

Press Releases: Background Briefing on President Trump's Decision To Withdraw From the JCPOA

Special Briefing
Senior State Department Officials
Washington, DC
May 8, 2018

MODERATOR: All right, thanks everybody. So we are glad to have with us today two folks to talk about the President's decision today to withdraw from the JCPOA. This will be on background, embargoed until the end. Our two speakers with us today are [Senior State Department Official One], and next to him is [Senior State Department Official Two]. And so they'll start with a few comments and then we'll take some questions.

I think – you'd like to start?

SENIOR STATE DEPARTMENT OFFICIAL ONE: Great, yeah. Hi.

MODERATOR: Senior State Department Official Number One.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Hi. So I thought we would just start with a little bit more substance, going one level deeper. You all heard the President's remarks; you saw the Secretary's statement. So we wanted to put a little bit more meat on the bones and then open it up for questions and use the time the way that you think is most useful for you all.

So the sanctions reimposition that the President talked about is going to come in two phases. There's going to be one period for wind down that lasts about – that lasts 90 days, and one period of wind down that lasts six months. The six-month wind down – wind downs are, by the way, pretty standard across sanctions programs. So this is not Iran-specific, but oftentimes when we either impose sanctions or reimpose sanctions, we provide a wind down to allow both U.S. companies but foreign companies as well to end contracts, terminate business, get their money out of wherever the sanctions target is – in this case, Iran. Because what we want – we don't want to do is we don't want to impact or have unintended consequences on our allies and partners. We want to focus the costs and the pain on the target. And in this case, that's the Iranian regime.

So wind downs are pretty natural. In this case, we're providing a six-month wind down for energy-related sanctions. So that's oil, petroleum,

petrochemicals, and then all of the ancillary sanctions that are associated with that. So, for example, banking; sanctions on the CBI in particular, because the Central Bank of Iran is involved in Iran's export of oil and the receipt of revenues. Shipping, shipbuilding, ports – all of those sanctions that are related to both the energy sector and then the banking and the shipping or transportation of that energy will all have a six-month wind down. Everything else is going to have a 90-day wind down. So that's – the architecture of the Iranian sanctions program was quite complex, but everything else includes things like dealing in the rial, providing metal – precious metals and gold to the Iranian regime, providing U.S. banknotes.

So there's a whole kind of swath of other sanctions that are all going to have a 90-day wind down. In addition, within the first 90 days, the Treasury Department is going to work to end – to terminate the specific licenses that were issued pursuant to the statement of licensing policy on civil aviation. So Treasury's going to be reaching out to those private sector companies that have licenses and work to end – terminate those licenses in an orderly way that doesn't lead to undue impact on the companies.

The other big action that has to be done is the re-designation of all of the individuals that were delisted pursuant to the JCPOA. There are over – I think 400 and some odd were specifically designated for conduct, and another 200 or so were identified as part of the Government of Iran. Treasury – that's obviously a big – it's a lot of work for Treasury. Their aim is to relist all of those individuals and entities by the end of the six-month wind down. They're not going to relist entities and individuals overnight, and – both for practical reasons, but also for policy reasons. If some of those individuals and entities were relisted right away, it would impact the wind down, right? So if we're allowing a six-month wind down for energy-related or petroleum-related business, and then you designate – you re-designate tomorrow an Iranian-related petroleum entity, it makes null and void the six-month wind down that you just provided. So that's all going to be done in a coherent way to provide a real wind down period.

So that's kind of the – putting a little bit of meat on the bones of what it means to reimpose the Iran architecture, sanctions architecture.

SENIOR STATE DEPARTMENT OFFICIAL TWO: That's great.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Do you want to open it up for questions?

QUESTION: I have a question. Lesley Wroughton from Reuters. You said it's not meant to have unintended consequences, but it does. Nobody's going to touch Iran or – and immediately I think the U.S. ambassador to Germany just said to – told all German companies to move out immediately, so it does have unintended consequences.

QUESTION: Do you have guarantees from the Europeans that they're going to go along with this? Or like they have with the Cuba sanctions, are they going to fight it? Do you know?

SENIOR STATE DEPARTMENT OFFICIAL ONE: So what we're going to do and what we've already – since last December, when we started working with our European allies on both the nuclear file but then also the broader array of Iranian threats, we're going to continue to work closely with them. We're going to broaden that engagement. And like both the President said and I think the Secretary said in his statement, he's going to lead an effort to build a global effort to constrain and to prevent, both on the nuclear front but then also on the ballistic missile front, support to terrorism and the – kind of the six or seven areas that the President has outlined as kind of the broad array of Iranian threats. We're going to build a global coalition to put pressure on Iran to stop that behavior. That's –

SENIOR STATE DEPARTMENT OFFICIAL TWO: And let me just –

QUESTION: What was the –

QUESTION: We've heard from the Brits –

QUESTION: Sorry, could you just respond to her?

