

Trump Pulls US Out of “Unacceptable, Defective” Iran Deal; Obama Slams Decision as “So Misguided”

By [Zero Hedge](#)
Global Research, May 09, 2018
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Region: [Middle East & North Africa](#)
Theme: [Law and Justice](#), [US NATO War](#)
[Agenda](#)
In-depth Report: [IRAN: THE NEXT WAR?](#),
[Nuclear War](#)

Summary

- President Trump is withdrawing the U.S. from the 2015 nuclear deal with Iran
- Trump is reinstating sanctions on Iran, but didn't explain how that will play out
- The deal “should have never never been made,” the president says
- Trump says the Iran deal negotiated by the Obama administration failed to protect America's national security, but he didn't give any examples
- Iran's ballistic missile program feature strongly in Trump's remarks, even though this activity wasn't covered under the original agreement
- Trump cited Iran's involvement in other regional conflicts, including Yemen and Syria
- While his statement started out using the harshest possible language to describe the Iranian regime, he softened his tone to talk about the Iranian people
- The president cited “evidence” from Israel to back his claims on Iran's activity
- Trump compared his actions today to the ongoing negotiations with North Korea to bring an end to that country's nuclear program
- *Rouhani, commenting on Trump's announcement, says Iran can achieve benefits of the JCPOA with five countries. He said that the country is prepared for enrichment IF NEEDED in three weeks*
- “The EU is determined to act in accordance with its security interests and to protect its economic investments” in Iran, EU foreign policy chief Mogherini said. The bloc signals it won't shy away from a showdown with Trump
- Former US President Barack Obama called Trump's decision “so misguided.”
- UN Secretary General Antonio Guterres calls on other nations to preserve Iran deal.

Statement on the Iran Nuclear Deal: <https://t.co/O3SpryCKkc>

— Donald J. Trump (@realDonaldTrump) [May 8, 2018](#)

Update 6: UN Secretary General Antonio Guterres said that he is “deeply concerned by today's announcement that the US will be withdrawing” from the Iran deal.

Guterres said controversies relating to the agreement should be resolved within its

mechanism for handling disagreements, and that “issues not directly related to the JCPOA should be addressed without prejudice to preserving the agreement.”

He also called on the deal’s remaining partners to work together to preserve the accord.

I am deeply concerned by today’s announcement that the US will be withdrawing from the JCPOA & will begin reinstating US sanctions, says [@antonioguterres](#). Full text here: <https://t.co/LqC2WFJfAC>

— UN Spokesperson (@UN_Spokesperson) [May 8, 2018](#)

Read the full statement below:

I am deeply concerned by today’s announcement that the United States will be withdrawing from the Joint Comprehensive Plan of Action (JCPOA) and will begin reinstating US sanctions.

I have consistently reiterated that the JCPOA represents a major achievement in nuclear non-proliferation and diplomacy and has contributed to regional and international peace and security.

It is essential that all concerns regarding the implementation of the Plan be addressed through the mechanisms established in the JCPOA. Issues not directly related to the JCPOA should be addressed without prejudice to preserving the agreement and its accomplishments.

I call on other JCPOA participants to abide fully by their respective commitments under the JCPOA and on all other Member States to support this agreement.

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Update 5: Former President Barack Obama has issued a statement about President Trump’s decision to pull out of the 2015 JCPOA, one of his signature foreign policy accomplishments.

And as one might expect, he’s not happy.

Obama slammed the decision as “so misguided” and said that “walking away from the JCPOA turns our back on America’s closest allies, and an agreement that our country’s leading diplomats, scientists, and intelligence professionals negotiated.”

JUST IN: Former Pres. Obama calls Iran decision "so misguided."

"Walking away from the JCPOA turns our back on America’s closest allies, and an agreement that our country’s leading diplomats, scientists, and intelligence professionals negotiated." <https://t.co/0cO9N9XNSU> pic.twitter.com/PF6oBr4jvh

— ABC News (@ABC) [May 8, 2018](#)

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Update 4: Iranian President Rouhani appeared State TV blasting Trump, saying that

“Iran complies with its commitments, US has never complied.”

Furthermore, Rouhani added that from now on, *“JCPOA is between Iran and 5 countries only.”*

Rouhani confirmed that currency controls and reforms are being undertaken to be ready for the decision, and added that Tehran is ready to resume its nuclear enrichment work within 3 weeks after holding talks with the European members of the deal.



Nancy Pelosi backs Rouhani:

Today is a sad day for America’s global leadership. The Trump Administration’s dangerous & impulsive action is no substitute for real global leadership.

Saudi Arabia welcomed President Donald Trump’s decision on Tuesday to withdraw the United States from the international nuclear agreement with Iran and to reimpose economic sanctions on Tehran.

“Iran used economic gains from the lifting of sanctions to continue its activities to destabilise the region, particularly by developing ballistic missiles and supporting terrorist groups in the region,” according to a statement carried on Saudi-owned Al Arabiya television.

Sunni Muslim Saudi Arabia, a key U.S. ally, has been at loggerheads with Shi’ite Iran for decades, and the countries have fought a long-running proxy war in the Middle East.

