2015 Iran Nuclear Deal: Correcting Misconceptions

1. Misconception: The Iran Deal included a U.S. payment of $150 billion to Iran

*The Facts:*
The money that Iran receives from complying with the agreement is not a direct payment from the U.S. government. Instead, the funds are Iranian foreign assets, which the international sanctions regime prevented Iran from accessing. Under the JCPOA, these nuclear-related sanctions were waived after Iran verifiably completed its initial obligations.

The $150 billion figure is also inaccurate. The amount of money Iran could access from these foreign reserves is about $100 billion. Of this amount, about half of it is tied up in Iranian foreign debts. As then-Treasury Secretary Jacob Lew testified before Congress, the actual amount that Iran would be able to use is about $50 billion.

2. Misconception: The Iran deal included a ransom payment for hostages

*The Facts:*
After implementation of the Iran Deal, the United States sent $1.7 billion to Iran. Some are now claiming this was a ransom payment for the return of American citizens that were being held hostage by Iran. Lisa Grosh, a legal advisor for the Department of State, testified before Congress that the $1.7 billion comprised $400 million that Iran had placed in a U.S. Foreign Military Sales trust fund and $1.3 billion in interest. At the time of the Iran deal negotiations, the United States and Iran were involved in a legal arbitration case over the amount of interest the U.S. owed on this fund.

As for the fact that the payment coincided with the hostages’ release, Suzanne Maloney of the Brookings Institution explains that “the settlement and the prisoner release were two separate channels.” Once the settlement of the claim was determined, the U.S. simply did not issue payment until the separately negotiated prisoner release was completed.

3. Misconception: “Breakout time” is the time needed to develop a nuclear bomb

*The Facts:*
Under the 2015 JCPOA, Iran’s “breakout time” was evaluated to be at least one year. But there is an important distinction between the “breakout time” and the amount of time needed to develop a credible nuclear weapon. A country’s “breakout time” is the time required to produce enough weapons-grade uranium or plutonium for one nuclear weapon, but one year was an artificial time period that does not reflect a baseline ability for the international community to intervene. There are no technical reasons that 12 months was selected versus a six-month timeframe, only political ones. The International Atomic Energy Agency estimates this amount to be about 25kg of highly enriched uranium (90% or more of enrichment). However, even if Iran had the required amount and enrichment level of uranium for a nuclear bomb, it would still need time to develop a viable weapon. This includes miniaturizing a nuclear weapon to be attached to a missile and producing a missile that functions accurately and reliably. Both of these developments are challenging and time-consuming. Furthermore, one untested nuclear weapon is not enough for a credible deterrent.

4. Misconception: The Iran Deal stopped Iran’s nuclear program

*The Facts:*
The objective of the JCPOA was to constrain Iran’s nuclear program and impede progress toward a nuclear weapon. However, the agreement does permit Iran to keep a comparatively small amount of monitored low-enriched uranium. Thus, the Iran Deal does not extinguish all Iranian nuclear activity, but it ensures transparency: if Iran takes steps toward weapons capability, the world will know.