

Iranian Internet Infrastructure and Policy Report

Special Edition

The Rouhani Review (2013–15)

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INTRODUCTION

Over the past two years, Small Media has produced monthly reports which look in detail at various aspects of Iranian internet policy, and track the statements of ICT policy makers. In this special feature in our Iranian Internet Infrastructure and Policy (IIIP) report series, at the halfway point of Rouhani's first term, we take a step back to examine broader trends in Iran's approach to internet regulation.

Through detailed reviews of media perceptions, censorship institutions, and ICT spending priorities, we aim to offer a thorough overview of the important developments in Iran's internet policy over the past few years, and examine what changes (if any) Rouhani's election might have brought about. We conclude with three predictions of trends that we think will shape the future of internet policy in Iran.

THE ROUHANI REVIEW:

A MID-TERM APPRAISAL OF INTERNET POLICY

PROMISES, PROMISES: PERCEPTIONS OF LIBERALISATION UNDER ROUHANI

Iran's 2013 presidential election brought an end to the rule of bombastic firebrand Mahmoud Ahmadinejad and ushered in the tenure of moderate cleric Hassan Rouhani. To many observers, Rouhani's election raised hopes of a more liberal course for the Islamic Republic. In terms of internet policy, there was widespread speculation in Western media that Rouhani's election may even portend an easing of Iran's pervasive filtering practices.

Shortly after the election, articles in [Al Jazeera America](#), [The Telegraph](#), and [The Guardian](#) discussed the prospect of a freer Iranian internet, with [BBC News](#) observing, "[t]he election of Hassan Rouhani in Iran has brought with it hopes of an easing of restrictions on society, not least in the use of the internet. The authorities strictly control access to websites, but it is a policy which is under pressure."

This optimistic prognosis was not entirely unwarranted. In the first television interview of his campaign, Rouhani boldly [accused](#) Iran's state media of censorship and lies. Indeed, many of Rouhani's public statements betrayed an intention to roll back Iran's pervasive control on the flow of information. On the topic of internet censorship, he [argued](#):

"Filtering has not even stopped people from accessing unethical websites. Widespread online filtering will only increase distrust between people and the state."

For those in favour of a more open Iranian internet, this shift in tone could not have come at a better time. The 18 months leading up to the 2013 presidential election were marked by a consistent tightening of the regime's grip on the flow of information.

In January 2012, [new rules](#) were introduced compelling internet cafes to closely monitor the online activity of their patrons, and keep detailed records of their personal information. In March of that year, Supreme Leader Ayatollah Khamenei [created](#) the Supreme Council of Cyberspace (SCC), an opaque and powerful body with the ultimate say over all internet-related policy, including censorship. 2012 also saw the initial testing of SHOMA, Iran's national internet, which [raised fears](#) that the regime was moving towards cutting Iran off from the global internet.

The early months of 2013 weren't much better, with [widespread complaints](#) that the government was slowing the internet to a crawl in the lead up to the June 16 vote. Against this repressive backdrop, Rouhani's advocacy for a cyber glasnost was a welcome respite.

In addition to his rhetorical antipathy to internet censorship, Rouhani and his cabinet members seem to practice what they preach by maintaining active social media accounts on sites like Twitter and [Facebook](#), access to both of which is banned in Iran. As of this writing, [Rouhani's Twitter account](#) has over 300,000 followers. And while it is unclear whether or not the President himself actually manages this profile (he claims it is run by supporters), no such ambiguity exists with the Twitter profile of his foreign minister [Javad Zarif](#), which has Twitter's "blue tick" indicating that the account has been officially verified.

That several high-level regime officials were using Western social media platforms prompted many to [speculate](#) that the Iranian public would soon be able to use these networks as well, without having to rely on circumvention tools.

Rouhani made freedom of information a prominent theme of his campaign, but after the election, did his overtures to greater freedom materialise into actual policy changes?

