its JCPOA commitments in May 2019 until it "stopped implementing them altogether" in February 2021.¹²⁷

The IAEA has since reported that some of Iran's nuclear activities, including Iran's LEU stockpile and number of enrichment locations, exceed JCPOA-mandated limits, and that the agency is unable to perform JCPOA verification and monitoring activities. Iran's September 2023 de-designation of several IAEA inspectors, effectively barring them from taking part in the monitoring of Iran's nuclear program, drew condemnation from the IAEA Director General, who called the move "disproportionate and unprecedented" and "another step in the wrong direction" that "constitutes an unnecessary blow to an already strained relationship between the IAEA and Iran."¹²⁸ Iran continued to advance its nuclear activities in late 2023, increasing its "production of highly enriched uranium" in November 2023, "reversing a previous output reduction from mid-2023."¹²⁹ In part in reaction to those moves, the IAEA voted in June 2024 to censure Iran; as in the past, Iran reportedly responded to the censure by expanding its enrichment activities.¹³⁰ After

¹²⁴ Uri Berliner, "Crippled by sanctions, Iran's economy key in nuclear deal," NPR, November 25, 2013; Amir Toumaj, "Iran's economy of resistance: implications for future sanctions," AEI, November 17, 2014; "Inside the Iran nuclear deal," *Harvard Gazette*, October 6, 2015.

¹²⁵ "Background Conference Call by Senior Administration Officials on Iran," July 14, 2015. U.S. Secretary of Energy Ernest Moniz described this timeline as "very, very conservative" in an April 2015 interview (Michael Crowley, "Ernest Moniz: Iran Deal Closes Enrichment Loophole," *Politico*, April 7, 2015). See also CRS In Focus IF12106, *Iran and Nuclear Weapons Production*, by Paul K. Kerr.

¹²⁶ "Remarks by President Trump on the Joint Comprehensive Plan of Action," White House, May 8, 2018.

¹²⁷ *Verification and monitoring in the Islamic Republic of Iran in light of United Nations Security Council resolution 2231 (2015)*, GOV/2024/61, November 19, 2024.

¹²⁸ IAEA, "IAEA Director General's statement on verification in Iran," September 16, 2023.

¹²⁹ Francois Murphy, "Iran undoes slowdown in enrichment of uranium to near weapons-grade-IAEA," Reuters, December 26, 2023.

¹³⁰ Simon Henderson, "IAEA censure risks Iranian escalation," Washington Institute for Near East Policy, June 10, 2024; Kelsey Davenport, "Reacting to censure, Iran expands enrichment activities," Arms Control Association, July/August 2024.

a second IAEA censure in November 2024, Iran announced it would activate “new and advanced” centrifuges in response. In December, the IAEA Director General reported that Iran was poised to “significantly” increase the rate at which it is producing uranium enriched to 60%; producing weapons-grade HEU (which contains approximately 90% uranium-235) from HEU containing 60% uranium-235 requires relatively little additional effort.¹³¹

Much attention has focused on the question of Iran’s “breakout” time, or the time required to produce enough weapons-grade HEU for a nuclear weapon.¹³² In March 2024 testimony, General Kurilla stated that Iran “could enrich enough uranium for three nuclear devices within weeks.”¹³³ Secretary Blinken estimated in July 2024 that Iran “is probably one or two weeks away” from being able to produce enough fissile material for a nuclear weapon.¹³⁴

