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Mr. Chairman and Members of the Committee:

Thank you for the opportunity to talk with you today about U.S. diplomacy toward Iran. It is a privilege to participate in a serious discussion of this vital and complex issue, and the Committee is performing an important service by convening this ongoing series of conversations about the political dynamics in Iran today, U.S. policy options, and the possible ramifications.

Today Iran is a front-and-center political issue and ranks among the top concerns of U.S. policymakers. Unfortunately, however, the debate over Iran policy has involved a great deal of heat and very little light. There is no shortage of tough talk on Tehran in Washington, from both the Administration as well as its critics. But given how little we know about Iran, and given the almost inevitably reactive nature of U.S. policy on this issue, there has been too little informed analysis and reasoned discussion underlying either American rhetoric or actions. For this reason, the Committee's broad scope and the timing of this discussion should prove particularly valuable.

I hope to offer some background on where and why we may have missed prior windows of opportunity for advancing a diplomatic solution to the Iranian challenge, and provide some thoughts on constructing an approach to our pressing concerns on Iran that might, over time, produce some real results.

Opportunity Lost

Since 2005, the Administration has sought to devise a comprehensive approach toward Tehran to deal with the multiple issues of U.S. concern, including Iran's nuclear ambitions, its bankrolling of terrorism, its bid to assert itself as a regional hegemon, and its repression of its own citizenry. The U.S. strategy was intended to present Iranian leaders with a stark choice between moderation or isolation, and for a period Washington enjoyed unprecedented success in persuading a wide coalition of allies and international actors to support its efforts. Iran itself contributed greatly to uniting the world against it, with the provocative rhetoric and policies associated with President Mahmoud Ahmadinejad since his 2005 election.

Despite achieving unprecedented international consensus, the latest U.S. strategy on Iran has borne little fruit. Iran spurned an incentives package that included an offer of direct negotiations with Washington, put forward in 2006 in exchange for Iran's agreement to relinquish the uranium enrichment and reprocessing activities that could enable it to produce material for a nuclear bomb. Tehran has flouted subsequent similar demands from the United Nations Security Council, and its challenge to American interests across the region has only

intensified, particularly in Iraq where the U.S. military has blamed Iran for the supplying munitions that have killed American soldiers.

More than anything, the failure of the current U.S. approach to Iran to achieve its aims reflects the complexity and intractability of this problem, which has frustrated American officials from both sides of the political aisle for nearly 30 years. However, the failure is also the product of several years of disastrous diplomacy toward Iran and the broader Middle East, informed by a set of mistaken assumptions, by the Bush Administration. Understanding where we have miscalculated – and more importantly why – is important to ensuring that we avoid repeating or perpetuating flawed policies. As discussed in detail below, chief among the issues that has frustrated the U.S. strategy is its inherent inconsistency. The Administration's efforts on Iran have been sabotaged by the impossibility of balancing its belated interest in negotiating with Tehran with a fundamental rejection of the Iranian regime's legitimacy. The bottom line is that no regime is likely to bargain away its ultimate deterrent capability so long as it perceives the ultimate objective is its own eradication.

In reviewing the missed opportunities, however, we also need to be careful to avoid a narrative that places responsibility for the perpetuation of the estrangement and the intensification of the Iranian challenge solely on the misjudgments of this Administration or the U.S. alone. Engagement can be a powerful tool for dealing with Iran, but there is simply no that Iranian leaders have ever been prepared, fully and authoritatively, to make epic concessions on the key areas of U.S. concern. Any prospects of such a deal moving forward were always incredibly limited, as much because of ideological and bureaucratic constraints on the Iranian side as our own.

It is also important to counter any implication that U.S. policy bears responsibility for the unfortunate trends that have overtaken Iranian policy over the past several years. We could not have saved the reform movement from its slow-moving ejection from the frontlines of Iranian politics – Iranian hardliners deserve full credit for that, along with a series of miscalculations by the reformists themselves. Nor is it likely that any American policy truly can transform the dynamics of political life in Iran today. Ultimately, given our troubled historical relationship and our limited constructive leverage today, the U.S. tends to have only the most limited capacity to advance the cause of moderation within Iran, and a powerful if inadvertent capacity for helping out the hardliners.

