

THE ASPEN INSTITUTE

ASPEN IDEAS FESTIVAL 2017

BACK FROM THE BRINK: WHAT THE IRAN DEAL  
CAN TEACH US ABOUT NEGOTIATING CHANGE

Paepcke Auditorium  
Aspen, Colorado

Tuesday, June 27, 2017

LIST OF PARTICIPANTS

ABIGAIL GOLDEN-VAZQUEZ  
Executive Director, Vice President  
Latinos and Society Program, Aspen Institute

JANE HARMAN  
Director, President, and CEO, Woodrow Wilson  
International Center for Scholars  
Trustee, The Aspen Institute

WENDY SHERMAN  
Senior Counselor, Albright Stonebridge Group

\* \* \* \* \*

BACK FROM THE BRINK: WHAT THE IRAN DEAL  
CAN TEACH US ABOUT NEGOTIATING CHANGE

(3:00 p.m.)

MS. GOLDEN-VAZQUEZ: Hello. Good afternoon everybody. Can I ask everyone to take their seats and please kindly silence your mobile devices. My name is Abigail Golden-Vazquez and I am the Executive Director and Vice President of the Aspen Institute Latinos and Society Program. It is my distinct pleasure to welcome you to this afternoon's conversation Back from the Brink: What Iran Deal Can Teach Us About Negotiating Change moderated by the inimitable Jane Harman, CEO and President of the Woodrow Wilson International Center for Scholars and trustee of the Aspen Institute. Please join me in welcoming Jane in this panel.

(Applause)

MS. HARMAN: Thank you. Hi everybody, I'm impressed, the weather is gorgeous. What are you doing here?

MS. SHERMAN: Yeah.

MS. HARMAN: We decided it was -- she wanted to see how many women it takes to make world peace.

(Laughter)

MS. HARMAN: I think it takes two Smithies. So we're working on it, we haven't got there yet, but Wendy is in the lead and Wendy can do anything. So Wendy is my old friend of 30-plus years, eek, we were both 5.

MS. SHERMAN: Children.

MS. HARMAN: And I looked into her background before Jane and I had no idea of some of it, Wendy, I mean aside from Smith College which I also attend but social worker? In a series of jobs outside of politics I encountered Wendy in politics, she was -- talk about the inimitable or the indomitable, she was chief of staff to the indomitable, the unimaginable Barbara Mikulski who is sorely missed in the United States Senate I'm sure by all of you as well as us. And then she became a political

consultant. And the relevance of that is that Neophyte Jane was running for Congress, U.S. Congress for the first time in 1992. And I've told some of you in a prior panel, it was the first elected office I had sought since junior high school treasurer which I lost. And so I hired the A team and one of the A's, there were two, was Wendy.

So Wendy was the consultant on my first and my first successful congressional campaign in 1992, the year of Bill Clinton. And it was a very promising year, and thank you Wendy for all your help. And then Wendy parlayed that magnificent success into a role at the State Department where she became the Assistant Secretary of State for Legislative Affairs under Warren Christopher. Many of you probably know him, and he was a good friend of mine at the time from Los Angeles as I am.

At any rate why don't we start with that Wendy. So question one, how in the world did a social worker turn political guru become an Assistant Secretary of State.

MS. SHERMAN: Thank you. It's great to be here and to be here with Jane who's done so many remarkable things in her life as well in government, in business and now at the Woodrow Wilson Institute doing phenomenal things, very bipartisan, trying to find the center of our country again, which is hard to find but working hard at it.

So I'm actually writing a book about all of this. But to -- so that will come your way, take some time to get it done. But I tell people I wish everyone an unexpected life, which mine certainly has been, and that as a social worker I'm a community organizer and I joke that I've stayed a community organizer and a social worker. My caseload has just changed over the years. And also only half-joked that my clinical skills are very, very helpful with dictators and members of Congress.

So I believe that anybody can take a skill set and apply it in a variety of places. And I've never had a 5-year plan, and that's been wonderful because when opportunities come along. So the last time I was a partner with David Doak and Bob Shrum in a media-consulting firm which is why I was working on Jane's campaign, helping her to do ads, when I got a call from Tom Donilon who was then a lawyer at O'Melveny & Myers. You all know he eventually

became National Security Advisor for Barack Obama. But then he was an O'Melveny & Myers lawyer and he was going to become Chief of Staff to Warren Christopher who was also in O'Melveny but on the West Coast and they actually didn't know each other but he was going to become the Chief of Staff, and it was the night before Martin Luther King's birthday and Tom asked if I'd come and meet Warren Christopher and I thought why the hell does Warren Christopher want to meet me since I had done all the things that and a few more Jane talked about.

And I went and saw Christopher and I said to him when he raised this idea, I said if you want someone who knows everything there is to know about national security and foreign policy I am not the person, I know a fair amount, you can't do politics without learning a fair amount but nonetheless I was no maven of international security. But if you want someone who knows Washington, I guess, I was a member of the swamp even back then I might be the right person, so I -- and I hadn't even worked for Bill Clinton I had worked for, done ads for Bob Kerrey.

But I ended up becoming the assistant secretary then Madeleine Albright and I were long-time friends, we've done a lot of work together, when she became secretary of state I became her counselor, that's not lawyer it's sort of consiglieri and then with her and a few others built a business, a consulting, global consulting business called the Albright Group. We wonderfully started. Our first week in our office was 9/11, all planes stopped, not exactly good for an international business. But we became very successful over a decade. And then I had the privilege of returning to government as the Under Secretary of State for Political Affairs first for Hillary and then -

MS. HARMAN: Okay, but not so fast.