QUESTION: I was going to say, I mean – go on, Matt.

QUESTION: We've heard from others that they not only are not going to –

QUESTION: Would you mind? I had the first question.

QUESTION: Oh, sorry. Okay. Yep, I apologize.

QUESTION: And they haven't even answered it.

QUESTION: Yep.

QUESTION: If you don't mind.

SENIOR STATE DEPARTMENT OFFICIAL TWO: So I just wanted to say that those are actually intended consequences. We do think that, given the IRGC's penetration of the Iranian economy and Iran's behavior in the region, as well as its other nefarious activities, that companies should not do business in Iran. That's an intended consequence. And we thank our ambassador out there for reaffirming that message.

QUESTION: So all those companies that have gone in are moving out?

SENIOR STATE DEPARTMENT OFFICIAL TWO: We're certainly going to encourage them to.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Yeah.

QUESTION: Why –

QUESTION: And what if they don't?

QUESTION: If they don't, are you prepared to sanction German companies, French companies?

SENIOR STATE DEPARTMENT OFFICIAL TWO: Those are discussions we're going to have with the Europeans.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Yeah.

QUESTION: I mean, you've been having discussions –

QUESTION: Sorry, just a point of clarification on that. That would begin after the 180-day period is over, correct?

SENIOR STATE DEPARTMENT OFFICIAL ONE: If it's energy-related or banking-related. If it's related to the provision of precious metals or gold or any of the sanctions that are being re-imposed after 90 days, then that would be –

QUESTION: So you are planning to sanction European companies, or you will have those discussions? Like –

SENIOR STATE DEPARTMENT OFFICIAL ONE: We've already started the discussions this afternoon, right. The discussions are ongoing and the effort is ongoing. Hopefully we will build – and this is the Secretary and the President's desire and focus, is to build this global effort to put renewed and strengthened pressure on Iran. And that will include trying to isolate Iran economically.

QUESTION: Well, why not keep the structure of the deal and address these concerns on the side, as has been discussed for the last few months?

SENIOR STATE DEPARTMENT OFFICIAL TWO: Well, I think as the President laid out, that the problem with the deal was that it reduced our ability to pressure Iran, right. It essentially cordoned off this huge area of the Iranian economy and said, "Hey, we know about the IRGC's penetration of the economy. We know Iran's doing all this nefarious, malign activities in the region. But because of this nuclear angle, which is only one aspect of Iran's behavior – a critical one, but just one – you essentially can't sanction these entities that are involved in all this other stuff."

QUESTION: So wait, just – so the United States has basically no economic relationships right now with the Iranians, right? So there is no power of U.S. sanctions to prevent – in preventing U.S. economic activity. The only power that U.S. sanctions have is in preventing European and other economic activity, right?

SENIOR STATE DEPARTMENT OFFICIAL ONE: Secondary sanctions.

SENIOR STATE DEPARTMENT OFFICIAL TWO: The secondary sanctions, correct.

QUESTION: Why get out of the deal until you know for sure that Europe is going to go along with that secondary sanction activity or whether you're – they'll fight you? Because if they fight you, you're going to be in a worse situation vis-a-vis Iran than you are now and than you are previously, right? So you don't actually know – you're saying that the President's going to start this global coalition, but you don't actually know whether even your

closest allies are going to be part of that coalition, right?

SENIOR STATE DEPARTMENT OFFICIAL ONE: The President made clear on January 12th that he was giving a certain number of months to try to – for – try to get a supplemental agreement with the E3. We didn't get there. We got close. We made a – we had movement, a ton of good progress, which will not be wasted, but we didn't get there. So he was clear January 12th that if we don't get this supplemental, he's withdrawing the United States from the JCPOA, and that's what he did. That being said, you could even see that President Macron tweeted only a few minutes after the President finished his statement that France is eager to be part of an effort – I forget the exact words, but part of an effort on a broader deal that addresses the nuclear file but also –

SENIOR STATE DEPARTMENT OFFICIAL TWO: Syria, Yemen.