In 2024, strategic setbacks to Iran and its regional partners appear to have shifted the discourse in Iran around the possible development of nuclear weapons. The Office of the Director of National Intelligence (ODNI) stated in a congressionally-mandated July 2024 report that “There has been a notable increase this year in Iranian public statements about nuclear weapons, suggesting the topic is becoming less taboo.”¹³⁵ A November 2024 ODNI update reiterated the intelligence community’s assessment (as of late September 2024) that “Iran is not building a nuclear weapon” but assessed that increased Iranian public discussion about potential nuclear weapons “risks emboldening nuclear weapons advocates within Iran’s decision-making apparatus and shifting the thinking of current and future Iranian elites about the utility of nuclear weapons.”¹³⁶ Some observers have suggested that, given the risk that moves toward nuclear weapons development could prompt U.S. and/or Israeli military action, Iran might take steps to edge closer to weaponization (e.g., withdrawing from the Nuclear Non-Proliferation Treaty) without doing so.¹³⁷ Increasingly public discussion about weaponization could also be a “theatrical....warning to outside powers” as part of efforts to compel the United States to enter talks related to a new nuclear agreement.¹³⁸

U.S. Sanctions¹³⁹

Since 1979, U.S. Administrations have imposed economic sanctions in an effort to change Iran’s behavior, often at the direction of Congress. U.S. sanctions on Iran are multifaceted and complex, a result of over four decades of legislative, administrative, and law enforcement actions by successive presidential Administrations and Congresses.

U.S. sanctions on Iran were first imposed during the U.S.-Iran hostage crisis of 1979-1981, when President Jimmy Carter issued executive orders blocking nearly all Iranian assets held in the United States. In 1984, Secretary of State George Shultz designated the government of Iran a state sponsor of acts of international terrorism (SSOT) following the October 1983 bombing of

¹³¹ James Landale, “Iran’s uranium enrichment ‘worrisome’ – nuclear watchdog,” BBC, December 6, 2024.

¹³² CRS In Focus IF12106, *Iran and Nuclear Weapons Production*, by Paul K. Kerr.

¹³³ “Two visions for the future of the Central Command,” op. cit.

¹³⁴ U.S. Department of State, “Secretary of State Antony J. Blinken at Aspen Security Forum.”

¹³⁵ ODNI, “Iran’s Nuclear Weapons Capability and Terrorism Monitoring Act of 2022,” July 2024.

¹³⁶ ODNI, “Iran’s Nuclear Weapons Capability and Terrorism Monitoring Act of 2022,” November 2024.

¹³⁷ Hamidreza Azizi, “Iran’s shifting discourse on nuclear weaponization: Bargaining tactic or doctrine change?” Middle East Council on Global Affairs, November 6, 2024; Javad Heiran-Nia, “Iranian debate whether it’s time to develop nuclear weapons,” Stimson Center, November 8, 2024.

¹³⁸ “Iran’s weakened position and the status of its nuclear option,” IISS, December 2024.

¹³⁹ For more, see CRS In Focus IF12452, *U.S. Sanctions on Iran*, by Clayton Thomas.

the U.S. Marine barracks in Lebanon by elements that later established Lebanese Hezbollah. Iran's status as an SSOT triggers several sanctions including restrictions on licenses for U.S. dual-use exports; a ban on U.S. foreign assistance, arms sales, and support in the international financial institutions; and the withholding of U.S. foreign assistance to countries that assist or sell arms to the designee.

Later in the 1980s and throughout the 1990s, other U.S. sanctions sought to limit Iran's conventional arsenal and its ability to project power throughout the Middle East. In the 2000s, as Iran's nuclear program progressed, U.S. sanctions focused largely on trying to pressure Iran to limit its nuclear activities. Most of the U.S. sanctions enacted after 2010 were secondary sanctions on foreign firms that conduct transactions with major sectors of the Iranian economy, including banking, energy, and shipping. Successive Administrations issued Executive Orders under which they designated specific individuals and entities to implement and supplement the provisions of these laws. The United States has also, pursuant to various authorities, imposed sanctions on scores of entities held responsible for human rights violations.

In accordance with the 2015 JCPOA, discussed above, the United States waived its secondary sanctions, including sanctions on Iran's exportation of oil and on its financial sector; the European Union (EU) lifted its ban on purchases of oil from Iran and Iranian banks were readmitted to the SWIFT financial messaging services system;¹⁴⁰ and the UN Security Council revoked its resolutions that required member states to impose certain restrictions. The JCPOA did not require the lifting of U.S. sanctions on direct U.S.-Iran trade or sanctions levied for Iran's support for regional armed factions and terrorist groups, its human rights abuses, or its efforts to acquire missile and advanced conventional weapons technology. In 2018, the United States reimposed those sanctions that had been waived pursuant to JCPOA implementation.