MS. SHERMAN: Yeah.

MS. HARMAN: All right. So it's 1992 and newbie Wendy is Assistant Secretary of State and those 2 years, the first 2 years of the Christopher administration --

MS. SHERMAN: Terrible.

MS. HARMAN: Were terrible. But also in 1994 the -- a deal with North Korea was negotiated. I'm going

somewhere with all this because we are going to talk about politics at the brink. What role, if any, did you play in that? And looking back on whatever role you played or anybody else played, what thoughts do you have about 1994 in the North Korea deal.

So my responsibility was to get the Congress to support what Ambassador Bob Gallucci had done in negotiating the agreed framework. And the agreed framework, which was only four pages long, and really ultimately got done because Jimmy Carter showed up in North Korea and Kim Il-sung, then the leader of North Korea, believe that only leaders could make decisions and Jimmy Carter was a former president so he was a leader and he said, you know, I think you should make this deal and Kim Il-Sung agreed. And so Gallucci got to finish the agreement, which had hit a lot of roadblocks, and the agreement was rather than them have this reactor which could make weapons-grade plutonium, we would join with other partners, principally South Korea and Japan and we would help them create a modified graphite reactor which couldn't be used to create fissile material for nuclear weapons.

So Bob Gallucci negotiated that deal. And during the entire Clinton Administration not one more ounce of fissile material was created in North Korea nor were any nuclear weapons created. When Bill Clinton became president there was enough fissile material for one or two nuclear weapons that had happened during Bush 41's time. And if you have enough for one or two nuclear weapons you're less likely to use it or test it because then you're going to use it up. So stopping them from producing fissile material was critical.

At the end of the Clinton Administration when I was Madeleine' counselor I became first working with Bill Perry, and then after Bill stepped down the special advisor to the President and Secretary of State and North Korea Policy Coordinator, better known as (inaudible), which I love.

The (inaudible) --

MS. HARMAN: I think you made that up.

MS. SHERMAN: No, no, no. To negotiate with North Korea a deal that they would stop testing missiles because we thought we had taken care of the nuclear weapons side but we wanted to take care of the delivery mechanism side. And we got very close to getting a deal on missiles but it was a strange time in our history, there was this presidential election that never got over and we thought we needed to brief the incoming president, whoever was that, that was going to be, so I went to Africa with Madeleine on her last trip as Secretary of State. I had two suitcases, one for the warm weather in Africa, one for the cold weather in Pyongyang. And if I'd gotten a signal from the president I was going to go to Pyongyang if we could put the final elements together I would also have in my pocket a date that the President of the United States would go to North Korea. I never went, the election never got over made it President -- Clinton made a decision, he could not pursue this and pursue Middle East peace at the same time.

When President Bush 43 took office I briefed Colin Powell at his home and with Condi Rice, Colin thought it was a good hand to play, Condi said, well, the President want do want to do a policy review. They ended up not playing the hand. It died.

MS. HARMAN: Now, this is the hand on the missile deal.

MS. SHERMAN: On missiles.

MS. HARMAN: On the nuclear deal wasn't there also an issue about uranium and plutonium and a decision that Bush 43 made early?

MS. SHERMAN: Yes. So at the beginning of the Bush 43 administration they learned that towards the end of the Clinton administration North Korea had started a covert uranium enrichment process. There are two ways, I'm not a nuclear expert but I've become one over the years.

MS. HARMAN: Well, you went to Smith College --

MS. SHERMAN: Yeah, well, but I finished at Boston University, which I'm very proud of. So anyway you can get fissile material for nuclear weapon by creating weapons-grade plutonium or highly enriched uranium. So they had started a secret enrichment program, they decided

to take a very tough approach and non-diplomacy approach after having tried diplomacy. So they threw out Kim Dae-Jung, the president of South Korea's sunshine policy. The Republicans in Congress never had liked the agreed framework. Anyway so that went by the wayside and we saw North Korea begin to produce nuclear weapons.

MS. HARMAN: But they also criticized the agreement.

MS. SHERMAN: Yes.

MS. HARMAN: Yours, because it didn't cover uranium, it only covered plutonium. Now, you could say, well, they weren't producing uranium, but you could also say --

MS. SHERMAN: Absolutely.

MS. HARMAN: -- many people know or knew that uranium was another path to a bomb, so closing off all paths in 1994 would have been smarter.

MS. SHERMAN: Yes. I agree. And I think, you know, we learned some lessons certainly as we approach the Iran negotiation in what had and had not worked about North Korea, very different circumstances but certainly we learned some lessons, agreed.

MS. HARMAN: So segue to Wendy that nuclear negotiator with Iran. Now, how did that happen to you?

MS. SHERMAN: So when you're the Under Secretary for Political Affairs in United States, and I'm very proud to have been the very first woman to hold that role, which is a pretty sad commentary that it took so long to get there, but nonetheless you are the political director for the United States in international affairs. And when the United Nations Security Council decided that the permanent members of the Security Council plus Germany coordinated by the high representative of the European Union should negotiate with Iran in Resolution 1929 it was decided that the negotiations would happen at the political directors level.

So I just fell into this. And Bill Burns had been the Under Secretary. He had gone to an initial

meeting with Iran which was a big historic moment when the Americans reentered the room with Iran. And Bill became Deputy Secretary of State. And early on I said to him do you want to keep the Iran file because, you know, it's a big deal, and he said it's all yours. And so I began negotiating.

MS. HARMAN: All right. So how many other women were in the room?

MS. SHERMAN: It's just a -- it was a very strange moment in history. For the first almost 2 years we ran around the world accomplishing virtually nothing.