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Update 3: US Treasury announces that it will begin the process of implementing 90- and 180-day wind-down periods for activities involving Iran that were consistent with sanctions relief. At the end of that period, all applicable sanctions will come back into effect.

Today President Donald J. Trump announced his decision to cease the United States’ participation in the JCPOA and begin reimposing U.S. nuclear-related sanctions on the Iranian regime. Treasury’s Office of Foreign Assets Control (OFAC) is taking immediate action to implement the President’s decision. Sanctions will be reimposed subject to certain 90 day and 180 day wind-down periods. At the conclusion of the wind-down periods, the applicable sanctions will come back into full effect. This includes actions under both our primary and secondary sanctions authorities. OFAC posted today to its website frequently asked questions (FAQs) that provide guidance on the sanctions that are to be re-imposed and the relevant wind-down periods.

Below is a statement from Secretary of the Treasury Steven T. Mnuchin in response to the President’s decision:

“President Trump has been consistent and clear that this Administration is resolved to addressing the totality of Iran’s destabilizing activities. We will continue to work with our allies to build an agreement that is truly in the best interest of our long-term national security. The United States will cut off the IRGC’s access to capital to fund Iranian malign activity, including its status as the world’s largest state sponsor of terror, its use of ballistic missiles against our allies, its support for the brutal Assad regime in Syria, its human rights violations against its own people, and its abuses of the international financial system.”

[OFAC updated its website today to provide guidance, including new FAQs](#)

The Treasury Department’s FAQ on sanctions is very blunt:

Q: Will the United States resume efforts to reduce Iran’s crude oil sales?

A: Yes.

However, it appears it is very unclear just what sanction-specifics are...

[#BREAKING](#): Trump's memo: No specifics on reimposing nuclear-related sanctions. Neither timing nor nature of what is being reimposed
pic.twitter.com/jvcdHTljk

— Amichai Stein (@AmichaiStein1) [May 8, 2018](#)

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Update 2: After initially spiking, oil is now rapidly fading the entire move.

Meanwhile, at least Israel is delighted by the development:

- NETANYAHU SAYS DEAL GAVE IRAN BILLIONS TO FUND TERROR
- NETANYAHU CALLS ON INTERNATIONAL COMMUNITY TO STOP THE BAD DEAL

“Israel fully supports President Trump’s bold decision today to reject the disastrous nuclear deal,” Israeli Prime Minister Netanyahu says
pic.twitter.com/Kslj4ghOiz

— NBC News (@NBCNews) [May 8, 2018](#)

Statement from House Speaker Paul Ryan:

“From the beginning, the Obama-era Iran Deal was deeply flawed. Iran’s hostile actions since its signing have only reaffirmed that it remains dedicated to sowing instability in the region. The president’s announcement today is a strong statement that we can and must do better. I have always believed the best course of action is to fix the deficiencies in the agreement. It is unfortunate that we could not reach an understanding with our European

partners on a way to do that, but I am grateful to them for working with the United States toward that goal. The president is right to insist that we hold Iran accountable both today and for the long-term. There will now be an implementation period for applying sanctions on Iran. During that time, it is my hope that the United States will continue to work with our allies to achieve consensus on addressing a range of destabilizing Iranian behavior—both nuclear and non-nuclear.”

The full White House fact sheet on ending the “Unacceptable” [Iran deal can be found here, some excerpts below:](#)

The Iran Deal was one of the worst and most one-sided transactions the United States has ever entered into.

President Donald J. Trump

PROTECTING AMERICA FROM A BAD DEAL: President Donald J. Trump is terminating the United States’ participation in the Joint Comprehensive Plan of Action (JCPOA) with Iran and re-imposing sanctions lifted under the deal.

- President Trump is terminating United States participation in the JCPOA, as it failed to protect America’s national security interests.
- The JCPOA enriched the Iranian regime and enabled its malign behavior, while at best delaying its ability to pursue nuclear weapons and allowing it to preserve nuclear research and development.
- The President has directed his Administration to immediately begin the process of re-imposing sanctions related to the JCPOA.
- The re-imposed sanctions will target critical sectors of Iran’s economy, such as its energy, petrochemical, and financial sectors.
 - Those doing business in Iran will be provided a period of time to allow them to wind down operations in or business involving Iran.
- Those who fail to wind down such activities with Iran by the end of the period will risk severe consequences.
- United States withdrawal from the JCPOA will pressure the Iranian regime to alter its course of malign activities and ensure that Iranian bad acts are no longer rewarded. As a result, both Iran and its regional proxies will be put on notice. As importantly, this step will help ensure global funds stop flowing towards illicit terrorist and nuclear activities.

IRAN’S BAD FAITH AND BAD ACTIONS: Iran negotiated the JCPOA in bad faith, and the deal gave the Iranian regime too much in exchange for too little.