To find out, we examined Rouhani and his cabinet's interactions with the top internet policymaking body, Supreme Council of Cyberspace (SCC), as well as the official censorship body, the Committee to Determine Instances of Criminal Content (CDICC). Small Media has produced detailed reports about both the [SCC](#) and the [CDICC](#) in the past, but for reference purposes, a brief explanation of each body is provided below.

DIGGING IN: INSTITUTIONAL TENSIONS AND POLICY PARALYSIS

Created by the Cyber Crimes Law of 2009, the CDICC is made up of 13 members, including both elected members of the government and direct appointments of Parliament or the Supreme Leader. This committee falls under the authority of the judicial system, and is headed by Iran's hardline Prosecutor General Gholam-Hossein Mohseni-Eje'i. As its name suggests, the CDICC's official role is to decide which content should be filtered.

The SCC was established by the Supreme Leader in March 2012, and is by far Iran's most powerful internet management institution, with the authority to dictate legally binding internet policies that cannot be obstructed by parliament. As President of Iran, Rouhani is the SCC chairman, though the committee is dominated by conservatives.

The relationship between these two bodies, as well as how they relate to other Iranian political institutions, is unclear and often the source of contentious debate. The general arrangement seems to consist of the SCC focusing on big picture internet policy, whereas the CDICC holds responsibility for managing day-to-day decisions about individual filtering actions. Last year's debate over the blocking of social messaging service WhatsApp put the institutional ambiguity of Iran's censorship bodies on full display.

In our [January-February 2013 IIIP report](#), we identified the blocking of mobile messaging apps like WhatsApp and Viber as one of the nascent trends that we thought may influence the direction of Iranian internet policy. We now revisit that case here to see how it has developed in recent months.

The battle over WhatsApp was covered at length in [Revolution Decoded](#), a Small Media report published in 2015. Here's a brief recap: on April 30, 2014, shortly after Facebook's acquisition of WhatsApp, the CDICC passed a motion ordering the ICT Ministry to block the messaging app. On May 4, the ICT Ministry refused to block WhatsApp, on Rouhani's request. Later that day, CDICC secretary Abdolsamad Khoramabadi asserted that the President lacks the authority to overrule the CDICC, and that the ICT Ministry must execute the ban. Two days later, Rouhani's ICT minister Mahmoud Vaezi retorted that as both President of Iran and chairman of the SCC, Rouhani's say on the matter was final, and the CDICC must go along with his directives. In June, a CDICC member stated that the committee had no plans to block mobile messaging apps. As of this writing, WhatsApp remains unblocked in Iran.

This example suggests that Rouhani seems to be sticking to some of his campaign promises. His intervention in the dispute over blocking WhatsApp thwarted the censorship efforts of the CDICC, enabling the mobile messaging service to remain available to Iranians, at least for the time being. What's more, Rouhani's willingness to challenge the censorship decisions of Iran's internet policymaking bodies stands in marked contrast to Ahmadinejad's approach.

When Viber and WhatsApp were first blocked in [February 2013](#), not only did Ahmadinejad fail to publicly oppose these restrictions - his ICT minister seems to have actively endorsed them. In a January 12 interview with the weekly magazine *Teja-rat-e Farda*, former ICT minister Reza Taghipour [warned](#) against the use of Viber, explaining that their servers are located in Israel and Iranians' data can be stored and used by the "Zionist regime." He went on to insist that Iran must "be brave" and block all Western content that goes against religious and revolutionary values.

On the other hand, Rouhani's ICT minister Mahmoud Vaezi has voiced his opposition to blocking messaging apps on numerous occasions. The most recent example occurred on February 5, when he announced that his ministry had no plans to filter social networks ([see pg. 11](#)).

When it comes to social messaging apps, it seems that the situation under Rouhani has improved. In order to get a more general sense of current internet policy in Iran, we now turn to the ICT budget. A review of Rouhani's ICT spending priorities presents a slightly different story, and starts to raise a few concerns.

