

Vicente Garcia

The Atlantic Council of the U.S.

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11:00 AM CT

Operator: This is a recording of the Vicente Garcia teleconference with the Atlantic Council, Monday, August 12, 2013, scheduled for 11:00 a.m. Central Time. Excuse me, everyone. We now have Shuja Nawaz, Director of The Atlantic Council South Asia Center, and Barbara Slavin, Senior Fellow at The Atlantic Council and Iran Task Force member. Please be aware that each of your lines is now in a listen-only mode. At the conclusion of our guests' remarks we will open the floor for questions. At that time, instructions will be given as to how to proceed if you would like to ask a question. I would now like to turn the conference over to Shuja Nawaz, who will be offering some introductory remarks and facilitate a discussion with Barbara Slavin. You may begin.

Shuja Nawaz: Thank you, Drew. This is Shuja Nawaz, and I'm delighted that we have Barbara Slavin back with us after her trip to Iran for the inauguration of President Hassan Rouhani. We have been following this election very closely, and for many of you that follow the work of the South Asia Center and work of the Iran Task Force in particular, you may be aware that we published an issue brief on the election that Barbara helped co-author, and we've been continuously following developments in Iran ever since. So, we were delighted when she could go to Iran and actually report from there, and is now back with us. We thought it'd be useful to get her feedback on what is happening in Iran, what she sees in terms of the expectations that were built up following the election, and what she sees emerging in the near term, as well as for the

longer run, and the relationship of Iran with its neighbors, as well as with the West and the United States in particular. So, I'm going to ask Barbara to give us her talk and then we will go into a question and answer format. Thank you again, Barbara, and welcome back. So, over to you.

Barbara Slavin: Thank you, Shuja. Thank you, Drew. Thank you, everybody who's listening in and who isn't on vacation this week. I'm going to be brief because I hope some of you have had a chance to see the stories that I wrote. There are, I think, five stories up on the Al-Monitor website, al-monitor.com, and a number of photos as well, a slideshow that I think would be fun for you all to look at. I also did a piece for VOA News, which is up on the Atlantic Council website that talks about the great difficulty the United States and Iran have in terms of sequencing, with each one always insisting that the other one go first and make a gesture first. This was my ninth visit to Iran since 1996 and of course I've seen a lot of changes over the years. This one was encouraging. I don't get too excited about any of this because of course we all know that there are immense obstacles to progress, obstacles within Iran, coming from our own domestic politics in the United States, and also in the Middle East from Israel and from the Gulf Arabs who do not want to see rapprochement between the United States and Iran. So, I'm well aware of what the obstacles are.

Be that as it may, this was certainly the best news and the best sense of things that I've had since Ahmadinejad was elected back in 2005. We wrote in our issue brief that the Iranian people were looking for a competent CEO and I think they have found one in Hassan Rouhani. He is a cleric but he is also a lawyer. He has a degree from a university in Scotland and he understands English. I believe he speaks it fluently, even though he did not use English— did not answer questions in English at the press conference that I attended with him. But he's somebody who understands the West. He

was Iran's chief nuclear negotiator from 2003 to 2005 and he has a number of advantages that, of course, Ahmadinejad did not have. Rouhani truly is close to the Supreme Leader of the country. He has been Supreme Leader Khamenei's representative on Iran's National Security Council for the past 23 years.

There were two ceremonies— there was one on television, the other I was there in person for. The first one was the endorsement of Rouhani by the Supreme Leader. And those of you who are Iran specialists may remember that Ahmadinejad was very servile, he kissed Khamenei's hand in 2005 when he became President when he was endorsed by the Supreme Leader. Rouhani is this very almost peer-to-peer— they hugged as he gave a sort of light kiss on the Supreme Leader's shoulder, which is the way two clerics normally embrace each other. I mean, obviously they're not equals. The Supreme Leader is still the Supreme Leader. But they are closer to equals, certainly. And there's a relationship, a comfort level between them that I don't think ever existed with Ahmadinejad. And of course, in Ahmadinejad's second term he had a terrible falling out with the Supreme Leader and the Iranian system pretty much grounded to a halt. They were not able to do anything, either domestically or internationally. In this case you have a good relationship between the President and the Supreme Leader.