U.S. sanctions imposed during 2011-2015, and since 2018, have taken a substantial toll on Iran's economy. According to one assessment, economic outcomes in Iran "are determined primarily by the multiple negative consequences of sanctions."¹⁴¹ Some analysts, while agreeing that sanctions have an impact, also have argued that Iran suffers from "decades of failed economic policies."¹⁴² A UN official, in a May 2022 visit to Iran, said that economic sanctions had increased inflation and poverty, exacerbating overall humanitarian conditions.¹⁴³

Sanctions appear to have had a mixed impact on the range of Iranian behaviors their imposition has been intended to curb. As mentioned above, some experts attribute Iran's decision to enter into multilateral negotiations and agree to limits on its nuclear program under the JCPOA at least in part to sanctions pressure. Other aspects of Iranian policy seen as threatening to U.S. interests, including its regional influence and military capabilities appear to have remained considerable, though are increasingly in question.¹⁴⁴ The reimposition of U.S. sanctions after 2018 may also have contributed to Iran's growing closeness to Russia and China.

¹⁴⁰ The Society for Worldwide Interbank Financial Telecommunication (SWIFT), based in Belgium, provides a financial messaging service to facilitate cross-border transactions, including payments involving multiple currencies. International energy-sector trade heavily depends on SWIFT services.

¹⁴¹ *Country Forecast: Iran*, Economist Intelligence Unit, August 2023.

¹⁴² Anthony Cordesman, "The Crisis in Iran: What Now?" Center for Strategic and International Studies, January 11, 2018.

¹⁴³ Golnaz Esfandiari, "Visit to Iran by controversial UN rapporteur provokes concerns," *RFE/RL*, May 13, 2022; Amir Vahdat, "UN envoy: US sanctions on Iran worsen humanitarian situation," *ABC News*, May 18, 2022.

¹⁴⁴ See, for example, "New report reveals extent of Iran's growing Middle East influence," *Al Jazeera*, November 7, 2019; Ariane Tabatabai et al., "Iran's Military Interventions: Patterns, Drivers, and Signposts," RAND Corporation, 2021; Philip Loft, "Iran's influence in the Middle East," House of Commons Library (UK Parliament), March 23, 2022.

As part of its oversight responsibilities and to better inform legislative action, Congress has directed successive Administrations to provide reports on a wide array of Iran-related topics, including U.S. sanctions and their impact (for more, see CRS Report R48282, *Iran: Congressional Reporting Requirements*, by Clayton Thomas). Congress has also held numerous hearings focused primarily or in part on U.S. sanctions on Iran.

The Biden Administration has not issued any new Iran-related sanctions authorities but has continued to designate for sanctions Iranian and third-country-based entities pursuant to existing U.S. laws and executive orders. Entities designated in 2024 include individuals and companies involved in: the production, sale, and shipment of Iranian oil to Asia; in Iran's attempts to interfere in U.S. elections; in Iran's human rights violations at home and abroad; in Iran's missile and UAV programs; and in the IRGC's malicious cyber activities. After Iran's October 2024 attack on Israel, National Security Advisor Jake Sullivan said the Biden Administration had "designated over 700 individuals and entities connected to the full range of Iran's destabilizing activities."¹⁴⁵

Action in the 118th Congress. Legislation in the 118th Congress has targeted a number of Iranian government behaviors, including its crackdown on popular protests, its continued oil exports, and its support for terrorist groups across the Middle East. Dozens of measures related to Iran sanctions have been introduced in the 118th Congress, with the House passing at least 13 of them.¹⁴⁶