MS. HARMAN: Who is we?

MS. SHERMAN: The we is all the political directors of the permanent members Security Council, so that's the United States, Great Britain, France, Russia and China and -- plus Germany. And Cathy Ashton who was the high representative of the European Union first coordinated and led the negotiations with Iran at the time Ahmadinejad --

MS. HARMAN: And a recent scholar at the Wilson Center.

MS. SHERMAN: Yes. Ahmadinejad was President of Iran and Saeed Jalili was their lead negotiator. They really had no interest in actually doing anything at the time so we traipsed all over the world, we went to Baghdad in a sandstorm, we went twice to Almaty. Almaty is a perfectly lovely place, but for Americans it's a 19-hour trip. So -- but Kathy's deputy is an extraordinary German diplomat named Helga Schmid who probably spent more time with the Iranians than anybody did. She is quite extraordinary and the unsung heroine of this, so it was rather odd that the people who spent the most time with the Iranians were three women. And when Cathy stepped down Federica Mogherini took over. So it still stayed three women.

MS. HARMAN: And on the Iranian side? Tell us about all the women.

MS. SHERMAN: Zero, zero, and most of the other delegations zero. I think over time the other delegations

added some women because they got a little embarrassed, and I'm fairly obnoxious on that point. So that changed a little bit.

I will say this. Most of the Iranian reporters and press are women. So we chatted from time to time.

MS. HARMAN: And these activities were reported in Iran?

MS. SHERMAN: Yes, oh yes, yes, yes. So people know us. And Cathy Ashton will say when she and Helga went to Iran they were like rock stars, total rock stars, really extraordinary.

MS. HARMAN: So, okay, take us through this. I mean, sort of the color of this. So you're the newbie on the team, you don't know a lot specifically about this subject matter, but Bill has said it's your file Wendy, go do it.

MS. SHERMAN: Right.

MS. HARMAN: And we're all smart, we can all learn new material. So how did you go about doing it?

MS. SHERMAN: Right. So several things. One, I got people into my office to really learn about this, and there was a very strange circumstance. Barely 2 weeks into being, maybe 3 or 4. No, I think 2 or 3, there was this really strange event. It appeared that an Iranian coming through Mexico had planned to plant a bomb in a Cafe Milano to blow up the Saudi Arabian ambassador. It was so strange you, David Ignatius couldn't have written this in one of his spy books. And that fell in my lap. So I had to quickly learn about how could an Iranian do this, who was he, who was this guy, (inaudible), get the entire world community organized to condemn what the Iranian was going to do.

So that sort of threw me into learning about Iran very quickly. I brought in people from the intelligence community, I brought in people from the Iran desk. I read a lot.

MS. HARMAN: So this is before you got the file?

MS. SHERMAN: No, I had to file the day I had the job. But this happened immediately and I had to learn all kinds of things and organize the world around Iran. So it was a real saturation of learning history. But I have learned along the way that all of this is data and it's important data but being in the room and understanding the people across the table comes from the doing.

And when Secretary Albright and I went and met Kim Jong-il, the head of North Korea, the South Koreans had told us they had read every book ever written about him and they had met him before we did. And every book which had been written in Korean in, by South Koreans and some by North Koreans was wrong. And so I've learned to be -- to take in that data but to be a little skeptical.

MS. HARMAN: Was wrong how?

MS. SHERMAN: It was wrong because it said that Kim Jong-il was crazy, paranoid, couldn't deal with him, that wasn't the case at all.

MS. HARMAN: Well, it's interesting, the Kim family has been in power in North Korea for 70 years.

MS. SHERMAN: Yes.

MS. HARMAN: And certainly the scholars at the Wilson Center who research this too think that by their lights they are being rational.

MS. SHERMAN: Absolutely.

MS. HARMAN: They see us as an existential threat trying to --

MS. SHERMAN: Absolutely.

MS. HARMAN: -- harm them and if we take away their nuclear program they're going to be murdered just the way Gaddafi was by the Libyans.

MS. SHERMAN: Exactly, exactly.

MS. HARMAN: And so that's why they behave this way.

MS. SHERMAN: Right.

MS. HARMAN: So it's too facile to say they're crazy.

MS. SHERMAN: Right. They live in a paradigm. For them that paradigm makes complete and utter sense sitting where they're sitting.

MS. HARMAN: Okay. So Wendy the negotiator, you know, you're in the room and you've not only met the leader but I assume this process goes on for a long time, how long, and what does it -- how do you actually do this?

MS. SHERMAN: For those couple of years when Ahmadinejad was president it was awful. The Iranians spoke in Farsi, we spoke in English so we spoke through interpreters. When Rouhani won he announced soon after that he really wanted to engage in these negotiations, he really wanted to move forward and open Iran to the international community in a different way. And let me be really clear here, I basically believe in Iran. There are hardliners and there are hard hardliners. We all talk about Rouhani as a moderate, he is a very conservative cleric, so no one should have, you know, some belief that he's going to all of a sudden open up Iran and it's going to become a full-fledged democracy. It's not going to happen. I have a lot of faith in the young people in Iran and the majority the population is under the age of 30, but if there is change it's going to be a long time in coming.

So to answer, to get back to your question. What happened in the negotiation that was so critical is that when Rouhani reached out in that way Barack Obama made a very crucial decision, and he conveyed that crucial decision in a secret channel where Bill Burns and Jake Sullivan led the initial discussions with the Iranians in Oman to try to see if we couldn't get something started, all the while we were doing the P5+1.

MS. HARMAN: Do you all know what P5+1 is?

