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U.S. Diplomacy With Iran: The Limits of Tactical Engagement

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Iran's location, size, resource base, and comparatively strong national identity make it an important player in the regional balance of power in the Persian Gulf and the Middle East more generally. Since the advent of the Islamic Republic in 1979, Iran has used its strategic energies in ways that have worked against American interests on a number of fronts. As a result, successive U.S. administrations have sought to contain and isolate Iran in various ways—through sanctions, indirect military pressure, and, it would seem, covert action.

- The Islamic Republic has been on the State Department's list of state sponsors of terrorism since 1979—a status that carries with it the imposition of a specific set of unilateral U.S. sanctions.
- During the 1980s—notwithstanding its opportunistic arms-for-hostages channel—the Reagan Administration indirectly supported Iraq in a brutal war against Iran and, in the later stages of this conflict, committed U.S. naval assets to battle Iranian maritime forces in the Persian Gulf in the so-called Tanker War.
- In the mid 1990s, the Clinton administration significantly toughened U.S. unilateral sanctions against Tehran through the issuance of two executive orders that effectively prohibited any meaningful economic interaction between the United States and Iran.

At the same time, though, Iran's undeniable importance in the regional balance of power means that a strategy of containing and isolating the Islamic Republic is, at best, a "mixed bag" for American interests. Over the long term, such a posture is, ultimately, unsustainable.

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For these reasons, the Reagan, George H.W. Bush, Clinton, and George W. Bush administrations all sought to explore possibilities for some kind of opening to Iran, either through limited tactical cooperation on specific issues of mutual interest or by testing the waters publicly. I was directly involved in the Bush Administration's efforts to engage Iran over Afghanistan, *al Qaeda*, and Iraq, both before and after the 9/11 attacks. I will return to that episode in greater detail. At this point, I think it is important to emphasize that, in all these cases, Iran's tactical cooperation with the United States was fundamentally positive in character. Furthermore, in each case – and especially with regard to post-9/11 cooperation over Afghanistan—Iran hoped and anticipated that tactical cooperation with the United States would lead to a genuine strategic opening between our two countries. In all these cases, however, it was the United States that was unwilling to build on issue-specific tactical cooperation to pursue true strategic rapprochement.

The Reagan administration's engagement with Iran to secure the release of American hostages in Lebanon – where Iranian influence indeed effected the release of several U.S. hostages-- came to grief in the "Iran-Contra" scandal, in which Elliot Abrams and other Reagan Administration officials sought to divert proceeds from the sale of U.S. weapons to Iran to circumvent Congressional restrictions on funding the Nicaraguan contras. The efforts of Abrams other Reagan Administration officials to undermine the Constitution can hardly be characterized as Iranian misbehavior. Nevertheless, the exposure of the Iran-contra scandal in the United States effectively shut down U.S.-Iranian engagement for several years.

The first Bush administration resumed contacts with Tehran to secure the release of the last American hostages in Lebanon – which happened through Iranian intervention – and pledged that "good will would beget good will". A senior Iranian diplomat with whom I negotiated during 2001-2003 told me that this statement that Iran's "good will" would "beget good will" from the United States created an impression in Tehran leadership circles that the United States would reciprocate positive moves by Iran.

- The Islamic Republic – after 1989 under the leadership of President Ali Akhar Hashemi Rafsanjani and the late Ayatollah Khomeini's successor as Supreme Leader, Ayatollah Ali Khamenei -- was studiously neutral during the first Gulf War of 1991, which meant that Tehran committed not to work against U.S. objectives in that campaign.
- Beyond this, Iran provided tactical support to U.S. military efforts in the Gulf – for example, by agreeing to allow U.S. military forces to

enter Iranian territory if necessary to rescue downed American air crews.

However, the first Bush Administration decided to postpone reciprocal steps towards Iran or pursuit of broader rapprochement until after the 1992 presidential election – and the presumptive re-election of the President who had presided over the end of the Cold War and led the United States to victory in the first Gulf War.

During the initial years of the Clinton Administration's tenure, Rafsanjani continued his overtures to the United States, including proposals on Caspian pipelines, Caucasian oil swaps and the participation of U.S. companies in the development of Iran's off-shore oil and gas resources.