SENIOR STATE DEPARTMENT OFFICIAL ONE: – Syria, Yemen, and others. So you already see – you already see from President Macron a willingness to work on a broader deal; you see from the Saudis have also issued a statement supporting our withdrawal; the Israelis did as well. No one is saying this is going to be easy, right, but the President made clear his intention on January 12th. He made good on that – on that promise.

QUESTION: You don't know right now whether you're going to be in a better place or in a worse place; is that what you're saying?

SENIOR STATE DEPARTMENT OFFICIAL TWO: No, we think we're going to be in a better place.

SENIOR STATE DEPARTMENT OFFICIAL ONE: No, we know we're –

QUESTION: But you don't know.

SENIOR STATE DEPARTMENT OFFICIAL ONE: We know we're going to be in a better place because we don't think that the current JCP – the JCPOA, as it is now, adequately protects U.S. national security. So –

QUESTION: Because?

SENIOR STATE DEPARTMENT OFFICIAL ONE: Because it allowed Iran to enrich after sunsets, after those restrictions melted away –

QUESTION: In seven years.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Yes.

QUESTION: And even then, not enriching to a level where they could build a nuclear weapon.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Listen, after – after the Israelis revealed what they were able to find –

QUESTION: All old stuff, all old – before.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Listen, it was – we have acknowledged for quite some time that the Iranians had a nuclear weapons program, but nobody knew until the Israelis found it, this well curated archive, the level of detail, right. And the – I think it reinforced in a very meaningful way that all of the Iranian statements throughout the negotiations and after were lies.

QUESTION: So the President said that we would impose sanctions on countries who helped with Iran's nuclear program, but actually, you will reimpose sanctions on companies and countries that do any – roughly any economic activity, no matter if it has anything to do with nuclear or anything, right?

SENIOR STATE DEPARTMENT OFFICIAL ONE: In the buildup – in the buildup to the negotiations that led first to the JPOA and the JCPOA, we had an extensive architecture of secondary sanctions that started more or less with CISADA in 2010. We had to use those secondary sanctions very, very rarely. In fact, we only ever sanctioned two banks with secondary sanctions, Kurland and Elaf in Iraq. The leverage that we gained from the secondary sanctions is what we used throughout the world with engagement to get countries to partner with us to build the economic isolation of Iran. That's what we want to do again. It's not about sanctioning foreign companies; it's about using the leverage and engaging the way we did before.

SENIOR STATE DEPARTMENT OFFICIAL TWO: That's right.

QUESTION: When you say that the – when you –

SENIOR STATE DEPARTMENT OFFICIAL TWO: This is a long-established practice, I mean, since ILSA in the late '90s, this is something the U.S. has been doing. Sorry.

QUESTION: When you say that the effort that you had in the negotiations with the E3 will not be wasted, will you be implementing any of that? Because I mean, it was the supposition that the U.S. would stay in the deal if these areas were addressed by the E3. The U.S. isn't staying in the deal, so –

SENIOR STATE DEPARTMENT OFFICIAL ONE: So we made a ton of progress on ICBMs, on access, on missiles writ large, on regional issues, and then we got stuck on sunsets, right? We didn't quite make it. That work – we're not sure. We have to – we're starting those conversations with the E3 today, tomorrow, so I can't – we can't tell you exactly how it's going to be used, but I can tell you it will be used. That work is not going to be wasted.

QUESTION: So you think they'll go forward.

QUESTION: But if a ton of progress was made, then why not give it more time? Why take such a dramatic action that's going to have you basically starting over from square one?

SENIOR STATE DEPARTMENT OFFICIAL ONE: The President made very clear on January 12th his intention. If we got a supplemental agreement before May 12th, he would consider it. We didn't get there. He said this – on January 12th, he said that was his last time waiving sanctions. He followed through

on that promise.

QUESTION: And what was the sticking point? Can you just sort of tell us what didn't work?

SENIOR STATE DEPARTMENT OFFICIAL ONE: It was the one-year breakout.

QUESTION: The sunset program.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Yeah.

QUESTION: [Senior State Department Official One], I wonder, just on Boeing quickly because I'm a little confused. So Boeing had the original export licenses were valid until September 2020. Are those going to be cancelled?

SENIOR STATE DEPARTMENT OFFICIAL ONE: So Treasury – that is part – the civil aviation specific licenses are part of the 90-day wind down. Treasury will be reaching out to – I'm not going to name specific companies because I don't think I'm allowed to, but they're going to reach out to private companies that hold licenses and work on wind downs.

QUESTION: So are you considering any carveouts for individual companies or countries as you establish this wind-down period?