At the same time, Rouhani manages to be Rafsanjani's man. He is truly the stand-in for former President Rafsanjani. And the cabinet that he has nominated, which is facing scrutiny in front of the parliament this week, has in it many of the former Rafsanjani ministers, also some of the former Khatami ministers. It's a cabinet of technocrats, many of them Western educated. The most prominent example is the nominee for foreign minister, Mr. Zarif, Mohammad Javad Zarif, who went to university in California, in San Francisco, and then got his PhD at the University of Denver at the Korbel School founded by Madeleine Albright's father, was Iran's UN Ambassador from 2002 to 2007. I think he came to this country at age 15, so he is truly as American as he is Iranian. His

children live here. Another individual, Mr. Nahavandian, who is the Chief of the Office of the President, has a Green Card, and he was head of the Chamber of Commerce in Iran. We're seeing a shift in these nominees toward technocrats, away from clerics and away from Revolutionary Guards. Big change – Ahmadinejad's cabinet was largely or mostly veterans of the Iran-Iraq War, many of them former Revolutionary Guards. So, it's a shift.

What does it bode? Well, it's an opportunity. It's another opportunity I hope that we will see some flexibility on the Iranian side, but we also need to see it on our side. And in that light, one of the stories I wrote quoted an unnamed Western diplomat in— or diplomat rather, not Western—there aren't too many of those in Iran—complaining that the statement that the White House put out a week or so ago when Rouhani was inaugurated was kind of stingy. It tried to differentiate between the Iranian government and the Iranian people, which is a historic mistake that goes back to certainly the Clinton days. Madeleine Albright made the same mistake back in 2000 when she gave a big speech. So this statement congratulated the Iranian people on expressing their views. It didn't congratulate the Iranian President for having been elected. Baroness Ashton of the EU is perfectly capable of doing that but somehow that was a bridge too far for Jay Carney of the White House, and for the life of me I don't understand why that was really necessary. But the statement did say the U.S. was ready to talk if Iran was ready. And of course, Rouhani at his press conference would not quite say Iran was ready. He said the U.S. had to adopt the proper tone, etcetera, but I think both sides definitely see an opening here. So, the question is can we now, both sides, take advantage of this and begin to make some progress on the nuclear issue and all of the other issues that divide us? So, that's a quick overview and now I'll be happy to take your questions.

Shuja Nawaz: Thank you, Barbara, for that insight, and especially the detailed color commentary on the inauguration and the comparison of the meeting between Ahmadinejad and the Supreme Leader and Rouhani and the Supreme Leader. This is why we thought it'd be important for somebody like you to be sharing your thoughts with our listeners today. Let me ask you this. There is obviously a great deal of hope and expectation about the change in Tehran. Is it really realistic to expect that they'll be a massive shift in the way Iran deals with the West? You yourself said that Rouhani did not say that he was quite ready for talks. Does it change some of the underlying currents of Iranian thinking and does it change the underlying power structure within Iran, particularly the role of the Revolutionary Guard? And to what extent will the Supreme Leader now shift his support to Rouhani and away from the Revolutionary Guard?

Barbara Slavin: Well, the Revolutionary Guards are not a monolith and I would bet that a lot of them voted for Rouhani, as did more than 50 percent of those Iranians who voted on June the 14th. I think the reason Rouhani would not say he's ready for direct talks is because he's waiting for his cabinet to be confirmed, and he doesn't want to do anything that will jeopardize that. There are certainly some hard-line members of the parliament who are not enthusiastic about some of the choices. They've already accused some of the folks of being seditionists, or close to the seditionists, which means close to the two candidates in 2009, Karroubi and Mousavi, who are both still under house arrest. So this is a bit of delicate time. And Rouhani gave a press conference. He didn't give any one-on-one interviews like Mohammad Khatami did with Christiane Amanpour back in 1997, that sort of thing. He's being very, very cautious and I think that's appropriate.