Iran's April 2024 attack against Israel helped spur congressional action on a large emergency supplemental appropriations package (P.L. 118-50) that included a number of Iran sanctions-related measures:

- The Stop Harboring Iranian Petroleum, or SHIP, Act (Division J), which, among other provisions, directs the President to impose sanctions on persons the President determines have engaged in certain transactions related to Iranian petroleum exports.
- The Fight and Combat Rampant Iranian Missile Exports, or Fight CRIME, Act (Division K), which, among other provisions, directs the President to impose sanctions on persons the President determines engage in efforts to transfer missile-related technology to or from Iran.
- The Mahsa Amini Human Rights and Security Accountability, or MAHSA, Act (Division L), which, among other provisions, directs the President to review whether specified Iranian entities meet the criteria for designation under certain existing sanctions authorities.
- The Iran-China Energy Sanctions Act of 2023 (Division S), which amends the FY2012 NDAA to clarify that potentially sanctionable "significant financial transactions" related to Iranian petroleum include those carried out by PRC financial institutions.

¹⁴⁵ White House, "Statement by National Security Advisor Jake Sullivan on expansion of sanctions on Iran following attack on Israel," October 11, 2024.

¹⁴⁶ See H.R. 589, H.R. 3033, H.R. 3152, H.R. 3774, H.R. 4691, H.R. 5826, H.R. 5921, H.R. 5923, H.R. 5947, H.R. 5961, H.R. 6015, H.R. 6245, and H.R. 6323.

Outlook

Since October 2023, the regional turmoil unleashed by the Hamas-led assault on Israel has dominated U.S. policymaking in the Middle East, including concerns about the potential for direct U.S.-Iran conflict. The Biden Administration has focused on seeking to prevent the regionalization of the Israel-Hamas conflict, while stating that the United States will respond when its interests are threatened (demonstrated by U.S. military action in Syria, Iraq, and Yemen, and the U.S. role in defending against Iran's 2024 attacks on Israel). Some Members of Congress have called for more U.S. military action, including direct attacks against Iran.¹⁴⁷ Others have echoed Biden Administration calls for restraint and de-escalation.¹⁴⁸

As of the end of 2024, while the risk of regional conflict remains, some key elements of Iran's 'axis of resistance' appear to have been weakened, including by U.S. and Israeli military actions. The apparent degradation of these groups and evident failure of Iran's efforts to deter direct Iranian military action against it have sparked debate among Iranian policymakers about the future of Iran's strategic calculus, including with respect to the country's nuclear program. In the aftermath of regime change in Syria, some in Iran, including former government officials, have publicly questioned the wisdom of Iran's past support for Asad and called for a new, less confrontational approach to the region.¹⁴⁹

As Members of Congress consider U.S. policy towards Iran, Iranian government responses to changes in Iran's regional standing at the current potential inflection point could create opportunities and risks for the United States. An Iranian attempt to develop a nuclear weapon could spur congressional debate over the potential risks and benefits of direct U.S. military action, given successive Administrations' vows not to allow Iran to do so. In the 118th Congress, Senator Lindsey Graham introduced a joint resolution (S.J.Res. 106) to authorize the use of military force against Iran if the President determines that Iran "is in the process of possessing a nuclear weapon" or "possess uranium enriched to weapons-grade level."¹⁵⁰ Either in response to U.S. military action or to put pressure on the United States, Iran could also carry out attacks in the Gulf, including against U.S. allies or by closing the Strait of Hormuz; both could have dramatic implications for global energy markets.¹⁵¹ Iranian leaders have periodically threatened such attacks, though carrying them out would likely hamper Iran's already troubled economy and severely undermine Iran's post-2021 attempts to reconcile and establish productive ties with its Gulf neighbors.¹⁵²

Alternately, Iranian leaders could assess that recent setbacks leave them little choice but to seek a negotiated arrangement with the United States akin to Khomeini's acceptance of a 1988 cease-fire

¹⁴⁷ See, for example, "US senator calls for bombing IRGC positions inside Iran," *Iran International*, December 28, 2023; Filip Timotija, "GOP senator calls for US retaliatory strikes on Iran," *The Hill*, April 13, 2024.