MS. SHERMAN: Permanent members of Security Council plus Germany, okay. So what Obama decided was that he would allow bill to say that the U.S. might consider a very limited enrichment program under very, very strict monitoring and verification. We've never said that before.

And the reason he said that is the following. We could and we still can bomb every facility in Iran. But you can't bomb away knowledge. Iran knows how to do what it knows how to do it. It's mastered the entire nuclear fuel cycle. So if we bomb the facilities they could recreate them probably in 2 years, and they'd most likely do it underground and covertly. So bombing and military action is an option and remains an option today, quite frankly. But it wasn't a permanent solution or and it certainly wasn't a long-term solution, it wasn't even a 10-year solution let alone a 15-year solution or onwards.

Sanctions. Sanctions certainly put pressure on Iran. But sanctions never stopped Iran's nuclear program. When the Europeans began negotiating with Iran in the early-2000 they had 164 centrifuges. By the time we began negotiating with Iran, the P5+1, had 90,000 centrifuges. So sanctions never stopped Iran's nuclear program. The point of sanctions was to force them to the negotiating table to make a choice. And it did accomplish that.

But our allies and partners like South Korea and Japan and India reduced their oil from Iran only because we agreed to try diplomacy. That was the deal. People would enforce our sanctions if we were serious about diplomacy. So I think President Obama made an incredibly courageous decision. I think it was intellectually the right decision. But it took a lot of courage because you all are quite well aware of the criticism of that decision.

So Bill and Jake conveyed that. It opened up the beginning of writing a document. I joined those negotiations secretly towards the end because I was going to have the lovely job of telling all of my partners, including partners like Israel with whom we communicated on a regular basis about the negotiations.

MS. HARMAN: We --

MS. SHERMAN: And in fact we had done something in secret.

MS. HARMAN: So let's just stay with what was disclosed then, the P5+1. In the five are Russia and China. So listen up everybody, we were working with Russia and China on this. Were we really working with Russia and China?

MS. SHERMAN: Yes. Very --

MS. HARMAN: What's some examples of that?

MS. SHERMAN: Very much so. We had an enormous amount to cover, this final agreement, depending upon how you array it. With all its appendices it's like a 100 pages long. It is incredibly detailed, incredibly complex. Hundreds of elements to it.

And so what we did is we, when we began in earnest after Rouhani became president, the first summer we all spent a lot of time in Vienna, we had seminars and everybody had a different role. The Chinese were going to talk about the Arak plutonium reactor, what might be some options around that, the Germans talked about transparency --

MS. HARMAN: Arak is not the country of Iraq?

MS. SHERMAN: No, it's A-r-a-k, it is the plutonium reactor that Iran was building. So we each took different roles in that seminar. One of the things that happened in the time we went running around the world accomplishing much of nothing is that we all got to know each other very well. The political directors. And Sergei Ryabkov my Russian counterpart who is a master diplomat, he and I had also gotten to know each other because we worked on the Syrian chemical weapons agreement and got to know each other very well, and that and he is quite adept. And by the way now we were doing all the negotiations in English.

And as strange as that is --

MS. HARMAN: Which all of them could speak in the first place.

MS. SHERMAN: Right, which is the most amazing thing is Abbas Araghchi who is the lead negotiator for the Iranians was in Jalili's team for unuseful years, we never knew he spoke English, and we never knew much about him. And he speaks brilliant English and writes brilliant English and --

MS. HARMAN: As they say in Casablanca, I'm shocked.

MS. SHERMAN: Yes.

MS. HARMAN: Yeah.

MS. SHERMAN: So now we were all in English and the Russians on these issues are incredibly capable because they have Rosatom, they obviously have lots of nuclear weapons and missiles, they know the technology. They have a very complicated relationship with Iran. Their team was quite adept, quite skilled. I was lucky to have a phenomenal core team of 15 people including nuclear scientists, later on, as you all know, we brought in Secretary Ernie Moniz who's spectacular to join Secretary Kerry as we came down the negotiations, he was our Secretary of Energy and he is a nuclear physicist. So lot of experts on the team, very across our government. And that core team of 15 was backed up by literally hundreds of people in the U.S. government.

MS. HARMAN: And so I promised, Wendy, lots of time for questions. So let me just ask few more. The Chinese. What did they consider?

MS. SHERMAN: So the Chinese actually are now co-chairs with the U.S. on the redesign of the Arak, A-r-a-k, reactor because in the end of the day the Iranians liked one of the Chinese designs but the United States wanted to make sure that we had a final say on the design and that the design was in fact what it said it was going to be. And so we co-chaired that with the Chinese but they have the principal responsibility of building that reactor that will be weapons grade proof.

MS. HARMAN: And so with this new team, the Trump administration in town, do you think some of those relationships are still continuing? Are there people in positions in the State Department who are keeping them warm?

MS. SHERMAN: There is still a person in the position of making sure that compliance takes place. And Steve Mull who was our ambassador to Poland at one point, a really senior foreign service officer, think he's still in the role, and there is a joint commission which is made up

of all of the P5+1 and the European Union which Helga runs which oversees the ongoing compliance and meets on a regular basis. So at the technical level there are still people focused on getting this done. I don't believe that Secretary Tillerson has picked up the phone and talked to Minister Zarif, the foreign minister of Iran who was so critical to this negotiation working with Secretary Kerry.

And the last thing I want to say about this because I want people to know because it's one of the things we've learned from all of this, this is a whole of government effort, this was using every tool that we had in our toolbox. And the detail is just breathtaking of what had to get done. President Obama learned all the details of this agreement. John Kerry knew all the details of this agreement. I knew all of the details of this agreement.