But when he named Mohammad Javad Zarif as foreign minister, that was a clear signal that he's ready for direct talks because there is no one more capable of conducting those direct talks than Zarif. And we were also informed, I'm informed, that the nuclear file will go from the National Security Council of Iran to the Office of the President and to the foreign minister. This will be managed by Rouhani and by the foreign minister. And that means that Saeed Jalili, who has been the chief nuclear negotiator, will be gone. There will be somebody else in that position anyway. And all of this has been pre-cleared with the Supreme Leader who understands that the previous strategy has not worked, or that it's time to at least tack in the different direction. There was much speculation before the election that the Supreme Leader wanted Saeed Jalili to be the next president. And Jalili ran and he was a complete disaster. It was clear he got no support. You know, they do internal polling there. Got no support, he was a disaster in the televised debates that they had. And so, I think the Supreme Leader is nimble enough to realize that he had to shift support. And Rouhani had a late surge, the Supreme Leader was happy with that.

One of the other things that was quite remarkable, when I was there a year ago for the Non-Aligned Summit, the city was so tense. There was so much security presence on the streets. And this time it was so much more relaxed and I think there was a sense that having gotten through the election, everybody could take a deep breath. There wasn't violence. An acceptable candidate was elected from the point of view of both the regime and the Iranian people, which is really remarkable. And so there was a palpable sense that okay, we're going to give this guy a chance, at least from the domestic side. I mentioned that the members of parliament today are all examining the new cabinet ministers, and there was a lineup of a number of folks who wanted to speak. And the lineup— there are 290 members in the parliament. A hundred and forty-eight lawmakers signed up to speak in favor of all the nominees and only 18 to speak against. And this

was a supposedly conservative parliament that was elected last year. So, I think that's a very good sign.

The Supreme Leader, when he endorsed Rouhani, asked everyone to support him. He said please— he asked for maximum cooperation among the executive, judicial, and legislative branches and all political movements and groups, all influential figures and powers to come and help the new the President. So, for now, Rouhani has the full backing of the Supreme Leader.

Operator: Ladies and gentlemen, at this time we will be opening the line to questions. If you would like to ask a question, please press the 'star' key followed by the '1' key on your touchtone phone now. Questions will be taken in the order in which they are received, and please be sure to introduce yourself when asking a question. If at any time you would like to remove yourself from the questioning queue, you can press 'star 2.' Once again, that is 'star 1' to ask a question. I'd also like to note that this call is on the record. And it looks like we have a question from Roger Hamburg with The Atlantic Council.

Roger Hamburg: Yes. I thought her comments were very interesting. You know, it's the question of who does what first. I'm a retired political science professor, very conscious of that. Who does what first? They want the sanctions released. We want some tangible sign. It's always tricky who does what first. I thought she was very informative. I'm glad he has the confidence of the Supreme Leader Ali Khamenei. And that's always a tricky thing, especially if you also mention our domestic politics which are a huge issue. So, I'll let it go at that.

Barbara Slavin: I appreciate your comment. I'm a little more hopeful this will be resolved, but I think it was a missed opportunity that Obama did not congratulate Rouhani. I was told by this unnamed diplomat in Tehran that had Obama sent a congratulations to Rouhani that the Iranian government might have invited a former U.S. official perhaps to attend the inauguration ceremony. I mentioned it was a two-step process: first the endorsement by the Supreme Leader, the second day a formal ceremony in parliament where Rouhani took the oath of office. And there were representatives from 55 nations there. From the West, there was only Javier Solana, the former High Representative for Foreign Affairs of the EU, and a low-level representative of Ban Ki-moon, the UN Special Representative Envoy in Afghanistan, no one else. So, that's a pity. And I think we might have seen them invite former U.S. diplomats who would have been involved in this type of work with Iran, say somebody like our own Tom Pickering, who's on our Iran Task Force, would have been a natural to invite. But because there was not a congratulatory message that was clear from the Obama administration to Rouhani, I think that was yet another missed opportunity. But, we'll see. If Zarif is confirmed, I'm sure the channels will open up. And they're already opening up in terms of academics who are close to the reform movement, close to Rafsanjani as well. I was able to interview two of them this time, people I have not been able to see since 2005-2006. So, I said that they were like bears emerging from hibernation, and we're going to see a lot of these bears. Some of them are going to come to Washington, I would bet, and address audiences here again.