HEY, BIG SPENDER: ROUHANI'S SOARING ICT BUDGETS

In last month's [report](#), Small Media took a look at the ICT ministry's budget for the new fiscal year. This month, we've compared ICT budgets from the past three fiscal years, tracking changes in spending priorities during Rouhani's presidency and looking for longer term trends in ICT funding allocation. After poring over all the budget data, we have identified two significant developments.

1. The Rise of the Planned Miscellaneous Budget

In our [January 2014](#) report on last year's budget, we observed a sharp rise in the Planned Miscellaneous Budget (PMB), while the Planned Expenditure Budget (PEB) dropped 22%. The PEB is the budget for which the ICT Ministry is directly responsible, and which has already been allocated to relevant government departments or private organisations. On the other hand, the PMB is a discretionary budget which has yet to be assigned to a responsible government department or private contractor. Decisions about how the PMB should be allocated are made by the cabinet at a later time.

Over the past three years Rouhani's preference for shifting the majority of ICT funds into the discretionary PMB remains strong. During this period the PMB has increased at a rate of more than 500%, from 5,903 billion IRR in [1392 \(2013/14\)](#) to 38,130 billion IRR in the budget for the upcoming fiscal year ([2015/16](#)). Meanwhile, the PEB for the upcoming fiscal year stands at 15,201 billion IRR, less than half of the PMB figure, and with a significantly more modest increase of just 68% over the same three year period. Figure [1] shows how each year's budget is divided between the PEB and the PMB.

Planned Expenditure Budget vs. Planned Miscellaneous Budget

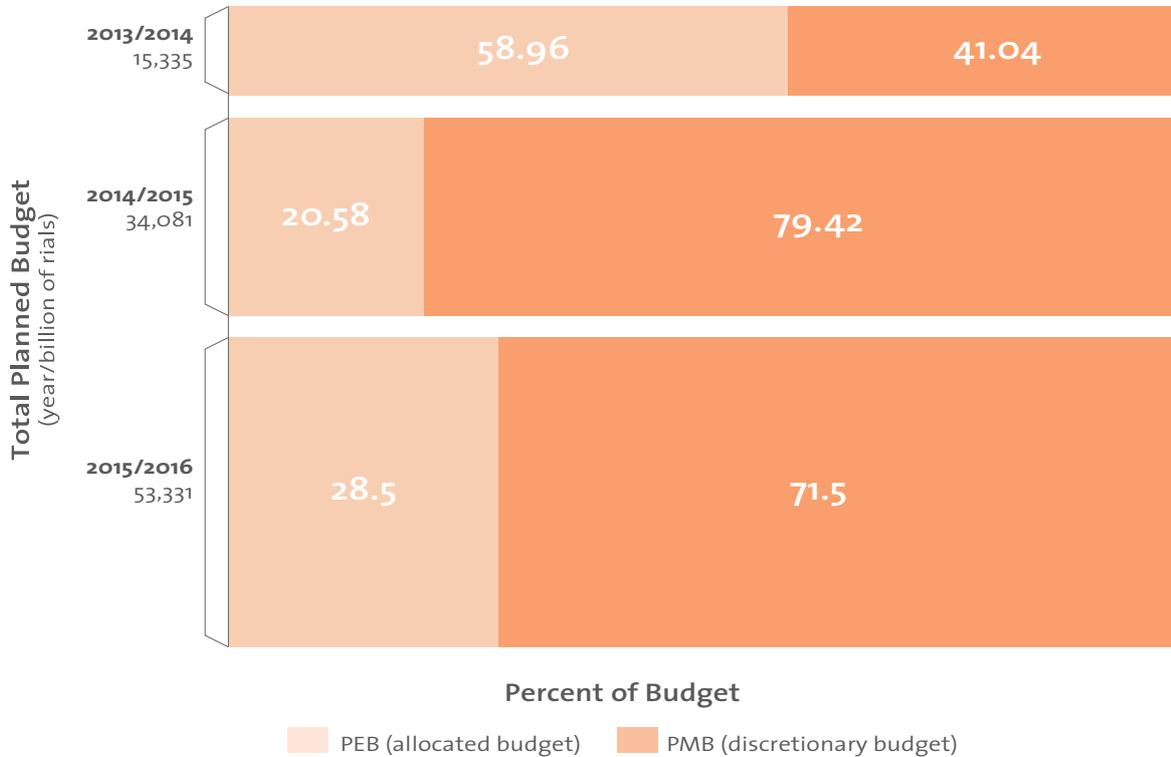


Figure [1]