- In 1994, the Clinton administration acquiesced to the shipment of Iranian arms to Bosnian Muslims, but the leak of this activity in 1996 and criticism from presumptive Republican presidential nominee Robert Dole shut down possibilities for further U.S.-Iranian cooperation for several years. An Iranian diplomat who had direct contacts with Clinton Administration officials during this episode was another of my interlocutors during our negotiations over Afghanistan from 2001-2003. This diplomat said that while it was worthwhile for Iran to have worked with the United States to forestall further ethnic cleansing in Bosnia, the episode showed once again that the United States was unwilling or unable to sustain cooperation with Iran even when that cooperation was manifestly in America's own interest.
- In 1995, the Clinton Administration responded to Rafsanjani's "provocation" of offering the U.S. energy company Conoco a contract to develop two Iranian oil and gas fields by issuing two executive orders that effectively prohibited any meaningful economic interaction between the United States and Iran. This was followed in 1996 by President Clinton's signature on the Iran-Libya Sanctions Act, the first legislative authorization for Iran-related secondary sanctions. When Secretary of State Madeline Albright subsequently proposed to open a dialogue with the Islamic Republic – with the reformist President Mohammed Khatami then in office—and modified U.S. sanctions to permit the import of pistachios and rugs, Tehran dismissed this as inadequate and insisted on a complete lifting of sanctions before dialogue could begin.

The pattern of abortive tactical engagement continued under the current George W. Bush Administration. In the late Spring of 2001, when I was serving as a U.S. foreign service officer at the U.S. Mission to the United

Nations, I was given responsibility for dealing with the political aspects of the issue of Afghanistan at the United Nations. In this capacity, I was authorized to work with my Iranian counterpart as part of the Six Plus Two diplomatic process that had been established by the United Nations to deal with the multiple threats the situation in Afghanistan posed to international peace and security – even before 9/11. My Iranian counterpart and I worked openly and constructively on a wide range of Afghan-related issues, including:

- enforcement of an arms embargo on the Taliban regime;
- counter-narcotics initiatives; and
- humanitarian relief for Afghan refugees, 2 million of whom were in Iran.

In addition, Iran – though not at the time a Security Council member – expressed support and lobbied for Security Council resolutions condemning the terrorist activities of *al Qa'ida* and the Taliban regime's protection of *al Qa'ida*. Indeed, in August and early September 2001, Iran and Russia worked with the United States to shape an agenda and draft statement of principles for a 6+2 Foreign Ministers meeting scheduled for late September 2001 that obligated Afghanistan's neighbors, including Iran, and Russia and the United States to take concrete actions to deal with the terrorist threat posed by *al Qa'ida* and its Taliban supporters, even before the 9/11 attacks. Ironically, it was our key "ally" Pakistan, supported by China, which worked to limit the agenda to discussion of the humanitarian impact of multilateral sanctions on the Taliban regime, with no consideration of terrorism.

On September 11, 2001, I was scheduled to meet with my Iranian counterpart to discuss how to make sure that terrorism was the centerpiece of the agenda and draft statement of principles for the upcoming 6+2 Foreign Ministers meeting in New York. Instead, the World Trade Center was attacked and I was evacuated from the U.S. Mission to the United Nations. I began walking home. My cell phone rang; I answered it immediately, anticipating that it would be my sister who worked at the World Trade Center. Instead, it was my Iranian counterpart calling to see if I was alright and to express his horror at what he thought was an *al Qa'ida* terrorist attack on the United States. Without hesitation, he said he wanted me to know that the Iranian people and the Iranian government would be condemning this horrible attack on the United States and the entire civilized world. Within days, the Iranian government did come out to strongly condemn the attack and hundreds of Iranians took to the streets of Tehran in candlelight vigils to mourn those who perished in New York, Washington and

Pennsylvania. Even the Supreme Leader, Ali Khamenei, took the extraordinary step of unequivocally condemning al Qaeda and its attack on the United States in his Friday prayer sermon that was broadcast to tens of millions of Iranians around the country.

For the first two months after the 9/11 attacks, I worked openly and intensively with my Iranian counterpart to establish a framework for U.S.-Iranian cooperation on Afghanistan. My Iranian counterpart said that the Islamic Republic was prepared to offer unconditional cooperation to the United States – in contrast to Tehran’s diffident response to Secretary Albright’s proposal for dialogue, the Islamic Republic would not ask the United States for anything up front in return for Iranian cooperation with regard to Afghanistan.