Nonetheless, with the wisdom of hindsight, it is clear that the Bush Administration's miscalculations – based in part on a wholesale misreading of Iran's internal political dynamics – by the Bush Administration forfeited perhaps the best opportunity in recent history to generate real momentum for solving at least some of our problems with Iran. Those miscalculations continue to shape and ultimately undermine American diplomacy on Iran today.

The primary American miscalculation stemmed from the conviction that the Iranian regime is on the verge of collapse or revolutionary upheaval. This presumption, while deeply flawed, was understandably tempting. Superficially, Iran demonstrates all the risk factors for a revolutionary break: a disproportionately young population; restive ethnic minority populations;

a distorted, inefficient economy; and a regime mired in an obsolescent ideology, riven by factional feuds, and reliant on repression to maintain its hold on power.

But the reality is that the Iranian regime has survived everything short of the plague: war, isolation, instability, terrorist attacks, leadership transition, drought, and earthquakes. This does not imply that the regime is impregnable, nor that its leaders view it as such. Rather the endurance of the Islamic Republic through multiple crises is a testament to the adaptive capacity of the system and its leaders, and the lack of any alternative power center. Rampant popular dissatisfaction has never evolved into an organized opposition, and there remains no coherent challenge to the Iranian system.

None of this was apparent to the Bush Administration, however, for whom Iran – like its neighbor – was *terra incognita* and for that reason the object of enduring irrational fantasies. After an initial muddle, the Bush Administration began framing its policy around the fallacy of the regime's anticipated demise, first with the inclusion of Iran as a member of the "axis of evil" in the President's January 2002 State of the Union address. This message was reinforced through a statement issued by the White House in July 2002 marking the anniversary of student demonstrations that had rocked Iran three years earlier. The statement lamented the fact that Iranians' "voices are not being listened to by the unelected people who are the real rulers" and promising that "(a)s Iran's people move towards a future defined by greater freedom, they will have no better friend" than Washington.

The Administration used this episode to signal its rejection of the faltering reform movement and its shift toward a strategy focused on galvanizing popular opposition to the regime as a whole. This across-the board repudiation of Iran's ruling elites and the conscious embrace of the generic 'Iranian people' has shaped Bush Administration policy toward Iran for the past five years. In particular, this determination informed the Administration's decision in 2003 to cut off its quiet dialogue with Tehran and eschew any further contacts, a move that contradicted prior U.S. policy and mirrored Iran's own ideologically-imposed constraints on its dealings with Washington. At the same time, the U.S. effectively dismissed a back-channel overture from mid-ranking Iranian officials to explore the possibilities for a 'grand bargain' between the two governments.

In tandem with the refusal to engage with the regime, Washington began seeking new means to expedite political change inside the country. The Administration's early efforts were mostly comic fumbling, including the Pentagon's public flirtation with a reviled opposition group on the U.S. terrorist list and the renewal of contacts with a discredited figure from the Iran-contra episode. Having used the White House bully pulpit to reach out to the Iranian people to little effect, the Administration – supported and even pushed on this issue by many within the Congress – chose to embrace a high-profile effort to identify, cultivate and fund opponents of the regime. The centerpiece of this policy was the February 2006 announcement of a \$75 million fund to promote democracy in Iran, an initiative that, in light of the history of American-Iranian relations, was destined to be interpreted by Tehran as an explicit endorsement of regime change.

The purported 'grand bargain' offer in 2003 has generated a considerable amount of media and political interest. The prevailing interpretation suggests that ideological obstinacy

within neoconservative corners of the Bush Administration was the primary factor in the decision not to pursue this potential trial balloon. In fact, from my inherently limited knowledge of this episode, a variety of factors were at play, including the somewhat problematic involvement of the Swiss ambassador and the lack of compelling evidence of that the overture had been endorsed by senior Iranian officials. Should the Administration have tested this overture and explored the possibility – small but nonetheless real – that it represented the consensus position of the Iranian leadership? Absolutely. And while it is by no means certain that the overture itself would have inevitably produced a viable path forward toward a full resolution of the issues between the two countries, it is absolutely clear that engagement with those Iranians who were interested in bridging our differences would have proven a major asset.