What are we to make of this huge increase in the PMB under Rouhani? It's difficult to say for sure, but our hypothesis is that putting most of the ICT budget in the PMB allows Rouhani's cabinet to retain more control over spending decisions and implement its policy objectives without parliamentary interference.

Iran's parliament is currently dominated by hardliners, and the successful implementation of Rouhani's media policy agenda depends in part on loosening their grip on the budgetary purse strings.

It is also worth pointing out that the funding for SHOMA (Iran's 'National Internet') comes from the PMB, indicating that either the government has not yet decided which ministries and private organisations will be working on it, or that Rouhani doesn't want to reveal the details of its development.

Meanwhile, the increase of the PEB for the upcoming year can be attributed in part to the **substantial amount of money** the government has recently invested in e-government and the digitisation of government departments.

2. An Astronomical Increase in Cyber Security Funding

One of the most striking spending trends of the last three years is the dramatic increase in cyber security funding. When Rouhani took office, the funding allocation for cyber security was **42,073 million IRR**. The following year, it shot up to **178,800 million IRR**. It currently stands at a whopping **550,000 million IRR**, an increase of over 1200% in just three years. Figure [2] shows the rise in cyber security funding over the past three years

Cyber Security Budget

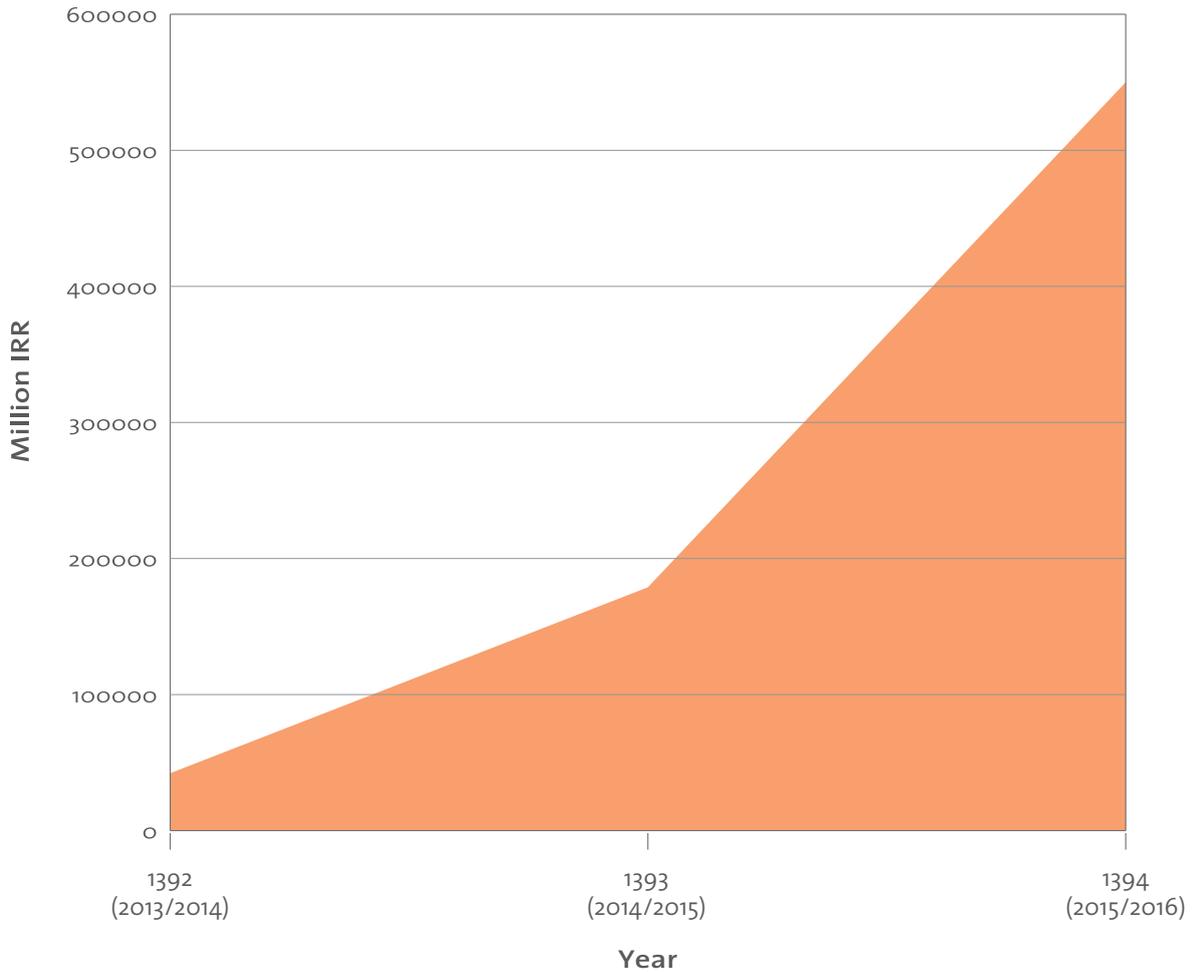


Figure [2]

What explains this precipitous rise? The **Stuxnet** and **Flame** attacks, discovered in 2010 and 2012 respectively, played a role in prompting Iran to seek to fortify its defenses against foreign cyber attacks and sabotage. In addition, the NSA spying scandal, which **broke** just over a week before the 2013 election that brought Rouhani to power, likely strengthened the hand of **those** who had been **warning** of a Western soft war against the Islamic Republic, giving them leverage to demand a larger security budget.

ROOM FOR IMPROVEMENT: ICT IN ROUHANI'S FIRST TWO YEARS