- In the run-up to Operation Enduring Freedom, Iran – as it had during the first Gulf War, gave permission for U.S. military forces to conduct search and rescue missions on Iranian territory. At one meeting we had with the Iranians, they identified on a map Taliban positions in Afghanistan which they believed were particularly important to target as part of the coalition’s air operations.
- Tehran also committed to establish a humanitarian corridor for the flow of relief supplies from Iran into Afghanistan. This was important because it allowed the United States and its coalition partners to respond to international demands that the United States “pause” its air operations in Afghanistan to allow relief supplies to enter the country.
- Iranian officials pledged cooperation with the United States to set up a post-Taliban political order in Afghanistan, using whatever statistics regarding the ethnic and sectarian composition of Afghanistan’s population that the U.S. government preferred – including, in the words of one senior Iranian diplomat, the figures presented in the CIA’s World Factbook.
- When the 6+2 Foreign Ministers, including the Iranian Foreign Minister and U.S. Secretary of State Colin Powell, finally met in New York in November 2001, Iran was critical to the adoption of ministerial statement of principles that committed the parties to combat terrorism and take all necessary steps to ensure that Afghanistan would not again become a launching ground for *al Qaeda*.
- In the middle of the Foreign Ministers meeting, reports of the crash of a commercial airliner in Queens raised concerns that the United

States was once again under terrorist attack. As reports of the Queens crash came in, Iranian Foreign Minister Kamal Kharrazi added a statement to his prepared remarks that the government of Iran stood with the United States against terrorism and expressed his sorrow at the loss of American life. Kharrazi took a pen and added this sentence to his prepared text with his own hand. He then had one of his deputies bring that copy of his text to me; I passed it to Secretary Powell.

- When Iranian President Mohammed Khatami came to New York in November for the United Nations General Assembly, he asked to visit Ground Zero in order to offer prayers and light a candle – as the Iranian people had done in processions in Tehran—in tribute to the victims of the 9/11 attacks.
- Tehran offered to include, as part of President Khatami’s delegation to the UN meetings in New York, Iranian counterterrorism experts who would be prepared to open a counterterrorism dialogue with the United States. However, the Bush Administration declined this offer.

At the Bonn conference in December 2001, Iranian cooperation was important to standing up a post-Taliban political order in Afghanistan, as James Dobbins and other former U.S. officials have documented. Following the Bonn conference – and my transfer from the U.S. Mission to the United Nations to a position as Director of Iran and Afghanistan Affairs at the National Security Council – the United States and Iran launched an ongoing channel of monthly meetings in Europe to coordinate our efforts on Afghanistan and related issues. I was one of two U.S. officials who consistently participated in these discussions; the other was Ryan Crocker, currently the U.S. ambassador to Iraq. Other U.S. officials periodically attended these meetings, which were held in either Geneva or Paris and went on for seventeen months. During this period, there were other contacts between U.S. and Iranian officials – James Dobbins, for example, met with Iranian counterparts at an Afghan Donors Conference in March 2002—but these monthly meetings were the most regular channel for direct communication between the United States and Iran from the overthrow of the Taliban regime in Afghanistan until the overthrow of Saddam Hussein in Iraq.

- In December 2001, Tehran agreed to keep Gulbuddin Hekmatyar, the brutal pro-Taliban warlord, from returning to Afghanistan to lead jihadist resistance there so long as the Bush administration did not criticize it for harboring terrorists. But, in his January 2002 State of the Union address, President Bush did just that in labeling Iran part

of the “axis of evil.” Unsurprisingly, Hekmatyar managed to leave Iran in short order after the speech.

- We provided the Iranians with a list of names of individuals associated with *al Qaeda* or the Taliban whom we believed were seeking to flee Afghanistan into Iran. Iranian officials apprehend and returned some of them to Afghan authorities. In addition, Tehran provided copies of the passports of more than 200 *al Qaeda* and Taliban associates taken into Iranian custody. The copied passports were passed to U.S. authorities through the Secretary General of the United Nations. Iran also deported several dozen *al Qaeda* and Taliban associates in Iranian custody to their countries of origin and said that it was prepared to either put on trial or discuss with other relevant parties what to do with detainees whose country of origin would not accept them.
- To support the Afghan Loya Jirga, scheduled for June 2002, Iran coordinated with us to use its influence over various regional warlords throughout the Spring of 2002 to ensure a successful outcome for President Karzai. In addition, Tehran directed the Seph-e-Mohammed, a anti-Taliban largely Shiite militia group that had been founded, armed and funded by the Islamic Republic among the Afghan refugees in Iran before the overthrow of the Taliban, to become part of and loyal to the U.S. sponsored new Afghan national military.
- Following the June 2002 Afghan Loya Jirga, U.S.-Iranian discussions grew progressively less productive. Iranian representatives continued to try to discuss Afghan developments but, the United States was increasingly focused on the upcoming invasion of Iraq. Iranian diplomats indicated in the monthly meetings that they wanted to broaden the agenda for discussion. However, our agenda in the monthly meetings with the Iranians became increasingly narrow, focused on the issue of *al Qaeda* operatives that had presumably made their way into Iran.