Examining this critical moment in U.S. policy toward Iran and the region, however, suggests that the more momentous American misstep was the decision to suspend ‘Geneva channel’ dialogue with Tehran. The stated rationale for this decision was the bombing of a Riyadh housing compound for expatriates that the U.S. attributed to Al Qaeda operatives who had sought refuge in Iran. Unstated but obvious, however, was the impact of the early successes of the U.S. military campaign to oust Saddam Hussein in neighboring Iraq on the Administration’s ambitions and decision-making toward Iran. Its proponents saw Iraq’s liberation as the death knell for its neighboring regime. They scorned the utility as well as the morality of dealing with Tehran on the eve of its presumptive collapse, and events inside Iran, such as the serious student unrest that erupted in June 2003, appeared to confirm their expectations. In the aftermath of Saddam’s defeat, any contact with official Iran was viewed as tantamount to ‘legitimizing’ the Iranian regime – and thus taboo for Washington.

Unlike the ‘grand bargain’ offer, the Geneva track had the advantage of tangible evidence of Iranian commitment at the highest level, as demonstrated by the specific assistance provided by Tehran in some of the logistical backdrop of Operation Enduring Freedom as well as the establishment of the Karzai government in Kabul. These talks were unprecedented and important on two distinct levels: one, they entailed the first sustained, officially sanctioned process of dialogue between Iranian and American officials since the revolution; and two, they produced concrete, constructive results that benefited both parties, as well as the people of Afghanistan. Had this path been pursued, it would have offered the best prospect for moving toward a less contentious relationship between Washington and Tehran and the most effective means of mitigating the elements of Iranian policy that concern us most today, particularly its involvement with terrorism. Specifically, had we continued and strengthened this dialogue and the on-the-ground cooperation in Afghanistan, we might have precluded Iran’s current efforts in Afghanistan and Iraq, progress that would have enabled us to address Iran’s nuclear program at a time when its leadership was prepared to suspend enrichment activities.

The decision to curtail any direct contact with the Iranian government cemented a new red line in U.S. politics – the blanket refusal to engage across the board on any issue with Tehran. This represents a critical repudiation of all prior U.S. policy, under both Republican and Democratic administrations, which had been consistently predicated on a readiness to talk to Tehran on issues of mutual concern so long as the dialogue was clearly authorized. The Bush Administration’s decision to tie the hands of American diplomacy imposed unprecedented constraints on our leverage vis-à-vis Iran.

The categorical rejection of talking to Tehran remained firmly in place from May 2003 until the May 2006 American offer to join direct negotiations with Tehran on the nuclear issue. Just as the consequences of the 2003 decision to suspend the Geneva Track are too little appreciated by the Administration, the significance of the May 2006 proposal by Secretary of State Condoleezza Rice has been dismissed too quickly by the Administration's critics. This was a serious, sincere offer, one that finally married the U.S. position on Iran's nuclear program with that of the international community and one that put forward a remarkable American concession – the end of U.S. opposition to a civil nuclear program. The insistence on the suspension of enrichment as a precondition for beginning the dialogue was not, as some conspiracy theorists have alleged, a deliberate American effort to sabotage any diplomatic process and ensure a steady path toward military action but rather a simple repetition of the existing stipulations articulated by both the International Atomic Energy Agency and the EU-3.

Despite the dramatic reversal that it represented, the P5+1 offer was significantly undercut by the Bush Administration's track record on Iran as well as its internal contradictions, particularly the continuing internal reluctance to deal with a regime that American officials find distasteful. As a result, even as Secretary of State Condoleezza Rice launched the 2006 offer for nuclear negotiations, she adamantly rejected any prospect of broader engagement with Tehran. Indeed while the incentives package itself appeared to presuppose a broad discussion of outstanding grievances, Rice and other officials insisted that any dialogue with Tehran would be narrowly constrained to the nuclear question itself. Moreover, in the effort to gain internal consensus on reversing American refusal to talk to Tehran, the Administration remained very much hamstrung by its essential aversion to dialogue with the Iranian regime. This context helped shape the absurd U.S. reluctance to schedule discussions with Iran over the deteriorating situation in Iraq – despite the fact that the U.S. ambassador in Baghdad had standing authorization to engage with his counterpart. In fact, after an orchestrated campaign by the most senior Iranian officials pressing for direct dialogue on issues related to Iraq in March 2006, the Administration reacted dismissively, and 14 months passed before talks took place. Unsurprisingly, with intensified tensions between the two countries and even greater chaos in Iraq by this time, the Baghdad dialogue produced little beyond mutual recriminations.