So how has Rouhani done so far? After a campaign filled with promises to loosen the government's grip on the flow of information, Rouhani has taken some positive steps. By challenging the CDICC over the block on WhatsApp, he preserved the availability of the popular mobile application for Iranian users. Moreover, the fact that cabinet member like Foreign Minister Javad Zarif have active Twitter and Facebook profiles undermines the narrative that American social networks are immoral and contrary to Iranian values.

Yet causes for concern remains. One potential worry is the exponential increase in security funding over the past three years, indicating that security has become an important priority for the government and could serve as a justification to further curtail internet freedom.

Furthermore, Rouhani's ICT Ministry has championed the Intelligent Filtering system and SHOMA. Just last month, ICT Minister Vaezi **explained** that he is courting private sector investment to finance the development of Iran's national internet. In addition, he **announced** that the second phase of the Intelligent Filtering system is set for launch, with the first phase successfully completed.

Lest we forget, Iran's conservative judiciary still exerts substantial control over the enforcement of censorship policies, limiting the extent to which reform can be enacted by any one Iranian president.

SHUFFLING FORWARD: FUTURE TRENDS IN IRANIAN ICT POLICY

So what happens next? At Small Media we have three predictions about what the future of Iranian internet policy might portend. These are a few things to look out for, and we'll reflect back on them in upcoming special issues of this report.

1. More fights over blocking social messaging apps, with internet censorship battles being increasingly fought over smartphone technology.

According to MCI minister Ali Jannati, there are currently **9.5 million** Iranians on Viber. The judiciary and several CDICC members seem strongly opposed to social messaging apps, but as these apps increase in popularity, supporting a block will become more difficult for elected representatives like Rouhani, as well as his cabinet. This also suggests that since winning the election, Rouhani has had a political imperative to oppose blocks on messaging apps, regardless of his personal views about censorship. Meanwhile, the widespread popularity of mobile internet use will prompt censors to focus more of their attention and efforts on mobile apps than on websites and blogs. In short, smartphones will become an increasingly important venue for Iran's internet censorship battles to be fought.