SENIOR STATE DEPARTMENT OFFICIAL ONE: Well so, the wind down is a carveout for everybody, right. The wind down carves –

QUESTION: No, but in that time you could say, okay, maybe Boeing is going to be a company that is not subject to these sanctions because of X, Y, or Z U.S. interests, or maybe a France railroad company is not subject to these sanctions because of X, Y, Z. Are those conversations possible or not?

SENIOR STATE DEPARTMENT OFFICIAL TWO: I don't want to speculate on the hypothetical, right, and Treasury's going to be –

QUESTION: No, I mean are you open to the conversations or not? It's not hypothetical.

SENIOR STATE DEPARTMENT OFFICIAL TWO: I wouldn't want to – I wouldn't want to specifically name companies.

QUESTION: Fine. Are you open to carveouts for specific companies and countries?

SENIOR STATE DEPARTMENT OFFICIAL ONE: I mean companies – U.S. companies are always – always have the option of coming into OFAC and asking for a specific license to do work that's otherwise prohibited by sanctions. So there's nothing that would stop any U.S. company from doing that regardless.

QUESTION: Okay. Foreign countries, can they ask for carveouts for companies in their country?

SENIOR STATE DEPARTMENT OFFICIAL ONE: They can ask for whatever they want.

QUESTION: So you're open to having those conversations.

SENIOR STATE DEPARTMENT OFFICIAL ONE: I didn't say that. I said that we're going to engage – we're going to engage our European allies and others, and I just don't know. I can't speculate as to what they are going to ask for. This 90-day wind down and 180-day or six-month wind down provides everyone with quite a bit of breathing room to wind down their activities. If there – and I just can't – I don't – I can't speculate beyond that.

QUESTION: So you're scuttling the – you reached agreement or near agreement on everything except a sunset clause, so what is the point of scuttling the entire deal just because of the one-year breakout?

SENIOR STATE DEPARTMENT OFFICIAL TWO: Well, it's a cost-benefit analysis, right?

SENIOR STATE DEPARTMENT OFFICIAL ONE: The one-year breakout was the key – that was the key to the whole thing.

QUESTION: So you can't just keep –

SENIOR STATE DEPARTMENT OFFICIAL TWO: And plus it's a cost-benefit analysis, right? I mean, if you get X value from the – where we got to with the Europeans and then you add the kind of negative value that Iran gets from using the protections alluded – endogenous to the deal to project power in the region, it comes out to less than the benefit you get from getting out. I think that's – that's the way we look at it.

QUESTION: But again, I just want to understand: You do not know at this point what the Europeans are going to do in terms of the entire ancillary agreement you've negotiated? You do not know at this point what the Europeans are going to do, whether they're going to fight you and – and, like they do with Cuba, protect their companies against your secondary sanctions or what – you do not know what the Europeans, your closest allies, are going to do vis-a-vis any of the ancillary effects of getting out of this deal. Is that right?

SENIOR STATE DEPARTMENT OFFICIAL TWO: We're in constant conversations with the Europeans on this.

QUESTION: But you don't know at this point? You don't know? You didn't get to that in your discussions, what's going to happen?

SENIOR STATE DEPARTMENT OFFICIAL ONE: We did not talk about a Plan B in our discussions because we were focused on negotiating a supplemental agreement, so we did not – we did not talk about Plan B.

QUESTION: And what makes you think that Iran is going to go along with a whole new renegotiation?

SENIOR STATE DEPARTMENT OFFICIAL ONE: We don't know if they will. We don't know if they will, and the President said that in his statement. He doesn't know if the Iranians are willing to talk, but he said at the end of the statement that he's willing, able, and ready to talk.

QUESTION: Are there missile – Iran missile sanctions on the books in the meantime, can those come in, even the – the ballistic –

SENIOR STATE DEPARTMENT OFFICIAL ONE: Ballistic – ballistic missile sanctions were never lifted under the JCPOA, so under Executive Order 13382, we've always had the authority and we've continued to designate under that authority throughout the JCPOA period, so that – those have not been affected.

QUESTION: Right.

QUESTION: Can I – on these wind downs –

QUESTION: Have you had conversations with Asian companies that are the primary purchasers of Iranian oil?

SENIOR STATE DEPARTMENT OFFICIAL ONE: Excuse me?

QUESTION: Have you talked to the Asian companies like China, South Korea –

SENIOR STATE DEPARTMENT OFFICIAL ONE: We haven't talked to any private sector companies before the President's announcement, so we are going to – ENR is the point, is the lead bureau for engaging in the energy sector, and they're going to – they're going to move out immediately and starting conversations on significant reduction on –

QUESTION: On the – sorry –

SENIOR STATE DEPARTMENT OFFICIAL ONE: Yeah, go ahead.