Shuja Nawaz: Barbara, let me pick up on the cabinet. This is obviously going to be the first step of the new President. And as you say, the Supreme Leader's already endorsed the cabinet indirectly by asking for support from all the other branches of government, and that's a good sign. You'd also mentioned that many of the persons

nominated were persons associated with Khatami and Rafsanjani. If that is the case, is there the emergence of a new coalition in Iran, a coalition which involves Rafsanjani and Khatami and their supporters? And to what extent will this be able to alter the power balance, particularly again, with the Revolutionary Guard?

Barbara Slavin: Absolutely. This was something we already saw before the election. Rafsanjani was barred from running by the Guardian Council. Rouhani was the replacement in a way, the stand-in for Rafsanjani. There was a reformist candidate also running, Mohammad Aref. He dropped out because their internal polling showed that Rouhani had the better chance, and he was considered less controversial for the regime. They would be less likely to block a victory by Rouhani than by the reformists. And so yes, we do have a real coalition. And this is very important because back when Khatami was the President, some of his followers were a little overzealous, and they not only attacked the hardliners, they attacked the Rafsanjani people. There were revelations in the reformist press about murders of intellectuals and so on that took place when Rafsanjani was the President, various other things, and that Rafsanjani corruption (0:18:57 indiscernible) that Rafsanjani was responsible for. And this now has been put aside and the centrists and the reformers have absolutely joined hands, and this is their cabinet.

I should also mention that three of the members of the cabinet were directly associated with Mir-Hossein Mousavi and Mehdi Karubi, worked on their campaigns in 2009. That's what I meant when I said there were some that accused Rouhani of appointing people who were close to the quote-unquote seditionists, which is how Mousavi and Karubi are described now. And they're also there. So you actually have, you have everything from Mousavi, who was Prime Minister during the 80s when the Office of President was not that important, when the chief executive power was with the Prime

Minister. So you have people from the Mousavi era, from the Rafsanjani era, and the Khatami era, everything really of the life of the Islamic Republic practically, up until Ahmadinejad, all joined together in these nominees.

Operator: Ladies and gentlemen, once again, if you would like to ask a question, please press the 'star' key followed by the '1' key on your touchtone phone now. Please be sure to introduce yourself when asking a question and if at any time you would like to remove yourself from the questioning, you can press 'star 2.' Once again, that is 'star 1' to ask a question. Speakers, we are currently holding for questions.

Shuja Nawaz: Okay. While we're waiting for more questions, let me take you back to Rafsanjani. We know that when he was President, he was very active in the acquisition of nuclear technology. And so, on the nuclear issue, does one expect a change? Has there been a change in his thinking and will that be reflected in the thinking of Rouhani, or will there not be any basic change in the stance of Iran?

Barbara Slavin: Obviously, we have to wait for the next P5+1 talks to resume. But what we do know already is that Rouhani has promised more transparency. So, I would expect even more cooperation with the IEA, and let me point out that there are two to six inspectors on the ground every day in Iran, every day of the year, and that the enrichment facilities are inspected at least once a week. But I would assume that Rouhani will promise even more in return for some sanctions relief. He probably— I think it will be difficult for him to stop enriching uranium for any lengthy period of time, but I think it might be possible to cap the percentage at 5 percent, rather than 20 percent where it is now. He understands that Iran is in a hole economically and that the only way to stop digging that hole is to get sanctions release relief, and the only way to get

sanctions relief is to compromise on the nuclear program. But he also needs to save face. He cannot be seen as complete sellout of Iran's interests. So, this needs to be understood on our side as well.

Operator: Thank you. We have a question from Nicholas Gilani.

Nicholas Gilani: Good evening, everyone. I'm calling from Abu Dhabi. Hi, everyone. My question is as follows. It seems like Iran is— it takes usually two to tango. It seems like Iranians are getting ready to start to tango. To what extent do you think the U.S. is going to reciprocate, given certain vested interests on the both U.S. side as well as the Iranian side, as well as certain regional powers that don't want to see an eventual rapprochement? Thank you.