And when we had secure video conferences in the middle of the night because of the time difference when we were in Vienna in the final days of this President Obama was very clear about what the right and left margins were, and that is crucial for a negotiator to know what you can and cannot do.

MS. HARMAN: So a few more things about the deal and then about selling the deal. We changed secretaries of state in the middle of the deal. Did that make any difference, plus or minus? And as this thing was going on, I mean it's not as though this was, there were secret aspects to this, but there was a lot of conversation and a lot of it was passionately passionate opposition to what was going on, how did those things affect what you were doing?

MS. SHERMAN: Hillary was the secretary when this began and when the secret channel began and she believed it was worthwhile to try the channel. So she was always, as we all were skeptical and you need to be skeptical and not change your fundamental objective when you negotiate, which is to ensure that Iran never have a nuclear weapon and everybody in the P5+1 shared that objective, which is another thing that is crucial when you do multilateral negotiations. Everybody has to have the same objective when, just to sidebar here a minute, when Ukraine happened, when Russia invaded Ukraine I wondered, well, you know, maybe this will be the end of these negotiations.

But quite frankly, we all kept our eye inside the room on what had to be accomplished. It's not that we weren't tough on Russia on what they were doing in Ukraine, it just didn't happen inside that room. It was really a quite remarkable agreement that had been reached and a norm that had been reached within the group. In terms of -- so --

MS. HARMAN: So John Kerry --

MS. SHERMAN: So John Kerry comes over and he and Hillary had talked quite a bit because he had been chair of the Senate Foreign Relations Committee, he actually, as it turns out, had been instrumental in developing the relationship with the sultan of Oman as the chairman of the Senate Foreign Relations Committee so he and Secretary Clinton talked quite a bit over her time as Secretary of State to decide whether to embrace the sultan's suggestion that he try to bridge this gap. So it was a pretty smooth transition. And obviously there was the transition of Rouhani becoming president and Javad Zarif replacing Saeed Jalili and having a whole new team do this negotiation, so that helped.

In terms of all kinds of things going on besides Ukraine this was a really hard thing to do. People are focused on the negotiation, but quite frankly I only half-joke that I negotiated inside the administration because we had to come to an agreement about how we were going to proceed on a constant basis revisiting what we were doing. And I negotiated with the Congress in a sense that I can't tell you the number of briefings that we gave to Congress usually in a secure place and take their feedback. Negotiated with key countries before every and after every round. I met with, spoke with or had a secure video conference with Israel which provided enormous technical assistance to us, with all of the Gulf States before and after every negotiation. With our allies and partners around the world. Had to have bilateral negotiations with each member of the P5+1 then with Europe as a group and then with the five all together. And then negotiate with Iran.

So it was a very, very complex process, all the while I was responsible for the rest of the world as the undersecretary. So it was quite a feat which could not happen by any single person, a team matters enormously.

MS. HARMAN: So a lot of this we're going to get in your book, I'm sure, and we have to wait to hear it, and I don't want to ask about all of it, but I do want to ask about just a couple of more things that have seemed to be issues post-deal, one is that the deal was about Iran's nuclear program, it was not about Iran's behavior, good or bad, and I would say very bad.

MS. SHERMAN: Very bad.

MS. HARMAN: In the region.

MS. SHERMAN: Yes.

MS. HARMAN: Who? How did you make that decision?

MS. SHERMAN: That's my phone I think, and we're just going to ignore it. Sorry, I should've turned it off.

MS. HARMAN: Somebody doesn't like --

MS. SHERMAN: Most of it is robocalls anyway, so you all probably have that same thing. So -- tell me your question again.

MS. HARMAN: It was about --

MS. SHERMAN: Sorry.

MS. HARMAN: It was a transactional deal about the nuclear program --

MS. SHERMAN: Yes, why we just did that.

MS. HARMAN: -- transformational deal to make sure Iran would behave well everywhere.

MS. SHERMAN: No deal can carry the weight of everything. This was a Rubik's cube that was complicated enough, and so to try to pile on all of Iran's bad behavior would have, I think, been virtually impossible as a negotiation. But beyond that, and I have said this publicly, all of the Gulf States said to me at the beginning of this do not discuss any regional issues inside the room, stay only focused on the nuclear deal because you

cannot discuss our future if we are not in the room, which is sensible, right?

MS. HARMAN: Well --

MS. SHERMAN: And then as the deal started to look like it might get done they all said to me how can you finish this deal without solving all these other problems? So I understand both, I really do, I really do. And Iran and there was great concern that Iran would get so much money and the IRGC, the Iran Revolutionary Guard Corps, would get lots more money which meant they could finance more terrible actions by Hezbollah and Hamas, their proxy. And we said very transparently IRGC probably will get some more money. But the IRGC was not for this deal and they were not for this deal because they had built up enormous economic power through the black market because while the sanctions were imposed they sort of took the corner on doing things nefariously and they lost all of the black market.

So they were not for this deal, they were not for anything that created a relationship with the United States or with any of these other people. So we had said there will be, I'm sure, an increase. But quite frankly Iran was able to do horrible things in the region even without any more money. And the most important thing is as horrible as Iran is and we need to do everything we can to stop their bad behavior, imagine if they had a nuclear weapon. Then they would be able to project even more power into the region and they would be able to deter our and our allies' actions in the region. So I understand the challenge here but I think the decision was the right one.