QUESTION: – the wind down periods – so obviously, there was the NDAA sanctions that were set to – the waiver was set to expire this weekend, but then there was the other subset of sanctions that were set to expire –

SENIOR STATE DEPARTMENT OFFICIAL ONE: Right, in July.

QUESTION: – in July.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Right.

QUESTION: So are you immediately triggering that and it's 90 days from this day forward –

SENIOR STATE DEPARTMENT OFFICIAL ONE: Yes.

QUESTION: – or is it 90 days from July 11th?

SENIOR STATE DEPARTMENT OFFICIAL ONE: No, the Secretary's revoking all waivers today, and then he's going to reissue wind down waivers today. So everything is going to be set as of today.

QUESTION: And can we just talk – is it possible, [Moderator], that we can talk just briefly about the Secretary's trip to Pyongyang? Is that – can we –

MODERATOR: This is – these guys don't have – that's not their bailiwick.

SENIOR STATE DEPARTMENT OFFICIAL ONE: It's not ours – I don't know –

QUESTION: Okay. Can you – can you –

QUESTION: You guys going to respond to emails and texts about it now?

STAFF: Can we stay focused while we have our experts here on the JCPOA?

QUESTION: Okay.

QUESTION: Well, you guys have been hard to find the last couple of days, the last several days.

QUESTION: Okay. So anyway, we'll do that later.

SENIOR STATE DEPARTMENT OFFICIAL TWO: I've been in the building.

QUESTION: Well, yeah. Can we reach you?

QUESTION: Not everybody has.

QUESTION: Give us your number or –

QUESTION: Can I ask a clarification? Just on the – your discussions with the Europeans about a one-year breakout, was it specifically that they believed your goal of preventing a one-year breakout would violate the terms of the JPC – JCPOA itself?

SENIOR STATE DEPARTMENT OFFICIAL TWO: It was a third rail for them to get in a position of modifying a deal that was extant – their participation in which was extant at the time.

QUESTION: And you guys were open – you were trying to essentially change the terms of the deal with them?

SENIOR STATE DEPARTMENT OFFICIAL TWO: Well, that's not the way we viewed it. We were putting down a supplemental, a sort of parallel-track deal.

QUESTION: But how do you do that without violating the deal itself?

SENIOR STATE DEPARTMENT OFFICIAL TWO: Well, now we're reenacting – now we're reenacting some of those talks at the moment.

QUESTION: Right, which is what I'm trying to get at.

QUESTION: But, I mean, they tell us that they want to stay in the deal as is. And so again, it's all – this is all sort of fairly surprising that you guys are doing something so dramatic that affects your closest allies in a dramatic way. They see this deal as essential to their national security and you have no Plan B, you have no idea whether they will stay in the deal, whether they will defend the deal, whether they will fight you on the deal, whether they are going to go off with Iran against you.

SENIOR STATE DEPARTMENT OFFICIAL ONE: I mean, I think we have some idea because the President and President Macron, when he was here for the state visit, talked in their press availability about – President Macron called it a four-pillar new deal. What he tweeted today seemed to me – I think there were four pillars in what he tweeted today – seemed to me, again, to echo his desire for a broad new four-pillar deal.

QUESTION: But one of the pillars was keeping the JCPOA, which he made certain to emphasize repeatedly.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Right, but he tweeted today something that seemed to indicate to me a French willingness to work with us.

QUESTION: So you guys have a positive tweet out of it. That's amazing.

SENIOR STATE DEPARTMENT OFFICIAL TWO: Well, as a heuristic of the French Government's attitude, yeah, I think that's fair.

QUESTION: A senior European diplomat who has been dealing with these talks described dealing with State today as the deafening sound of U.S. diplomats running for cover, unable to explain to allies and partners why this is happening, still less what happens next. So it doesn't seem like you guys are nearly on the same page.

SENIOR STATE DEPARTMENT OFFICIAL ONE: That's not true. That's not true. I have already had, since the President finished his remarks, two calls with foreign counterparts. I have one today at 6:00. It's just not true.

QUESTION: But for Pompeo to be in the air while all of this is happening, they can't even call up the Secretary of State, why that planning?