¹⁴⁸ See, for example, Sen. Tom Caper, Statement on Iran's unprecedented attack against Israel, April 14, 2024. Appropriations acts from FY2020 to FY2023 included a provision stating that they may not be construed as authorizing the use of force against Iran; that provision was not included in the FY2024 Further Consolidated Appropriations Act.

¹⁴⁹ Farnaz Fassihi, "The Syrian upheaval has Iranian leaders reeling, too," *New York Times*, December 13, 2024.

¹⁵⁰ Doreen Horschig, "Why striking Iranian nuclear facilities is a bad idea," CSIS, October 25, 2024; Michael Eisenstadt, "With its conventional deterrence diminished, will Iran go for the bomb?" Washington Institute for Near East Policy, November 15, 2024.

¹⁵¹ Ariel Cohen, "Iran threatens to hold global energy hostage," *Forbes*, October 14, 2024.

¹⁵² Samia Nakhoul et al., "Exclusive: Stop Israel from bombing Iran's oil sites, Gulf states urge US," Reuters, October 10, 2024.

with Iraq, which he described as “more deadly than taking poison.”¹⁵³ In 2015, Congress passed legislation (P.L. 114-17) to mandate congressional review of any U.S.-Iran agreement related to Iran’s nuclear program. Congress could also seek to influence possible U.S.-Iran negotiations on broader issues, whether or not they result in agreements. U.S.-Iran diplomatic engagement seems likely to be colored by the past decades of mutual antagonism and considerable mistrust.

Members of Congress may also follow political developments in Iran, which could have implications for U.S. policy and possible congressional action. Though the regime appears to maintain some popular support and has considerable repressive capabilities that it uses often, it has also lost legitimacy in the eyes of many Iranians. Authoritarian regimes can be vulnerable when under stress, and assessing their stability or fragility can be difficult.¹⁵⁴ The question of Supreme Leader succession could be a consequential and perhaps destabilizing moment for the Islamic Republic.

Figures associated with the incoming U.S. Administration have said that they anticipate a return to “maximum pressure,” though it is not clear what forms that pressure might take. At the same time, President-elect Trump has expressed openness to an agreement, saying in September 2024 that “We have to make a deal,” and Trump advisor Elon Musk reportedly met with Iran’s ambassador to the United Nations in November 2024.¹⁵⁵ Opportunities for congressional action could include the authorization of new sanctions authorities or additional resources for executive branch actions to implement and enforce sanctions on Iran; measures supporting, opposing, or placing conditions on the relaxation or removal of sanctions in connection with U.S.-Iranian diplomatic engagement; efforts to authorize, condition, or prohibit U.S. military force against Iran; and providing, conditioning, or limiting military support to Israel and other U.S. partners threatened by Iran.

¹⁵³ Robert Pear, “Khomeini accepts ‘poison’ of ending the war with Iraq; U.S. sending mission,” *New York Times*, July 21, 1988.

¹⁵⁴ Sanam Vakil, “Iran’s electoral façade,” Chatham House, March 4, 2024; “Deep dive: Iran elections highlight political rivalries, leadership succession,” *amwaj.media*, March 5, 2024; “What America misunderstands about the Islamic Republic of Iran,” Foundation for Defense of Democracies, June 7, 2024; Joseph Wright and Daehee Bak, “Measuring autocratic regime stability,” *Research and Politics* 3 (1), 2016; Adam Przeworski, “Formal models of authoritarian regimes: a critique,” *Perspectives on Politics* 21 (3), 2023.

¹⁵⁵ Kierra Frazier, “Trump makes a surprising overture to Iran at NYC press conference,” *Politico*, September 26, 2024; Farnaz Fassihi, “Elon Musk met with Iran’s U.N. ambassador, Iranian officials say,” *New York Times*, November 14, 2024.

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