As the dialogue between the United States and Iran over Afghanistan and related issues began to decline, the nature of the dialogue changed in other significant and, from an Iranian perspective, negative ways. In March 2003, I left my position at the National Security Council and went back to the State Department, where I did not continue my participation in the dialogue with Iran. Similarly, Ryan Crocker was deployed to Iraq, which ended his involvement in diplomatic dialogue with Iran, at least until very recently. On the American side, Zalmay Khalilzad became involved in the channel, but he was also focused primarily on Iraq at the time. Thus, from an Iranian

perspective, the bilateral channel between the United States and Iran was becoming less functional, even before Washington cut it off in May 2003.

It is in this context that one should evaluate the Iranian offer to negotiate a comprehensive resolution of differences between the United States and the Islamic Republic. With the bilateral channel in decline, Tehran sent this offer in early May 2003 through Switzerland, the U.S. protecting power in Iran, as Secretary Rice and former Administration officials have acknowledged. Everything would be on the table, including Iran's support for Hizballah as well as its nuclear ambitions and role in Iraq. But the Bush administration rejected this proposal out of hand. Less than two weeks later, Washington cut off the bilateral channel with Iran on Afghanistan and *al-Qa'ida* over questionable and never substantiated allegations linking Tehran to the May 12, 2003 bombing in Riyadh, Saudi Arabia.

From an Iranian perspective, this record shows that Washington will take what it can get from talking to Iran on specific issues but is not prepared for real rapprochement. From an American perspective, I believe that this record indicates that the Bush Administration cavalierly rejected multiple and significant opportunities to put U.S.-Iranian relations on a fundamentally more positive and constructive trajectory. This mishandling of U.S. relations with Iran continues to impose heavy costs on American interests and policy efforts in the Middle East – on the Iranian nuclear issue, in Iraq, in Afghanistan, in Lebanon, and in the Arab-Israeli arena.

I want to note in closing that the White House has gone to extraordinary lengths, including outright abuse of executive powers, to keep me from revealing the full extent of the Bush Administration's mishandling of Iran policy since the 9/11 attacks. In December 2006, I co-authored an op-ed for *The New York Times* on this topic using material that my co-author—my husband and former NSC colleague Flynt Leverett—had previously cleared through the CIA for publication in other Op Eds and a longer monograph on U.S. diplomatic options for dealing with Iran. When we submitted our joint Op Ed draft for pre-publication review, my co-author was informed by a member of the Agency's Prepublication Review Board that the draft, in the Agency's judgment, contained no classified material. Similarly, I was informed by a career officer in the State Department involved in the review process that, in the State Department's judgment, the draft contained no classified information. However, my co-author and I were told separately by the CIA and the State Department that the White House had complained about my husband's previous publications criticizing the Bush Administration's Iran policy and insisted on participating in the review process for our Op Ed. Political appointees at the White House insisted that

whole paragraphs of the Op Ed be censored, even though these passages contained either material that my husband had already cleared for publication or that other current and former officials—including Secretary Rice and former Secretary Powell—had already discussed publicly.

The prepublication review process is supposed to protect classified information—nothing else. But, in our case, the White House abused its power to politicize that process, solely in order to silence two former officials who can speak in a uniquely informed way about the Bush Administration’s strategic blunders toward Iran. Neither my husband nor I would disclose classified information. We have not done so today. But neither will we be intimidated by a White House acting in a fundamentally un-American way to silence criticism of its policies. It is in that spirit that we have come before the subcommittee today.

Since we are appearing before a subcommittee of the House Committee on Government Oversight and Reform, I want to close by highlighting one aspect of the politicization of the prepublication review process for our Op Ed that should, in my judgment, be of concern to Congress. On December 15, 2006, the State Department sent me a fax of the draft op-ed where it proposed to allow publication of the fact that Secretary of State Rice and former officials had seen and rejected the Iranian proposal for comprehensive talks on the condition that I describe it as a proposal for “one on one talks.” However, Secretary Rice told Congress that she had never seen the offer. The language proposed by the State Department, that then National Security Adviser Rice had seen and rejected the Iranian proposal, and Secretary Rice’s statement that she had never seen the offer, are not consistent.