SENIOR STATE DEPARTMENT OFFICIAL TWO: Look, that's a separate negotiation, right? That's –

QUESTION: It's still U.S. foreign policy.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Well, and the Secretary was involved in it. I mean, the Secretary has comms on the plane. He was involved. I mean, he certainly was involved in the decision. He was involved in the rollout. He drafted his statement that he issued from the plane and was communicating. I mean, he's not out of pocket. He's – we have to be –

QUESTION: He's out of – he's absolutely out of pocket, isn't he? What, like, out of –

QUESTION: Yeah.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Well –

QUESTION: (Inaudible) can you call him?

QUESTION: Can you give us any better sense of the calls he's had and how he's been framing this to counterparts both before and after this was announced?

SENIOR STATE DEPARTMENT OFFICIAL ONE: I can't.

QUESTION: [Moderator], could we get more on that?

MODERATOR: (Nodding.)

QUESTION: Was there any discussion – and I'm sorry I missed part of this – about Iranian actions in Syria, Iranian actions in other places? I mean, how risky – the risks of this, of provoking Iran in places where you don't want them to be provoked?

SENIOR STATE DEPARTMENT OFFICIAL TWO: So I think this cuts to really the quick of the whole issue is that we've seen – and I'm not just going to regurgitate talking points at you – but the one is that we've seen since 2015 worsening Iranian behavior in the region and behavior that doesn't quite internalize the risk of what they're doing as much as we would have wanted to. So yes, I think exactly what you pointed out is one of the main driving elements behind this decision. We are alarmed by that behavior. The French are alarmed. I mean, you keep raising what –

QUESTION: Yeah, but it wasn't the Iran deal that made them do those things.

SENIOR STATE DEPARTMENT OFFICIAL TWO: But again –

QUESTION: It was the Saudis bombing Yemen. It was – they have other interests in Syria.

SENIOR STATE DEPARTMENT OFFICIAL TWO: I'm not sure –

QUESTION: They have interests in Iraq –

SENIOR STATE DEPARTMENT OFFICIAL TWO: I'm not sure they're in Syria –

QUESTION: – that go back to when –

SENIOR STATE DEPARTMENT OFFICIAL TWO: – because the Saudis are bombing Yemen.

QUESTION: – the U.S. toppled Saddam.

SENIOR STATE DEPARTMENT OFFICIAL TWO: Right? I'm not sure they support Hizballah because the Saudis are bombing Yemen and I –

QUESTION: They've always supported Hizballah.

SENIOR STATE DEPARTMENT OFFICIAL TWO: – I don't suppose they – I don't think they support Badr or AAH or any of the – any of the Iraqi groups because – because the Saudis are bombing Yemen.

I think the problem with the Iran deal, as I talked about in the beginning, was that not only did it sort of decouple the consequences from Iran's behavior – right? – by cordoning off a large part of Iran's economy that simply the prejudice against which would be – the prejudice would be to not sanction that part. But indeed, it seemed to mandate a kind of top line of investment in the Iranian economy, which my gosh, totally decouples the

consequences from Iranian behavior. That's –

QUESTION: So the Israelis have now gone on high alert. They've – opening bomb shelters. There is this worry that the Iranians are going to attack from bases in Syria. Now that you've gotten out of the Iran deal, now that you may have provoked Iran, are you going to commit more troops to Syria? The President just said he wants to get the troops out of Syria. How – that seems a contradiction that you may be provoking more malign behavior on the part of the Iranians while the President is saying that he wants to get actually U.S. commitment to be less in the Middle East.

SENIOR STATE DEPARTMENT OFFICIAL TWO: I think it's a little – I think it's a little tough to – I think it's a little, well, tough to blame Iranian behavior in Syria and risk-taking in Syria – which has, if anything, worsened since the outbreak of the civil war and the introduction of Iranian forces, not just Iranian proxies – on the President's Iran deal decision coming today. That doesn't seem to follow to me at all.

QUESTION: Okay. So are you thinking about committing more troops to Syria that – because of what sounds like certainly Israeli concerns and other people's concerns about Iran's more aggressive behavior that they say is a result of this decision – whether it is or not, are you going to reverse the President's decision recently that he's going to pull troops out, or are you committing more troops? What is your Syria strategy in the wake of this?

SENIOR STATE DEPARTMENT OFFICIAL TWO: Well, the President's focus in Syria is on ISIS. That's kind of – and I know Brett McGurk has talked to you probably endlessly about this, but that's kind of a parallel discussion.

QUESTION: Okay. So it's not on Iran then?

QUESTION: Sorry.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Can I just make one point though –

QUESTION: Yeah.