Barbara Slavin: That's a very good question. As I said, I was a disappointed. A number of people were disappointed in the message that was sent from the White House on Rouhani's inauguration. That said, the message did say that the U.S. was willing to be a partner to Iran if Iran was willing to move. And it could have been worse. I think that the Obama administration wants a diplomatic resolution of this issue. Despite all of the Israeli saber rattling which we've seen start up again in recent days, Obama certainly doesn't want another war in the region and I think he understands that the U.S. and the rest of the P5+1 is in a good position now. We'll need direct talks and the U.S. is ready for that. Really Iran now is the one that's been hesitant on that front. At the last session of the P5+1, the Iranian delegation Jalili met with the head of every other delegation but the U.S. I mean, it was ridiculous. And the U.S. and Iran are like adolescents at a high school dance, it's ridiculous, each one waiting for the other one to get up and cross the floor. SO, I think the U.S. is willing to get up and cross the

floor and ask Iran to dance. Iran is going to have to get up and sort of at least smile, wink, nod, whatever. If you look at the transcripts of Rouhani's press conference, it was rather vague, but a number of times he said we're ready for serious negotiations, we want to resolve this, and so on. So, again, let's wait for the cabinet to get in place and then I would be pretty sure messages would be passed. I would imagine there are already messages being passed now between some of these folks and the Americans. Rouhani goes abroad for the first time to I think Dushanbe next week, and then he's got a meeting with the Shanghai Cooperation Organization, he'll see the Russians, and then most likely he'll be coming to the UN for the General Assembly in September. So that'll be a perfect opportunity for him and for his [Foreign] Minister to meet directly with folks. Don't be shy. I can talk about things other than politics too.

Shuja Nawaz: Do we have another question? Okay.

Operator: Yes, sir. We have a question from Frank Kelly with Deutsch Bank.

Frank Kelly: Al-Monitor is a great read every day. I'm curious, one, what do you get of the sense culturally there? Is there a shift among the people do sense with the election? Is there increased hope that sanctions will come off? Do you see anything among the younger population knowing how young the population is there? And then I do have a second question. Do you get a sense at all about how the new president will deal with Syria and relations with some of the Gulf States, which certainly have gotten quite frosty in recent years?

Barbara Slavin: Those are excellent questions. I find a lot of skepticism. I think Iranians are even more skeptical about Rouhani than Americans are, those who know who he is, because a lot of people didn't vote. Particularly in Tehran a lot of people didn't vote. I went around, I went to the north, I went to the central part of Tehran, I went to the east, and I went to the south, and talked to people, which was no joke. It was 107 degrees and I had to wear Islamic covering, so it was rough. But I really wanted to get a sampling. And a lot of people didn't vote. A lot of people were skeptical, said "Well, the last one didn't do anything for me and this one won't do anything for me either." But that said, there was an appreciable lightening of the atmosphere from last time. And there was less anti-Americanism, which I thought was interesting. People were a little warmer. I think it was almost as though they felt they were allowed to be a little friendlier toward Americans than they were last year.

What do they want? All they talked about was sanctions and inflation. Inflation is terrible. Prices are really, really high. A lot of people think that the U.S. has sanctioned food and medicine. And when you tell them that there are exemptions on that, they say, "But it's so expensive I can't afford it, and it's because of your sanctions." I went to a pharmacy, there are still shortages. Some of it is due to hoarding by the Iranian government which can't figure out what to charge for things. A lot of stuff is sort of stuck in Customs. But some of it is still Western pharmaceutical companies unwilling to sell to Iran because they don't know how they'll get paid, people unwilling to sell raw materials for medicine. So, there's a shortage for sprays for asthma and, believe it or not, medicine for hemorrhoids of all things. Anyway, according to the pharmacist I interviewed. Certain cancer drugs, certain birth control pills, not able to get. So people are skeptical. When you ask them what can this guy do for you, they say stop the inflation. That's what they say. So, I think they're ready for some compromise on the nuclear front because they understand that, and Rouhani did a good job of explaining this during the election

campaign, that the sanctions are connected with the nuclear program, the management of that, and that is why prices have gone up and the value of the Iranian currency has deteriorated. That's why Iran is selling so little oil and pumping so little oil. So they get that.

In terms of [young people, it's] remarkable, all these young journalists. It's always so inspiring to go there and watch the young journalists of Iran go after elected officials. And they really lit into him in quite an aggressive way. I mean, these are not sycophants. This is, it's pretty lively, and Iran these days frankly, and the region, is looking pretty good compared to Egypt, Syria, some other countries that I could name.