MS. HARMAN: Well, as you know I personally agree, but the other actor we haven't really talked about, except to mention it, was Israel. And Israel's friends in the U.S. and specifically APAC who were strongly against the deal, and I was with Wendy, I want to say we're going to mention one other thing when we're done with this and then we're going to questions at 20 minutes Wendy, be proud of me. So Israel before, during and after the deal was very unhappy. And Wendy and I were in Israel at a security conference right after the deal and she explained the enormous pain personally for someone who happens to be Jewish dealing with her own community. And I just think maybe you want to talk about that a little bit.

MS. SHERMAN: So Jane and I were both at the INSS conference Israel. Ironically it wasn't planned, but it was the weekend that in fact the deal got implemented and American citizens got released. And the only other thing I did do every time I met with the Iranians was have a separate bilateral discussion about the Americans who had been detained unjustly by Iran and that ultimately led to their being released.

But it was very tough and I wanted to go to Israel to this conference to speak, I'd been asked to speak, and said it was it was very difficult to have a community that I love and feel part of be so against what I was doing. I knew that the technical professionals in Israel thought we had done a good job and that we had improved Israel's security. And I understood and appreciated that the prime minister at a political level had a different view. And I have never question the Prime Minister's right to make that decision. He is the prime minister of Israel, no American is. So it is his choice and his decision and I respect that.

And General (inaudible), who was National Security Advisor during a lot of this time was at the conference and we hugged and kissed and we have moved forward.

MS. HARMAN: Well, the one other thing I want to say, and we'll take your questions now, is that on the way to Israel we were sitting in an airport lounge as the news was coming over the networks that the deal was done and our hostages were being released. And Wendy sitting there reading or doing something else, Wendy why don't you just put your papers down and just look at the screen and in your heart and in your head just take a victory lap, look at this, you were a central actor that caused this. And I just want to say to you personally, which I did do, but it's rare that a human being can have this much impact on, whether you agree with the deal or not, can have this much impact on a foreign policy issue. So personally from you friend of decades, thank you.

MS. SHERMAN: Thank you, Jane.

(Applause)

MS. HARMAN: Okay. Questions. Microphone is someplace. Where is the microphone? Okay, please identify yourself, it helps. Let's go over there first and the end.

MR. HARRISON: Two questions, number one --

MS. SHERMAN: Who are you?

MS. HARMAN: Who are you? And who are you?

MR. HARRISON: Gilbert Harrison, I'm from New York. I'm an investment banker but I find this very, very interesting and I followed all the news during the negotiations and I compliment you.

MS. SHERMAN: Thank you.

MR. HARRISON: There was a lot of criticism on why the president decided not to have Congress approve this deal.

MS. SHERMAN: Yeah.

MR. HARRISON: Can you comment on that? And my second question is a little bit different. How would you treat, if you were back in the State Department today, how would you treat what North Korea is doing and what can we learn from the experiences you had with Iran?

MS. SHERMAN: Thank you. I just lost the first question. Congress.

MS. HARMAN: Congress.

MS. SHERMAN: Congress did have a chance to chop on the agreement. They, Senator Corker and Senator Cardin, to whom I'm grateful, put a piece of legislation together that passed that gave Congress a period of time to disapprove the deal. They had to take action, do an action of disapproval if they wanted to have a say. We went through that gauntlet and passed. Congress did not stop the deal. So Congress had a chance to chop on this deal.

Now, why didn't we make it a treaty? Which is often what people ask. The Senate has not approved a treaty for years now, any treaty, even the disabilities treaty with Bob Dole sitting on the floor in his wheelchair. In the United States Senate we just don't do treaties anymore. But even if we did a treaty, treaties,

agreements are only durable if the deal is good and if it serves the interests of all the parties. We have left deals like the ABM Treaty when we felt it no longer was in our interest. Russia has pulled out of treaty just recently, in our view has violated a treaty and therefore pulled out. So treaties, quite frankly, aren't a guarantee of success either. These are all in the end political agreements, as I say, that only are adorable as long as it meets the interests of the parties.

Now, where North Korea is concern, I've said a lot of this recently, I just did a piece in U.S. news and wrote a report, a piece on AXIOS as well and a Facebook thing with Steve Clemons today. I do think there is a lesson to be learned here. And the lesson is to use all of our tools in our tool box simultaneously all at once. So in the Iran deal people are very focused on the negotiation but they're not focused on everything else we did. We arrayed our military in a Persian Gulf to say we meant business. The President the United States commissioned and deployed a new penetrator weapon that could penetrate the one secret facility called Fordow which was an enrichment facility. We used our intelligence and cyber capabilities in ways that the *New York Times* has reported on. I think they called it Stuxnet, I'm not going to speak to it.

We use public diplomacy, ways to speak directly to the Iranian people about what we're doing. And of course we had sanctions both bilateral and international sanctions. We ran all over the world. We did things like go to countries to get them to reduce their oil contracts, help them negotiate a new contract with Saudi Arabia and get Saudi Arabia to increase its production. I mean, that the extent of the work that we did by hundreds of people in our government is really profound.

So in the case of North Korea we have not used all those tools simultaneously. Now in the case of Iran the United States had a lot of leverage, and I can go into that if someone else wants to know about it, but in the case of North Korea obviously China has more leverage than we do. And we have to have a very profound conversation with China. And it's not just one visit to Mar-a-Lago, it is an ongoing conversation because the Chinese have real, and from their perspective, legitimate concerns. If there is a collapse of North Korea what happens to all the people who come over their border, will American troops stay in

Northeast Asia? Will missile defense stay in Northeast Asia? Who controls those loose nuclear weapons in the north if something happens? Where is China's geo political position any more in Northeast Asia after they lose their buffer zone if that happened? We have to have all these conversations. There are some answers to these questions. I had a group of graduate students at Belfer, at Harvard work on this in the last year. There's some answers, they're not all perfect for China, but there are some answers. So we have to do all of these things, send teams out around the world to close out the financial networks that North Korea has and leave open the possibility of a dialogue with North Korea. Array our missile defense as we have done in South Korea and Japan.