- Intelligence recently released by Israel provides compelling details about Iran’s past secret efforts to develop nuclear weapons, which it lied about for years.
 - The intelligence further demonstrates that the Iranian regime did not come clean about its nuclear weapons activity, and that it entered the JCPOA in bad faith.
- The JCPOA failed to deal with the threat of Iran’s missile program and did not include a strong enough mechanism for inspections and verification.
- The JCPOA foolishly gave the Iranian regime a windfall of cash and access to the international financial system for trade and investment.

- Instead of using the money from the JCPOA to support the Iranian people at home, the regime has instead funded a military buildup and continues to fund its terrorist proxies, such as Hizballah and Hamas.
- Iran violated the laws and regulations of European countries to counterfeit the currency of its neighbor, Yemen, to support the Islamic Revolutionary Guard Corps (IRGC) Quds Force's destabilizing activities.

[More here](#)

Shortly after Trump's announcement, Secretary of State Mike Pompeo issued the following statement:



* * *

Update: President Trump has confirmed the US withdrawal from the Iran Nuclear Deal and will be instituting the highest level of sanctions against Iran, adding that any nation that aids Iran will also be sanctioned.

- TRUMP WARNS OF BIGGER PROBLEMS THAN EVER IF IRAN PURSUES NUKES
- TRUMP SAYS IRAN'S LEADERS WILL 'WANT TO MAKE' NEW NUCLEAR DEAL

Trump stated that he has decided against continuing to waive sanctions as laid out in the 2015 JCPOA pact, i.e. Nuclear Deal, between the United States, Iran, Germany, France, the United Kingdom, Russia and China. The deal provided Tehran billions in sanctions relief in exchange for curbing its nuclear program.

International inspectors and the deal's signatories, including U.S. officials, have said Iran continues to comply with the terms of the agreement, but Trump has long derided the Obama-era accord as the "worst deal ever negotiated." Trump had kept the deal alive by waiving sanctions several times since taking office. However, when the president last renewed the waivers in January, he warned he would not do so again unless European allies agreed to "fix" the nuclear deal.

At the end of April, as the waiver deadline approached, Europeans engaged in a flurry of activity to convince Trump to remain in the pact. French President Emmanuel Macron, German Chancellor Angela Merkel and British Foreign Secretary Boris Johnson all visited the United States to make their case; however the deal's international critics were also active, and none more so than Israeli Prime Minister Benjamin Netanyahu, who last week delivered a speech in which he declared "Iran lied" about its nuclear intentions.

Meanwhile, supporters of the deal say the United States withdrawing gives Iran an excuse to restart its nuclear program, effectively killing the pact; at the same time it permits Israel to launch a preemptive attack claiming Iran will now resume building nukes.

Not surprisingly, both France and Germany have warned the end of the deal could mean a Middle East war.

Still, experts have said Iran is likely to stay in the deal even without the United States if it

can continue getting benefits from the accord by being able to do business with European companies. Although with Trump escalating sanctions against Iran, this remains to be seen.

In a sign that Iran is not ready to walk away from the deal, Iranian President Hassan Rouhani said Tuesday ahead of Trump's announcement that Iran wants to keep "working with the world and constructive engagement with the world" adding that "It is possible that we will face some problems for two or three months, but we will pass through this."

And it seems CNN was once again 'fake news' as WTI prices spike on the Trump confirmation.

Gold also spiked, but is fading lower now.

* * *

While President Trump is expected to announce that he will not continue sanctions relief for Iran, a major step toward ending the 2015 nuclear pact he calls the "worst deal ever," this morning's barrage of fake news has left markets and onlookers confused and looking for clarification.

[As The Hill reports](#), the announcement follows weeks of furious lobbying by European allies who sought to convince Trump to remain in the deal.

That should not be surprising since The EU has the most to lose if the deal is scuppered..



You will find more infographics at [Statista](#)

But each one left the U.S. pessimistic about the deal's future.

[As we detailed earlier](#), while expectations are for Trump to withdraw from the deal, his speech will be all about the nuance: *how will the president frame the US exit, and whether Iran will be allowed to continue its oil exports after the US is no longer a participant in the JCPOA.*

One preview of what Trump's speech may look like comes from Citi's head of commodity research, Ed Morse, who in a Bloomberg interview this morning said that President Trump will likely give European governments "a chance to step up what they've already offered in terms of tightening sanctions" on Iran.

The tighter sanctions would relate to issues left out of the 2015 nuclear accord, such as Iran's development of ballistic missiles, terrorist financing, Hezbollah, Islamic Revolutionary Guard Corp.

"The president's going to say something that he's going to move in a certain direction, that he's ready to re-impose sanctions" predicted Morse, who added that Trump will "come out strong, and say the Europeans are stepping up to the table and we've got to do more."

Morse also said that it's possible OPEC will meet and decide to increase output to fill gap left by Iran, although with the price of Brent surging to the revised Saudi target of \$80, it is unlikely that OPEC will interfere with the recent favorable equilibrium.

Finally, with everyone throwing their 2 cents on what the price impact of today's deal collapse could be, Morse said that the Iranian political risk in oil price is about \$5/bbl, however the recently bearish analysts said that any sell-off would be "a lot more" than that.

So, will he? Or won't he? (Trump is due to speak at 1400ET)

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