

IRAN TRACKER

Situation Report Week of January 5, 2015

Rouhani Possibly Signalling New Tactics in Nuclear Negotiations

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Outlook

President Rouhani's proposal for a referendum on the nuclear negotiations during a January 4 speech is unlikely to succeed, despite the majority of Iranians supporting the approach. The president will continue his campaign to highlight the negative impact of Iran's isolation and the perceived imbalances in Tehran's foreign policies, which he argued in the speech privilege ideology at the expense of national interests. Khamenei did not criticize Rouhani's policy assertions in a subsequent speech on January 7, which may signal that the Iranian leadership is laying the domestic political groundwork for more significant compromises in the nuclear talks, which resume on January 18. The recent Mohammad Rasoul-Allah exercise highlights Iran's growing investment in its traditional military, the Artesh, which has historically received much less focus and confidence from the regime than the Islamic Revolutionary Guard Corps (IRGC). Iran will continue to promote its ability to control the Strait of Hormuz and deter a potential military strike on its nuclear program. The severe economic pain from falling oil prices is not only pushing Iran to consider more significant concessions on its nuclear program, but will also drive Tehran to more desperate diplomatic, political, economic or even military actions.

Rouhani advocates for a less principled foreign policy.

President Rouhani [made several bold statements](#) about Iranian foreign policy and the ongoing nuclear talks at the first Economics of Iran Conference on January 4. He claimed a

country's foreign policy is based on unique interests and desires, rather than principles and ideals. Rouhani argued the Islamic Republic's ideals are connected to its "heart, brain, and determination," and not its centrifuges. He also proposed that major political and economic decisions--such as a potential nuclear agreement with the P5+1--be put to a national referendum, citing a rarely invoked clause in Iran's constitution. Iranian conservative press [dismissed](#) the prospect of any referendum, while one [military leader condemned](#) Rouhani's assertion that national interests should override principles and ideals in foreign policy.

The Artesh is back. Iran's armed forces completed its large-scale Mohammed Rasoul Allah (Mohammad, Messenger of God) military exercise on December 31 [with a 100-veessel naval parade](#) in the Gulf of Oman. Iran's ground, navy, and air defense forces (the Artesh) [led the week-long event](#) and were [supported by the IRGC Navy and Missile Command](#) as well as the paramilitary Basij. The exercise attempted to showcase Iran's growing conventional capability to defend its airspace and assert control in the Sea of Oman and Strait of Hormuz, though there was no evidence of significant new technological advances on display. The Supreme Leader and President Rouhani heavily [praised](#) the Artesh at the end of the event and asserted there is [no reason for foreign forces](#) to be present in the region.

Also in the news

Bidding farewell to an IRGC hero. Most of the Iranian senior

leadership [attended the funeral](#) on December 29 for IRGC Brigadier General Hamid Taghavi who was killed the previous week in Samarra, Iraq. Taghavi was the highest-ranking IRGC member lost in Iraq since the fall of Mosul last year

A secret nuclear deal? Iranian Foreign Ministry officials [blasted media reports](#) this week that claimed negotiators had made a provisional deal with Washington, which involved shipping most of Iran's enriched uranium to Russia. Other Iranian media reports [acknowledged the idea](#) has been under consideration, but maintained nothing was finalized.

Tehran desperate for relief on oil prices. Iranian Deputy Foreign Minister Hossein Amir Abdollahian [asked Saudi Arabia](#) to take action on falling oil prices or the rest of the region will face serious harm. Oil Minister Bijan Zangeneh also said [Iran is negotiating with Russia](#) to decrease the latter's oil production in order to stop falling oil prices

Iran tightens its security role in Iraq. Iranian Defense Minister Hossein Dehghan and his Iraqi counterpart Khalid al-Obeidi [signed a bilateral defense agreement](#) in Tehran. Iran claims the agreement will help build a "national army" in Iraq.

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