And of course the President has to have a very serious conversation with President Moon Jae-in, the new president of South Korea who will be here at the end of the week who wants to reconcile with the North, wants to negotiate with the North. But I think given recent actions by the North, not only their missile tests and their nuclear tests but the horrific, despicable and unspeakable action of Otto Warmbier and what he and his family has had to endure. We're in a different and even more horrific place now and we need to go to work.

MS. HARMAN: And just to add to that. The new President of South Korea offered to form one Olympic team with North Korea and five minutes later was turned down. So it's not that relations are warming up very fast. Here and then in the very back.

MR. STILLMAN: Bob Stillman from Potomac, Maryland. First, thank you for --

MS. SHERMAN: You can say you're from APA.

MR. STILLMAN: No, I couldn't say that same. First, thank you for getting people like Jane Harman elected for working for a dear friend, Barbara Mikulski, who we all miss in the Senate from a variety of perspectives including number of females in the Senate.

MS. SHERMAN: I'll tell her.

MR. STILLMAN: I add most of the Greater Washington APA chair and in that regard I wanted to thank

you for your service and efforts on the, so many issues but the Iran deal. Without rehashing the whole deal, what now, or what now 6 years from now when much of the Iran expires. And it's a softball question but my main effort in standing was to thank you for your service.

MS. SHERMAN: Thank you. Thank you very much, Bob. It's not over in 6 years, it's actually not over in 15 years. The most restrictive verification monitoring limitations shift after 10 and then again after 15 and then again after 20 and then again after 25. There are verification mechanisms that stay in forever because Iran is a member now of the additional protocol which is a protocol of the International Atomic Energy Agency, which is the agency that does the verification and monitoring, and as long as they remain in the additional protocol given how we negotiated the agreement, the IAEA, the International Atomic Energy Agency, will have access to any site any time it has any concerns.

And for 20 years we will have eyes on the production of centrifuges, the rotors and bellows that are the guts that are able to produce highly enriched uranium, which they're not allowed to do anymore. And for twenty five years the I.A.E.A. will have eyes on what's called uranium accountancy, which is from the time the uranium comes out of the ground till it goes through everything, you watch it all the way along so you know what comes out the other end is what came out of the ground. And the reason that's so important, as are many of these other things, is that makes it impossible for them to create a covert supply chain to do a covert program.

So none of this is a 100 percent guarantee, but I think it's an extraordinary guarantee and pretty close to a 100 percent. There is no doubt that all of us will have to talk about where things are headed in the future. I'm sure the Trump Administration as part of their review will do that. I hope as they do it they will not pressure the existing deal so much that it falls apart, I don't think that's in our interest.

MS. HARMAN: Question in the back.

MS. SHERMAN: Then we have to go.

MS. HARMAN: I know.

MR. MOHIUDDIN: My name is Ahmed Mohiuddin, I'm from New York. Could you speak a little bit about our potential future relations with Iran? Would you say that this deal was, this is as good as it's going to get or is it possible to continue to build on this, that there is goodwill, has been established between the countries? Notwithstanding the current administration do you think that there is -- that we have a counterpart that actually wants to reestablish relationships with the United States?

MS. SHERMAN: I think they're incredibly severe limits to how far this can go at this point. I do think there needs to remain a channel. Secretary Kerry established an extraordinary relationship with Minister Zarif. I think we all got to know our Iranian counterparts extraordinarily well and learned things about each other as human beings. It didn't change our negotiating efforts at all. Abbas Araghchi and I both became grandparents for the first time during this negotiation and we'd share photos with each other. I had a really odd conversation with Abbas and Majid Ravanchi, the other deputy to Minister Zarif. They were sort of like partners rarely. It was always generally just the two of them together, never alone.

But I had an interesting discussion with them because women of course cannot shake hands, they cannot shake hands with women, and so when I entered the room while all of the guys were shaken hands I felt like this, but I had a discussion with them about how I grew up in a Jewish community that had a lot of Orthodox Jews and I couldn't shake their hands either. It was a really odd and interesting discussion to have with a group of Iranians and -- it's true. So I do think that human connection matters.

And when Iran took our sailors towards the end of the Obama Administration because John Kerry could pick up the phone and talk to Javad Zarif those sailors were let go within 24 hours, that's never happened before. And so if -- for nothing else to try to get any other Americans that remain in Iran and to find out where Bob Levinson is and get him home we need to maintain a relationship. I have hope for the young people of Iran that over time they will want a different government and a more open government to the world, but I don't know if that will happen. And I

didn't do this deal expecting that it was going to open up this great relationship and this enormous change. I don't see that happening any time real soon. But it did open up hope for the possibility that this could become a more open nation and live more by the norms and the international rules of order, I don't know whether it will happen.

MS. HARMAN: Questions over here.

MS. SHERMAN: And we need a woman to raise her hand. Thank you.

MS. HARMAN: Here she is.

MS. SHERMAN: This happens every time I talk, the first four questions are always you guys.

MS. HARMAN: They were good though.

MS. SHERMAN: They were good questions and they're good guys.

(Laughter)

MS. HARMAN: I didn't say that. Okay.

MS. SHERMAN: Hi.

SPEAKER: (Inaudible) I'm on the board of the Aspen Institute and a big fan of you both. My question is about Saudi Arabia --

MS. HARMAN: I don't think your mic is working. Wait a minute.