Beyond the internal contradictions that have undermined American diplomacy toward Iran, U.S. policy is greatly complicated by the limitations on our understanding of the country, as Secretary Rice herself has acknowledged. Asked in June 2006 about Iran's pattern of defying both logic and American expectations, Rice conceded that the Islamic Republic is "a political system I don't understand very well," adding that "one of the downsides of not having been in Iran in – for 27 years as a government is that we don't really have people who know Iran inside our own system... We're also operating from something of a disadvantage in that we don't really have very good veracity or a feel for the place."

The absence of normal diplomatic contacts is a far greater impediment to policymaking than is generally understood or acknowledged. Without eyes and ears on the ground, the U.S. Government across the board is deprived of the basic understanding that normal interactions of an Embassy and its staff provide: the sense of political dynamics; the historical knowledge; the routine business that provides irreplaceable insights. After a three-decade absence, the U.S.

government is singularly uninformed about the country's political culture and day-to-day dynamics.

This lack of understanding of Iran has played out directly on our strategy. There is a great deal of talk among American officials, particularly since Ahmadinejad's ascendance, about splintering the regime, but we know so little about the shape and nature of power in Iran today that State Department officials were forced to rely on a Google search to identify potential subjects for United Nations sanctions in 2006. The belief that we can leverage whatever differences exist within the regime seems rather far-fetched given our inability to even anticipate the rise of the reform movement or the ascension of a new generation of hard-liners as epitomized by President Mahmoud Ahmadinejad. Presence does not always imply prescience, as the failure of Washington to anticipate the revolution itself might suggest, but American capacity to undertake effective policy toward Tehran must recognize the severe restrictions under which we operate.

A Diplomatic Path Forward

It would be tempting to devote the bulk of this discussion to past mistakes; after all, retrospective history is much easier, in part because our miscalculations in Iraq and across the region more broadly have bequeathed a far more complex and challenging strategic context. Ultimately, however, the real purpose of any discussion of the past must be to shape an approach that offers a better prospect for addressing our most serious concerns about Iranian policies. The context for improvement is incredibly challenging: both countries are already engaged in long political campaigns that may not be conducive to a serious consideration of realistic policy options. Moreover, Iran's nuclear program is advancing at a frenetic pace and Iraq and Afghanistan have become key flashpoints not simply between American and Iranian interests but directly between their military forces as well. There is no simple formula for mitigating the challenge that Iran poses to U.S. interests, reducing tensions, or ending the estrangement between the two capitals. However, there are a series of general principles that should frame our strategy if we are to be successful.

First, and most importantly, a successful American approach to Iran must acknowledge that diplomacy is the only alternative available to U.S. policymakers. We simply do not have a viable military option available to us that would generate a better outcome for our interests across the Middle East. Any resort to force to address our concerns about Iran's nuclear program or its involvement in terrorism would significantly harm all of our primary objectives in the region. Iranian leaders learned from Iraq's Osirak experience, and as a result their nuclear installations are hardened, dispersed, and located near population centers. Moreover, given the failures of American intelligence in Iraq, there is little reason for confidence that any American strike would conclusively incapacitate Iran's nuclear program.

Whatever limited benefits in terms of delaying Iran's capacity to cross the nuclear threshold would be overwhelmingly offset by a wide range of negative consequences. A strike would galvanize Iran's profoundly nationalistic population, and thoroughly consolidate public support for their unpopular government. The regime's retaliatory reach would be felt throughout the region, particularly by American allies, and the aftermath would almost surely doom any

prospects for revitalizing the peace process or wresting a stable outcome from Iraq. The sole beneficiaries from a military conflict between Washington and Tehran would be the forces of radical anti-Americanism throughout the Islamic world.

It has become axiomatic among U.S. officials and politicians that the military option does and should remain on the table for dealing with Tehran. This conventional wisdom warrants questioning. It is not clear that such vague warnings carry significant credibility in Tehran given the logistical and policy constraints that stem from our involvements elsewhere in the region. Moreover, embellished by references to "World War Three" and "nuclear holocaust" by senior U.S. officials, such rhetoric serves only to strengthen Iranian hard-liners and reinforce the most paranoid fears of a leadership already steeped in suspicion of American motives and objectives.

