MARGARET WARNER: What to make of today's developments and the prospects for resolving the standoff over Iran's nuclear program?

For that, I'm joined by Suzanne Maloney, who dealt with Iran issues at the U.S. State Department from 2005 to 2007. She's now a senior fellow at the Brookings Institution. And Seyed Hossein Mousavian, a former Iranian diplomat, he was on the nuclear negotiating team that agreed to suspend enrichment in 2003, a deal later repudiated by Tehran. He was charged with espionage in 2007, but subsequently cleared. And he is now a visiting scholar at Princeton University.

Welcome to you both.

Mr. Mousavian, how serious -- what you make of today's developments? Is there a serious mismatch in expectations here?

SEYED HOSSEIN MOUSAVIAN, former Iranian official: First of all, I should give you a brief on what they agreed in Istanbul a month ago.

In Istanbul, they agreed to have a package as a safe -- face-saving solution. The principles of the package was to find a solution within the NPT, in the framework of NPT. The second principle they agreed was the reciprocity. The third principle they agreed was mutual confidence-building. And the fourth was a broad package to be implemented step by step.
The problem now today in Baghdad is that the package, the P-5 plus one, the big powers, they have proposed Iran, the different steps are not appropriate in reciprocation. It means they are asking Iran much more than they are prepared to reciprocate.

What Iranians, they want in the package is very clear. The bottom line for the Iranian is, first of all, to recognize the legitimate rights of Iran under NPT for peaceful nuclear technology, which includes enrichment. The second is removal of sanctions, even gradual removal.

And the third is to normalize the file on the -- at the United Nations.

MARGARET WARNER: All right, let me get Suzanne Maloney -- let me get Suzanne Maloney here, because you have put a lot on the table.

Does it sound to you like there's a serious mismatch of expectations here going into today's meeting, or is this just the sort of early negotiating jockeying for position?

SUZANNE MALONEY, Saban Center for Middle East Policy, Brookings Institution: I think what we're seeing right now is a sort of predictable pattern of high expectations, partially I think cultivated by some of the very positive news reports that we have seen over the past few weeks, meeting the reality of sitting across the table from...

MARGARET WARNER: You mean what the Iranians have been saying publicly?

SUZANNE MALONEY: Really, the fallout from the first round of talks in Istanbul was so positive on both sides, and there was the sense, as I think a U.S. official said anonymously in the press today, that there was a tailwind going into these meetings, that there was some confidence that the Iranians were finally willing to talk seriously about the nuclear issue, to actually approach these talks in a very businesslike and constructive fashion, that they had signaled through this gesture yesterday new openness to allowing IAEA inspectors into the Parchin site, that that might in fact be a positive signal that Iran was prepared to accept more transparency over the program.

So, for that reason, I think there may have been some inflated expectations out there. I would suggest that my sense from folks at the State Department has been that there's a fairly realistic appreciation of how difficult the position is at this stage, how tough it's going to be to get serious concessions from Iran, and how difficult the political position of the P-5 plus one, the world powers, will be, if Iran is, in fact, expecting serious mutual concessions.

Sanctions relief is just not on the table at this stage.

MARGARET WARNER: I want to get back to why.

Okay, but from -- Mr. Mousavian, from the Iranians' perspective, is the lifting of these current economic sanctions, like the fact that Iran is blocked from most now international banking networks, for instance, or the E.U. ban an Iranian oil imports about to come in, in July 1, is that
sort of a nonnegotiable precondition for the Iranians, before Iran will give anything, even in this fairly preliminary stage on this enrichment of the high-grade uranium?

SEYED HOSSEIN MOUSAVIAN: No, what can be the maximum concession the P-5 plus one, they are requiring Iran -- or they can require Iran, first of all, is the maximum level of transparency on the nuclear program, including enrichment.

MARGARET WARNER: That's what Ms. Maloney was referring to. You mean -- and the IAEA agreement, tentative deal yesterday to allow IAEA access to some of these sites?

SEYED HOSSEIN MOUSAVIAN: Yes.

Already, Iran agreed with the IAEA on a new modality agreement, a war plan to address all ambiguities of the IAEA, including the possible military dimension issues. The agreement tentatively is reached and is ready to be signed.

Second is all assurances that Iranian nuclear program would remain forever peaceful and Iran would remain a non-nuclear weapons state. The proposal Iranians they have proposed includes all this. It means the maximum level of transparency, the maximum level of cooperation with the IAEA, even giving access to the IAEA to military sites and addressing all possible military dimension issues and all confidence-building measures the IAEA resolutions and the United Nations Security Council they want.

But, in response, the P-5 plus one is not ready for appropriate proportionate response. They are asking Iran. . .

MARGARET WARNER: I'm sorry, but let me. . .

MARGARET WARNER: Let me just ask Ms. Maloney why that is.

You said that that is a nonstarter for the U.S. and the other European powers to really suspend or delay some of these really serious economic sanctions. Why?

SUZANNE MALONEY: I think there's a bit of brinksmanship going on.

Right now, the Iranians are trying to give as little as possible and get as much as possible with respect to these sanctions, which have already been quite dramatic in their impact on both the overall economy and on the daily person's life in Iran.

From the U.S. side, there's a recognition that we are on the cusp of the most powerful sanctions going to full implementation in just another month. And so to pull back at this stage would be both strategically unwise and would have severe political consequences in an election year in which Iran is featuring quite dramatically in the back and forth between Democrats and Republicans.

MARGARET WARNER: Well, much to unfold.
Suzanne Maloney and Ambassador Mousavian, thank you both