SPEAKER: My question is about Saudi Arabia and the Gulf States and their reactions. So certainly we all know that they -- that their arch enemy is Iran and perhaps even more so than Israel. So what's fascinating is what's happened since the deal and the way Qatar and Saudi have, that relationship has dissolved. What are the implications of the Iran deal today with regard to the relations with the Gulf States? And then also what are the implications with regard to the relationship with Israel because it seems like there's much closer relationship with Sunni Arab states with Israel as a result.

MS. HARMAN: Great question.

MS. SHERMAN: Good question. I would urge you all to read an op-ed written by Phil Gordon in *The Washington Post* which is quite good which argues that, and he's in Israel right now actually, and argues that if everybody thinks all of a sudden there's a kum ba yah moment between the Gulf States and Israel, think again. Yes, things are better than they've been and they're quiet conversations and it is probably in, as Phil argues, in Prime Minister Netanyahu's interesting to talk about how he has a stronger relationship with the Gulf States with a hope that it will have some impact on the Palestinians and the core issue of Middle East peace.

I think that President Trump also believes there is some kabuki that can be done here to make that happen. And part of why he had the kind of visit that he did to Saudi Arabia, which is really quite something. I think that although there is a better relationship with the Gulf States I don't think the Gulf States have any interest whatsoever, I quite agree with Phil, in being very public about a relationship with Israel or all of a sudden putting enormous pressure on the Palestinians to do things.

I'm not surprised that Jared Kushner had a difficult trip to the Middle East, it's a tough problem. I think the rift between Qatar and the Gulf other, some of the other Gulf States and Egypt would have happened regardless of the Iran deal. Yes, it is about Iran, but it is also about who's in control of Gulf. Saudi Arabia has always been the putative leader of GCC, the Gulf Coordinating Council. I think what is going on right now is incredibly dangerous. I have always been worried about an Arab-Persian conflict.

I am now -- I thought that would happen for other -- could happen for other reasons. Now I'm worried it's going to happen because of this, because everybody's doing a lot of chest-beating and Secretary Tillerson and Secretary Mattis also aware that we have a base in Qatar, an American base with, I think, something like 14,000 American troops and allied troops that they want to protect, and it's not in anybody's interest for somebody to win here. So they've tried to quiet this down, support the Kuwaiti foreign minister who's been trying to negotiate rapprochement. But the president of course has been

someplace else, which is to be say I'm for Saudi Arabia in this conflict, and none of this is good, there needs to be a coherent approach.

Iran is a reality and, yes, it should stop what it is doing to destabilize countries in the Middle East, there is no question, they should stop their support for Hamas and Hezbollah. Everybody should stop any proxy support that they are giving in anywhere in the Middle East and certainly in Syria because Syria really is a proxy or more than anything else, and the entire international community has failed the people of Syria, all of us, all of us.

MS. HARMAN: Well, so let me just be slightly more optimistic --

MS. SHERMAN: Okay.

(Laughter)

MS. SHERMAN: Is not hard.

MS. HARMAN: One, yeah, that was so depressing Wendy, I -- Tillerson.

MS. SHERMAN: It's not that it's unfixable, I believe it is, but --

MS. HARMAN: Our Secretary of State is negotiating, trying to help negotiate some resolution of the Qatar-Saudi problem.

MS. SHERMAN: Rift.

MS. HARMAN: Rift. And it is significant that he's doing this in spite of what Trump said about Saudi Arabia. And I think maybe we are seeing the reemergence of life in the State Department, that's all I was going to say, some life.

The other thing I wanted to say is I think also that there is some reason to think that because our president views this deal between Palestine and Israel as the deal of deals that attention will be paid, the neighborhood is now more aligned, I'm not saying totally aligned, with Israel than it was.

MS. SHERMAN: Yes.

MS. HARMAN: And there is opportunity, not that it will happen for what's called an outside-in solution. And as one who fervently believes it's an Israel's interest and in the Palestinian authorities' interest to have a deal, that they negotiate with defensible borders, just maybe --

MS. SHERMAN: I'm all for it.

MS. HARMAN: We just ran out of time, but I want to see if anyone over here has a question. Now, I'm looking. There are no women over here who have questions, Wendy.

MS. SHERMAN: All right, it's okay. It's all right.

MS. HARMAN: So you win the lottery.

MR. HARRIS: Thank you. Bill Harris from Arizona. I have never understood the issue of the border of North Korea and China. The population North Korea is so small relative to China. Why is there such a big issue?

MS. SHERMAN: It's partly a big issue because it's just a burden. These are, you know, in Pyongyang there may be people who are well-fed and have their act together, but there are millions of people in North Korea who because of an era of starvation are stunted in growth and intellect. It will be a very big burden and it will be a very big economic burden for everyone in the region if there is a collapse of North Korea.

And, you know, when Madeleine Albright became, was going to become Secretary of State we had a meeting at her house that I organized for her, and I said that I wanted to work on the Korean Peninsula set of issues and everybody in the room believed that North Korea would collapse within the first 2 years of the second Clinton Administration. Wasn't true, it's not true today. The resilience and juche philosophy of North Korea of self-reliance and the ability to cut off virtually all communication with the rest of the world is quite profound.

And China is the lifeline for North Korea and that lifeline has kept them going.

MS. HARMAN: So on that note aren't we all smarter than we were when we came in this room?

(Applause)

MS. SHERMAN: Thank you, Jane.

MS. HARMAN: Thank you, Wendy.

MS. SHERMAN: Thank you.

\* \* \* \* \*