Second, diplomatic engagement is an appropriate and potentially effective tool for addressing our deep differences with Tehran. As Iran's politics have shifted in a more radical right-wing direction, the appeal of engagement might seem to have diminished even to those who advocated it during the brief advent of a reformist president and parliament during the late 1990s. However, the best argument for engaging with Iran was never predicated on the relative palatability of our potential interlocutors, but on the seriousness of the differences between our governments and the centrality of the U.S. interests at stake. The international reprobation aimed at Ahmadinejad and his clique is well earned, and yet it is ultimately an insufficient excuse for constraining our own tools for dealing with Tehran.

The aim of diplomacy is to advance interests, not to make friends or endorse enemies. A serious diplomatic approach to Iran would recognize that Washington's May 2006 offer to negotiate on the nuclear program misfired, but would not continue to hold American interests hostage to the conditions of that particular proposal, specifically the requirement that Iran suspend its uranium enrichment and reprocessing activities. Through the UN Security Council and its existing and potentially future sanctions, the international community has a vehicle to impress its objections to Iran's nuclear ambitions on its leadership.

Engagement with Iran is not an automatic path to rapprochement, nor should it imply a unilateral offer of a 'grand bargain.' Rather it would entail a return to the long-held position that we are prepared to talk with Iranian leaders, in a serious and sustained way, in any authoritative dialogue as a means of addressing the profound concerns that its policies pose for U.S. interests and allies. A commitment to engagement with Iran should also incorporate the designation of an authorized and empowered negotiator, and outline a diplomatic process for making progress on the discrete but complex array of issues at stake. One possible mechanism worth pursuing derives from a 2004 Council on Foreign Relations Task Force chaired by former national security advisor Zbigniew Brzezinski and Defense Secretary Robert Gates, serving at the time as president of Texas A&M University. The Task Force recommended outlining a basic statement of principles, along the lines of the 1972 Shanghai Communiqué signed by the United States and China, to provide the parameters for U.S.-Iranian engagement and establish the overarching objectives for dialogue.

It is equally important to note that in the absence of any purposeful commitment to engaging with Iran, the Bush Administration's overreliance on sticks has inevitably proven

ineffective as a means of altering Iran's behavior. Incremental international pressure, particularly while the costs are generally bearable, is more likely to consolidate the regime than splinter it, and Iran is more likely to escalate than concede when backed into a corner. Ultimately, the failure of the Administration's diplomatic initiative should not discredit diplomacy as a tool for dealing with Tehran. In fact, it is the Administration's early experience with the Geneva Track dialogue with Tehran that should prove instructive about the potential payoffs of a serious effort to engage Iran.

Engaging with the Iranian regime does not imply forsaking our vocal commitment to criticizing Tehran's abuses of its citizens' rights. We can and should speak out in favor of greater social, political, and economic liberalization in Iran, and we should press vigorously against the regime's repression – greatly increased in recent months – of dissidents, activists and students. In lieu of our high-profile, low-impact democracy program, we should dramatically expand opportunities for Iranians to interact with the rest of the world through exchange programs, scholarships and enhanced access to visas.

Third, modest pressure is unlikely to produce dramatic changes in Iranian policy or its leadership's strategic calculus. Despite the prevailing perceptions and its leadership's relentless sloganeering, Iran and its policies are not immutable. Since the revolution, Iran has evolved dramatically, in part as a result of its young population and the ongoing generational shift in leadership. And the regime's policies have been forced to change as well, as evidenced on a number of domestic issues as well as its international approach. This evolution continues even as the domestic environment has regressed, for example with the unprecedented 2006 endorsement by Iran's supreme leader of dialogue with Washington – a position that only a few years before risked a prison term when voiced by dissidents.

However, we need to be clear about the conditions under which comprehensive reversals on key positions, such as the nuclear issue, are likely to occur. Financial sanctions, particularly the banking restrictions and moral suasion toward third-country institutions that has prompted many to retrench or eliminate their dealings with Iran, are much in vogue these days. It is incontrovertible that the increasing impediments to any interaction between Iran and the dollar-based international financial system as a result of these measures has posed considerable costs and inconvenience for Tehran. Ultimately, however, as long as Iran continues to export oil, the government will be cushioned by vast financial reserves – somewhere in the range of \$70 billion for the current year alone. The U.S. can make it more costly for Iran to do business, but short of multilateral sanctions that target Iran's oil exports – unlikely at the current price or political environment – Iran will continue to do business.

