Welcome to an oil forum discussion on the Iran nuclear talks in Vienna and the likely consequences of a deal.

We have been joined by Richard Nephew, Program Director, Economic Statecraft, Sanctions and Energy Markets, Center on Global Energy Policy at Columbia University, New York.

Until January 2013 Richard served as the Director for Iran on the U.S. National Security Staff.

Hello

Hello Richard

So ...

Where are we on this Iran nuclear deal?

No news for a while.

They are working hard in Vienna on real text.

You can tell when things are tough and no progress.

because that's when there is lots of press briefings.

When things get serious, they get quiet.

What's your best guess on where the talks at at now?

Is a deal imminent?

I think that a fair amount has been agreed.

Including on major sticking points, like transparency and access to sites.

That's all very good news.

I also get the impression that progress has been made on timing of sanctions relief.

scope of further nuclear restrictions.

How Iran's past efforts at weaponisation will be dealt with.

But, no one knows for sure.

This is mostly reading the press, tea leaves...

If all the parties with the exception of the U.S. congress agree, what will that mean for lifting sanctions?

Well, based on U.S. law

if congress disagrees, it can vote a joint resolution of disapproval.

such a resolution is binding if the President signs it.

and would probably involve terminating funding for sanctions relief, etc.

of course, the president would not sign it.

so, if he vetoes it.

then congress has to vote to overturn his veto.

that requires 2/3 majorities in both houses.

which is probably unlikely.

so, my bet is that even if there is opposition in congress.

it still goes forward.

but, after the nuclear steps Iran has to do have been verified by IAEA.

and that probably takes six months after the Iranians start.

That's a very long timeframe ...

yep.

While verification is taking place, can anything else happen?

Or does everything have to wait?

Well, the verification itself won't be the long pole.

That can take a few weeks.
And, anyway, redlines are weird things.

So, that's why there is urgency here.

But, for both sides, we're getting close to when we either need to make a deal or swerve.

You have to convince the other guy you're prepared for catastrophe to make him chicken.

It is on both sides.

As is in every negotiation.

There is some element of diplomatic chicken going on here.

@Chingiz: well, nothing has really changed for 18 months.

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I don't think so.

If you mean, however, does 60 days make getting the deal approved and implemented altogether.

It's now mid-July...

I think if they do a crash disablement effort, you could maybe see it in January.

But, that means Iran has to start while US congressional review is ongoing.

And I wouldn't do that if I were them.

So later than January then?

So, could not end really until mid-to-late September.

Yeah, I think later than January is feasible.

I've been saying I thought Feb, Mar is more likely.

But that's making assumptions about how fast Iran goes and when they start.

As well as how the relief will be parsed.

Crickey. March is a long way off.

The negotiations have been extended a couple of times since the 30 June. What has actually changed the last 2 weeks? Both sides have redlines they won't cross. Or is this just a game of chickens, where the Iranians are pushing their luck until the US can't extend the deadline anymore? As the element of time is on the Iranians side.

It will take longer to get Iran going, I would think.

So, given that, it delays things.

If you mean, however, does 60 days make getting the deal approved and implemented altogether?

I don't think so.

@Chingiz: well, nothing has really changed for 18 months let alone two weeks.

There is some element of diplomatic chicken going on here.

As is in every negotiation.

And it is on both sides.

It's like old racing, when people used to remove their steering wheels while playing chicken.

You have to convince the other guy you're prepared for catastrophe to make him swerve.

But, for both sides, we're getting close to when we either need to make a deal or return to old paths.

So, that's why there is urgency here.
What once was a redline becomes something that’s ok
When you find a work-around that addresses what’s really important for you.
Iran once had a redline of 190,000 centrifuges "soon"
It has become no more than 6,000 centrifuges for 10 years.
In watching the process from afar, what would be a sign to you that talks have been seriously derailed?
If we see the press signatures go back up
lots more briefings and public comments
Noise out of all delegations.
Those are signs that people are trying to regain leverage on one another
And get their publics more comfortable with a negative result.
This is why I think things having gone quiet is a good sign.
Even if frustrating for people outside.
When will we hear, do you think?
Tomorrow?
Could be. I think this is like waiting for a new Pope.
People really do need to take Zarif and Kerry at their word.
They won’t and can’t be rushed.
White smoke
And the deal itself is too important to pull together sloppily.
It is going to be reviewed and critiqued by governments
think tanks
media
Iran’s President Rouhani will address the nation today at 17.30 GMT. What will he say? Will we have a deal by then?
And random folks like me.
hoho
@Carsten: I understood the Iranian government cancelled that announcement
because they didn’t have a subject
My sense is that they’re just getting ready
in case it is today
or tomorrow
or next week
Is it possible that we could see them walk away? What would that mean?
Yes, I think that is even possible.
Remember in November 2013: we all went home for a week
because the decisions needed capital-level consultation
both sides have said they don’t want to do that
but, we should not panic if they do walk
Just as in November 2013
they could walk
come back
and do it the next week
I think though it would mean that they are trying to work through a sticky political issue
and just need time, space, and consultations
When should we "panic"?
I would "panic" if we see them walk away, with no plan to return, and amid acrimony
The problem then is that domestic audiences
will mount their opposition to the negotiators returning
and that would make resumption hard
But, I suspect that’s a sub-10 percent likelihood
because it does seem as if some of the most important issues
have been dealt with
and there remains so much at stake in getting a deal

Many thanks indeed Richard
and Matthew

Very interesting

Thank you all

Let's discuss this again when we have had a deal -- or perhaps a break in talks

Happy to.

I will make a pdf copy of this discussion
If anyone would like a copy, please email me:
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thanks very much Richard