2. Iran is unlikely to be cut off from the global internet on a long term basis, partly because it's a lifeline for tech entrepreneurship.

The **recent launch** of the Iranian search engine Yooz, coupled with the completion of phase I of SHOMA (Iran's national internet), raised fears that the government was moving closer to severing Iranians' access to the global web. It is certainly true that Iran has sought to create **domestic replicas** of many Western social media platforms, and that the government has **offered financial assistance** to Iranian developers. These actions may indeed be aimed at diverting more Iranians to platforms over which the government can exert control, as well as enabling the regime to slow the global internet to a crawl during sensitive times without crippling critical government services and infrastructure. However, an increasing number of Iranian businesses depend on global internet connectivity. For example, the servers for **Blogfa**, one of Iran's most popular blogging platforms, are hosted in Canada. Moreover, profitable Iranian startups like Digikala may soon look to enter new markets, as well as court foreign investment (there is **keen interest** in Iran's nascent startup scene among **Western observers**). These developments would be severely hampered by a long term disconnection from the world wide web. It is therefore unlikely that the completion of SHOMA will lead to Iran being permanently cut off from the global internet. Yet temporary disruptions during politically sensitive periods, which occurred during the **2009 protests** and in the lead up to the **2013 election**, will likely continue, and will become less costly to implement once SHOMA is finished.

3. Iranians are much more concerned about internet access than online security.

In a recent study of VPN use in Iran, internet researcher Nariman Gharib surveyed 84,000 internet users to find out which circumvention tools are most popular. Gharib found that the three most popular VPNs in the sample were Hotspot Shield, Psiphon3, and F-secure Freedom VPN, three tools that are user friendly and allow Iranians with limited technical knowledge to access blocked content. Notably absent from the top three is Tor, arguably the most secure and anonymous circumvention tool available.

One of the reasons Tor isn't more popular, explains Gharib, is that the robust security it offers comes at the expense of ease of use. Getting Tor to work in Iran requires a level of technical knowledge most internet users simply don't have. Indeed, Gharib notes that not knowing how to play videos with Tor is one of the biggest problems Iranians have with the software. BBC Persian journalist Hadi Nili echoed these sentiments, explaining to the Daily Dot that Iranians are most concerned about getting the content they want. "They want to listen to music, watch videos, download both, and update their Android or Apple devices...So even if they need a better security, they might opt to compromise their privacy for the price and ease of use."

These results neatly cohere with the findings of a study Small Media conducted in August 2014. After surveying 423 Iranian VPN users, we found that a majority of respondents valued easy access, flocking to VPNs that were both free and accessible on mobile devices. Moreover, only 6.6% of respondents used VPNs for their intended purpose of improving personal security.

These priorities are interesting, as they imply that despite all the hype about a "Twitter Revolution" following the 2009 election, Iranians may be more interested in using the internet for entertainment than political activism. In terms of future policy, Iranians' preference for easy access over security will make surveillance of VPN users much easier for the authorities, and could give the government the leverage it needs to implement a crackdown on VPNs, making them more and more difficult to use. Over the past few years, we have seen Iran's Cyber Police (FATA) make a number of arrests related to VPN use. Going forward, we can expect such restrictions to continue, especially after the launch of SHOMA.