Moreover, the expectation that we can splinter the regime through economic pressures may be overstated or even wholly inaccurate. Tehran appears to have correctly calculated that the regime can withstand the costs of whatever modest economic penalties the international community can agree upon. Ironically, internal dissatisfaction within Iran today derives not from financial restrictions or the economic cost to the regime or the people of Iranian foreign policy, but rather from the profusion of revenues, and the resulting reckless spending and other disastrous economic policies launched by Ahmadinejad.

Fourth, a broad international coalition is the best vehicle for exerting external influence on Iran. Mobilizing the international community to deal with Iran presents Washington with a perennial dilemma of bridging the disparities between the interests and approach of American allies and partners. International consensus on Iran is broad, but ultimately not terribly deep; while there is a shared aversion to an Iranian nuclear capability, there is much greater disparity about the urgency of the threat. In seeking to apply the most robust penalties to Tehran for its noncompliance with IAEA and UN mandates, Washington has struggled to maintain consensus, with Germany, Russia and China proving particularly reluctant. That struggle appears to have been compounded by recent unilateral American steps, including the decision to levy new sanctions against the Revolutionary Guard Corps and its subsidiary Quds Force that will complicate Russia and China's political and commercial relations with Iran.

The Administration's aversion to "lowest common denominator" steps is understandable, but it also is misguided. Iran has withstood various degrees of unilateral measures from Washington since 1979, and while it has undoubtedly hampered the economy, the regime has survived and even strengthened its hold on power as a result of these constraints. In a competitive international marketplace, measures imposed by a narrow "coalition of the willing" – even one that includes traditional Iranian trade partners such as the U.K., France and Japan – only create new opportunities for new players on the Iranian economic scene, particularly those from Russia and China. Conversely, the Administration's success in gaining near unanimous support with the IAEA and UN for more strenuous pressure on Tehran represented the first time in its history that the Islamic Republic has faced sustained pressure from such a broad-based array of international capitals. Most Iranian leaders – with the possible exception of Ahmadinejad and his relatively narrow power base – are disinclined to see the country return to the autarkic conditions of the 1980s, and the Iranian population resents any prospect of its creeping return to isolation. An expansive international coalition may prove unwieldy to work with, but its existence sends a stronger signal to Tehran than any set of partially-subscribed sanctions.

Fifth, containment is a viable alternative strategy, if ultimately second-best. In the absence of better diplomatic or military options, Washington can and should revert to containment, the old stand-by of American policy toward Tehran. It is undoubtedly a second-best approach, relative to the prospect of some dramatic initiative that would provide a conclusive resolution of the Iranian challenge; however, containment promises the considerable virtue of being an achievable aim of U.S. policy. By rebalancing U.S. security relationships with the Persian Gulf states, and prioritizing some sustainable posture leading to an exit strategy from Iraq, Washington can check Iran's capacity for regional trouble-making and begin to shift the burden of any future sectarian instability onto Tehran. Effective containment of Iran must begin in the Persian Gulf, not with the sort of massive arms package put forward by the Administration in response to regional uncertainty, but rather through cooperation with the Gulf states in shaping a framework for long-term regional security. This effort should incorporate a credible vision for America's inevitably downsized role in Iraq as a means of restoring some confidence among our regional allies.

Containment also offers the advantage of creating space over the longer term for a more nimble diplomacy to have some impact. Patience can be a policy virtue, both in terms of

achieving broad international consensus and dealing with an unpredictable leadership. Iranian politics remain in a near-constant state of flux, and in the lead-up to March 2008 parliamentary elections and presidential balloting the following year, Tehran appears poised to shift toward the center in a potentially decisive fashion. Moreover, in spite of the prevailing recalcitrance of the Ahmadinejad era, it has also produced for the first time in Iran's post-revolutionary history public commitments by the entire spectrum of the Iranian leadership in favor of dialogue with Washington.

As Washington also looks toward a new political era, the prospect for building new avenues of cooperation with Tehran in a post-Iraq future should not be discounted. The prospective choice for the international community, as articulated recently by French President Nicolas Sarkozy, between an Iranian bomb and bombing Iran is ultimately a false one. Such rhetoric only obscures the true dimensions of this critical dilemma, and narrows our options unnecessarily. The real challenge for Washington and its allies will be to devise a strategy that maximizes multilateral diplomatic leverage for negotiating with Tehran, while restoring confidence in the capacity of the U.S. and its allies to manage Iranian regional ambitions and impact.