In terms of Syria and the Gulf, particularly the Saudis, Rouhani here has also a strong suit. He negotiated the security agreement with the Saudis back after the Khobar Towers incident of 1996, if you remember that. And he has good relations with (0:29:25 indiscernible). And it will be a priority for him. And I've written this, the Syria situation is not good for Iran. It is heightening sectarianism in the region. It is isolating Iran. It has lost Iran possibilities with some of these new governments, even when Egypt had a Muslim Brotherhood government, chances for reconciliation were ruined because of Syria. And also the Iranian people do not like to see their dwindling hard currency go to prop up the Assad regime. So, I think this is a regime that's going to be willing to deal and talk about these things. I think we should invite the Iranians into Geneva II to talk about Syria. They have a lot of influence. If the Russians can be there, why can't the Iranians? And they want to be invited. They want to be given faith. If we can show a little more respect to Iran and the region, that might actually help on the nuclear front and on some of these others issues. The French have already said that perhaps with Rouhani as President, Iran can be invited to a Geneva Conference. I think the U.S. should get on board with that as well. It would be very important. Of course, Iran has influence over Hezbollah, and Hezbollah, Iran, and Russia are what keep Assad in power. So, again, a

little hopeful. They call him 'the diplomatic sheikh.' This guy, Rouhani, has skills, he has connections, and what connections he doesn't have, members of his cabinet do have.

Operator: Thank you. And we have another question from Nicholas Gilani.

Nicholas Gilani: Thanks again. To what extent any eventual rapprochement between the U.S. and Iran go through Tel Aviv, if at all? There was a time before the Revolution, Iran, U.S., and Israel were de facto allies, especially between Iran and the Israelis. Do you see a way that this resolution of issues between the U.S. and Israel, or rather Iran and U.S. could somehow involve Israel so there could be a tripartite de facto agreement amongst all three partners that their respected interests could be safeguarded, or at least tolerated, acknowledged, and there would be a new order in the Middle East. Because there's a lot of fluidity in the region, all the way from Tunisia, Morocco to a certain degree, Libya for sure, Egypt, all the way to Syria and other countries in the region.

Barbara Slavin: Thank you, very good question. Obviously, the real problem between the U.S. and Iran is not so much the nuclear issue, it's the Islamic Republic's historic attitude toward Israel, it's historic hostility toward Israel. That's why the Israelis don't want this government to have nuclear weapons. Rouhani has done a little bit on that front. He doesn't say 'the Zionist entity,' he says 'Israel.' Or he says 'a certain foreign country in the region.' He had a very actually moderate statement on something called Quds Day, which is the last Friday in Ramadan when historically they have big demonstrations, government-sponsored demonstrations in Iran against Israel and in favor of the Palestinians, and actually Rouhani had a fairly moderate statement

which was then mistranslated by the Iranian media and stirred up a hornets' nest in Israel. I think Iranians will understand the role that Israel plays in this debate and they understand that they will have to put verifiable caps on the nuclear program in order to calm down the Israelis. And they're probably also going to have to suspend work on a facility that they're building at a place called Arak, which is a reactor that would produce plutonium as an offshoot, if it actually goes online next year.

And there's been a lot of saber rattling by Israelis in recent weeks about not allowing this particular facility to open, and even kind of a shift. There was an editorial in the New York Times, I think it was called 'Iran's Plan B for the Bomb.' So, these things are going to have to be traded. But in return, Iran is going to want some sanctions relief. So, I hope the Israelis will be understanding. They will not be as flexible perhaps as the U.S. government might be willing to be, but if they see some steps toward curbing the nuclear program, I don't see how they can continue to saber rattle and threaten war. Whether you can get Congress to get off the sanctions track is going to be another issue. And as you know, the House of Representatives passed new sanctions legislation. There's a bill also in the Senate that'll come up after the recess. So we're going to need to see some progress sooner rather than later in order to stop the sanctions train.

Operator: We have another question from Nicholas Gilani.

Barbara Slavin: Yeah, okay.

Nicholas Gilani: Sorry about that. This is hopefully my last question. It seems to me that it's going to be easier to develop a rapprochement between the U.S. and the Iranians, it seems like it. However, there's a legalistic obstacle, and that's removing of the sanctions. EU nations' sanctions can be removed pretty fast, probably

executive sanctions can be removed pretty fast, but those imposed by the Congress, they take years. For example, in the case of Iraq it took about 10-12 years. So, how would you— would there be an opportunity to be an (0:34:46 indiscernible) or a global settlement along the lines that you had in Algiers Accords in 1981, if possible. Thanks and this is my last question.