SENIOR STATE DEPARTMENT OFFICIAL ONE: – that relates to your question and your question? It is clear to us and it's clear to our European allies too that since the JCPOA Iranian malign behavior in the region has increased dramatically.

QUESTION: Yeah. But they disagree on what caused –

SENIOR STATE DEPARTMENT OFFICIAL ONE: I'm just saying it has gone up.

QUESTION: But they don't agree that that's because of the Iran nuclear deal. It's – I mean, we've talked to European diplomats too, so.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Right. It is our strong view that the JCPOA gave Iran room both for domestic internal political reasons in Tehran and regional reasons to increase their malign activity that helped to destabilize the region substantially.

So in responding to questions about how pulling out of the JCPOA will affect that, it just – I think it's important for me to just say that we have seen a dramatic increase to a point where in Syria Iranian behavior – unrelated to the JCPOA but Iranian behavior – is so dangerous and reckless. That's why Israelis – that's why the Israeli – the IDF is opening shelters in northern Israel. It's not because of the JCPOA. It is because of some really dangerous and reckless behavior, including capabilities and all kinds of other things that are going into Syria.

QUESTION: So if you think the JCPOA has given them the room to do this sort of reckless behavior, do you now believe that, as a result of getting rid of the JCPOA, Iran will get out of Syria and stop its reckless behavior?

SENIOR STATE DEPARTMENT OFFICIAL ONE: We believe that by getting rid of the JCPOA, we can come up with a more comprehensive deal, a more comprehensive approach that doesn't just focus on the nuclear file. The focus is on all of the threats together so that we don't – the JCPOA tried to deal only with the nuclear file and left everything else off the table in the hopes that it would just kind of get better on its own or we wouldn't have to worry about it as much. That strategy didn't work. So what we hope to do is a much more comprehensive deal.

QUESTION: And can we judge the success of that –

SENIOR STATE DEPARTMENT OFFICIAL TWO: Yeah, and just to be clear – sorry, can I just offer one thing?

QUESTION: Yeah.

SENIOR STATE DEPARTMENT OFFICIAL TWO: And just to be clear, it's not only the JCPOA that contributed to the current situation in the Middle East.

SENIOR STATE DEPARTMENT OFFICIAL ONE: No, I'm not saying only.

QUESTION: Okay, so just – so for our purposes, let's say in a year, if you guys – or six months – if you guys do not have a supplemental agreement with all of your allies about addressing this global problem, it will – can we then say that this strategy has not been successful, if in a year you don't have it? When can we say, okay, you guys promised us a more comprehensive, more global strategy to deal with Iranian malign behavior after you got rid of the last one? When do we get to judge whether you succeeded or failed?

SENIOR STATE DEPARTMENT OFFICIAL TWO: Well, I think you would have to make a cost/benefit decision, right, at six months, at 12 months.

QUESTION: So if you have – if you don't have an arrangement –

SENIOR STATE DEPARTMENT OFFICIAL TWO: Continually.

QUESTION: – with your allies in six months, will this strategy have failed?

SENIOR STATE DEPARTMENT OFFICIAL ONE: I don't want to put a timeframe on it, because the wind down is six months for energy sanctions. So part of the

strategy is showing Iran that there is economic isolation as a result of its destabilizing activity, so I think we have to be able to build this coalition, build up some economic pressure. So that is the strategy, though, and at the end of the day, if that strategy is – you will judge us based on that strategy.

QUESTION: (Off-mike.)

SENIOR STATE DEPARTMENT OFFICIAL ONE: But I wouldn't be – I would not put a six-month or one-year timeline on it. I mean, CISADA was put in place in 2010 and took several years – between CISADA and TRA and IFCA and other economic pressure took quite a few years to get Iran to the negotiating table. So I don't want to put a timeframe on it.

QUESTION: (Off-mike.)

MODERATOR: Unfortunately, we have to wrap up here I think, you guys.

QUESTION: I really have a sanctions question.

MODERATOR: One last question, then.

QUESTION: Six – okay, after the six months, then you can impose new sanctions on Iran, right? Is that what you're looking at?

SENIOR STATE DEPARTMENT OFFICIAL ONE: After the – after six months, we can re-impose the energy-related and banking-related sanctions. It's not new. They're re-imposed –

QUESTION: But you can impose –

QUESTION: You can impose –

SENIOR STATE DEPARTMENT OFFICIAL TWO: Exactly.

QUESTION: You can impose other sanctions –

QUESTION: Others.

QUESTION: – at will any time, right?