Barbara Slavin: Okay, thanks. I appreciate your questions. No, I don't think that's going to be possible. There are 34 years of bad blood and so many other issues, terrorism, etcetera. I think this is going to be a gradual process. But even a little bit of sanctions relief would be so welcome in Iran because it would strengthen the currency. I think they could sell oil to the Europeans again. That would be so dramatic. So, the American sanctions, frankly, they can start to come off later. What's important is to start the process and to get a virtuous circle going here. And if Iranians see the relief and feel the relief in terms of inflation going down, in terms of more oil revenues and so on, I think they will be happy. Nobody is expecting this to be resolved overnight. And certainly Rouhani has said many times this is going to be a long process and basically said Ahmadinejad dug us a big, big hole over the last eight years. So the first step is to stop digging. And I think that's where we really need to begin.

Operator: Thank you, ma'am. Our next question comes from Frank Kelly with Deutsche Bank.

Frank Kelly: Hey Barbara. I tried (0:36:11 indiscernible). This is such a good conversation, and as one who's always wanted to go to Iran it's always fascinating to talk to someone who's just been there. I just was curious from a personal standpoint, you mentioned it was the lack or subsided anti-Americanism. What personally was it like

for a woman, an American woman, to be travelling as extensively as you did at such a heated point in Iranian politics? Did you have any problems? What was your takeaway?

Barbara Slavin: Yeah, I've been going there since 1996, so I always think it's actually an advantage in some ways to be a woman in the Middle East. It was curious. The Iranians gave visas to only three U.S. news organizations: Al-Monitor, NBC, and CBS. That was it. And wouldn't you know that the three correspondents were women. All of us were women: me, Ann Curry of NBC, and Liz Palmer, who's a British-Canadian from CBS. I thought that was quite fascinating. The only hardship is that you have to wear the hijab, which in 107 degrees is no joke. But it was more relaxed than the last time and each time I go I'm able to wear more and more Westernized clothing, frankly, and feel a little bit more comfortable. The women now, I did a little piece on what the hijab looks like now in Iran, you should go and look. I mean, the styles, the colors are very, very, very Westernized. And so the comfort levels certainly are much greater and people were just more pleasant to me. Last year when I would say I was American I would get frowns, and people would run away from me, and be afraid to be seen with a foreigner, and express a lot of hostility about sanctions and so on. This time, people complained about the sanctions but they were, on a personal level, very pleasant to me. And I think they have a sense that it's going to be possible now to open some bridges. There's very interesting columns as well. There's a guy who had a piece today, his name is (0:38:20 indiscernible), talking about why do we have this hostility towards the United States, what's our problem? We talk to all these other countries and many of them have policies toward Iran that are no better than the United States, but we can't bring ourselves to talk to the United States. So, I think there's a sense there as well that this is just outdated. You see in the Iranian press a lot of use of the word 'detente' for the first time. And in the past, that was forbidden to talk about, detente with the United States. It

sounded too much like the old Soviet Union and look what happened to the old Soviet Union. Now they're talking about detente. So the signals are good. They really are more positive. And we at The Atlantic Council, we put out a paper on cultural engagement, academic engagement. I think the doors will be open a little bit wider for a lot of engagement between the U.S. and Iran and Iran and the West. I would expect the Brits will reopen their embassy soon or send some folks back. So this is all good news.

Shuja Nawaz: Thank you very much, Barbara, and thank you all for joining us. Just want to let you know that we will be following the Rouhani administration very closely, particularly in the next 12 months or so, to see to what extent the hope and expectations that were aroused by his election as President of Iran are met, and to see also how the White House in particular responds given the emerging situation in the region, in Afghanistan as well as in Syria, to see how Iran could well become some kind of a partner, and following a detente, maybe eventually move to an entente. So, thank you all and thank you, Barbara.

Barbara Slavin: Thank you very much all of you for listening and please check out The Atlantic Council website. You'll see a lot of interesting things there.

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