SENIOR STATE DEPARTMENT OFFICIAL TWO: Exactly. Precisely. Precisely.

QUESTION: That's what I'm asking, yeah.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Yes.

SENIOR STATE DEPARTMENT OFFICIAL TWO: Precisely.

QUESTION: Any other things. And are you expecting that to come – I mean –

SENIOR STATE DEPARTMENT OFFICIAL ONE: Non-nuclear sanctions.

QUESTION: Non-nuclear.

SENIOR STATE DEPARTMENT OFFICIAL TWO: Defer to Treasury.

SENIOR STATE DEPARTMENT OFFICIAL ONE: On ballistic missile, counterterrorism, et cetera.

QUESTION: That – so that we can expect over the next few –

SENIOR STATE DEPARTMENT OFFICIAL ONE: I'm not going to say. I mean, that's –

SENIOR STATE DEPARTMENT OFFICIAL TWO: Up to Treasury.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Right.

QUESTION: Okay. Do you have an economic assessment as to what this impact is going to be on the Iranian economy, pulling out and –

QUESTION: And preventing (inaudible).

QUESTION: And preventing –

SENIOR STATE DEPARTMENT OFFICIAL ONE: I don't have it with me, and maybe we can something back to you on that.

QUESTION: That would be useful.

QUESTION: How about on U.S. – on oil prices? I mean gas prices in the U.S.

SENIOR STATE DEPARTMENT OFFICIAL ONE: We can also get that to you. I don't have that stuff with me, but we can get that.

SENIOR STATE DEPARTMENT OFFICIAL TWO: Team can (inaudible) it out for them.

QUESTION: Just to do one North Korea question. He explicitly –

SENIOR STATE DEPARTMENT OFFICIAL ONE: But I don't know the answer.

QUESTION: But he –

SENIOR STATE DEPARTMENT OFFICIAL ONE: You can ask me.

QUESTION: The President explicitly linked getting out of the JCPOA with negotiations in North Korea. He did that in his speech.

SENIOR STATE DEPARTMENT OFFICIAL ONE: Right.

QUESTION: So presumably you guys can explain somewhat to us how getting out of the JCPOA will help these negotiations that Pompeo is engaged in right now in Pyongyang.

SENIOR STATE DEPARTMENT OFFICIAL ONE: So at the end of the President's remarks, he said I don't know – I mean, I'm paraphrasing – I don't know if the Iranians are ready to sit down, but I am ready, willing, and able. I think his – the point is that he has initiated an effort with Kim Jong-un to sit down and negotiate the denuclearization of the Korean Peninsula. He is –

we are ready to sit down – he said he’s ready, willing, and able to sit down with Iran to negotiate a comprehensive deal that addresses all of the threats together. So I think that was the comparison he was making.

QUESTION: And American detainees in Iran – what do you do about them? How many are there, first of all, and what do you do about it?

SENIOR STATE DEPARTMENT OFFICIAL ONE: There are five, right?

SENIOR STATE DEPARTMENT OFFICIAL TWO: Let me offer that the security and safety of Americans is our top priority. Well, I know, you can make that face, but it’s true.

QUESTION: No, we’ve heard it before, we get it, we get it. So –

SENIOR STATE DEPARTMENT OFFICIAL TWO: I literally just came from here from – I came – went to the White House from a call with one of the families, right. This is – and they were asking exactly the same things. I don’t want to – this is going to be unsatisfying to you – I don’t want to get into it. That’s conversations we’re having with a number of parties to try and resolve those cases, but – so I’m leery. The – I’m leery about getting too much into that, and I know that’s unsatisfying, so I’m sorry.

MODERATOR: Thank you, guys. I’m sorry, we’re going to have to wrap it up now. We’ve got – these guys have to get somewhere else.

QUESTION: Wait, so is there no July deadline anymore? That’s out the door, right?

SENIOR STATE DEPARTMENT OFFICIAL ONE: They were on a July deadline.

QUESTION: Just making sure. Okay.

SENIOR STATE DEPARTMENT OFFICIAL TWO: Did you have one other?

QUESTION: I did, but I think it’s just going to –

QUESTION: Well, and – just to clarify his question. So it would – a deal with Iran would require Iran to totally denuclearize as well, to have no nuclear program whatsoever?

QUESTION: – bring us back to the same kind of (inaudible)

SENIOR STATE DEPARTMENT OFFICIAL ONE: I don’t want to answer that.

MODERATOR: Thank you.

QUESTION: Thank you.

MODERATOR: Thank you, guys.

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