CONTENT FILTERING AND BLOCKED SITES

- **February 1:** The Telecommunication Company of Tehran's (TCT) services were disrupted, disconnecting users from the internet without any explanation from the TCT. ([Source](#))
- **February 2:** The [official website of MP Ali Motahari](#) was blocked by judicial authorities. It is not clear why. ([Source](#))
- **February 15:** An individual was arrested for publishing pornographic contents on Facebook by Iran's Cyber Police (FATA) in South Khorasan province. ([Source](#))
- **February 16:** Iranian users reported that they were unable to use Line and WhatsApp, owing to slow service. According to the director of an ISP, Iranians have had this problem since 12 February. ([Source](#))
- **February 17:** The sentences of 8 Facebook users who were arrested by the Iranian Revolutionary Guard Corps (IRGC) on [May 2014](#) were reduced in the appeals court. According to Shima Ghosseh, the total sentence was reduced from 132 years to 54 years. Here is the breakdown of amendments to each individual's sentence:
 - Fariborz Kardarfar: From 18 years and 91 days in prison to 7 years
 - Mehdi Reyshahri: From 11 years in prison to 5 years
 - Masoud Ghasemkhani: From 19 years and 91 days in prison to 7 years
 - Roya Saberi Nezhad Nobakht: From 20 years in prison to 7 years
 - Amir Golestani: From 20 years and 1 day in prison to 7 years
 - Seyyed Masoud Seyyed Talebi: From 15 years and 1 day in prison to 7 years
 - Amin (Farid) Akramipour: From 13 years in prison to 7 years
 - Naghme Shahi Savandi Shirazi: From 7 years and 91 days in prison to 7 years ([Source](#))
- **February 25:** Nima Golestaneh, an Iranian hacker who was accused of hacking an American company in Vermont, was extradited to the US by Turkey. According to The Daily Sabah, Golestaneh stole aerodynamics analysis and design software which normally sells for \$40,000 to \$800,000 per unit. ([Source](#))
- **February 27:** [Bahar News](#) and [Jamaran](#) were blocked by the judicial authorities for publishing news stories about former Iranian President Mohammad Khatami. On [February 16 2015](#), Gholam Hossein Mohseni Eje'i, the prosecutor general of Iran announced that the Iranian media was prohibited from publishing any news or images of Khatami. Jamaran became available after a day when it deleted all news and images of the former president. ([Source I](#), [Source II](#))

STATEMENTS FROM MINISTRIES AND POLITICIANS

• **February 1:** Barat Ghanbari, the Deputy Minister of ICT for Strategic Planning and Control announced that Iran will launch two national search engines on the anniversary of the founding of the Islamic Republic (1-11 February 2015). These platforms are called **Parsijoo** and **Gorgor** and the ICT has invested more than 1,700 billion IRR (60 million USD) in their development. According to Ghanbari, Parsijoo has been developed by Yazd University and the ICT Ministry provided 150 servers and will pay for all maintenance and necessary bandwidth. Gorgor, on the other hand, has been developed by a team at Imam Hossein University, which is close to the IRGC. Despite the stated plan to launch Parsijoo in February 2015, the platform was actually launched five years ago. It is unclear why some of the authorities described it as a new search engine. ([Source](#))

• **February 1:** Tasnim News Agency had an interview with Zohre Hosseini, Director of Matching Project, an Iranian dating website that is permitted by authorities. The highlighted points are listed below:

- The first legal dating website, which will be based on 'Islamic principles', will be launched in the next month.
- 130 people are already trained to become Matchmakers through the website.
- Users on the website will not contact each other via the website. Instead, the website will serve as a database where users can register. After registration, the entire process for finding a spouse will take place in the real world.
- All illegal dating websites have been blocked. However these website can obtain licenses if they are able to provide enough information about the selection and dating processes.
- The dating website is a collaboration between **Tebyan** and the Ministry of Youth Affairs and Sports. ([Source](#))

• **February 2:** Mostafa Alizadeh, a Special Expert on Cyberspace at the IRGC, had an interview with Islamic Republic of Iran Broadcasting 1 (IRIB1). The highlighted points are listed below:

- The IRGC completely monitors all social networks and the people who think they are safe and do whatever they want must stop their activities.
- The IRGC identified 350 Facebook pages and 36 people who managed them in the first half of the Iranian year. These pages have tried to change lifestyles of Iranians.
- The IRGC deleted 130 out of 350 Facebook pages. 12 people were arrested in connection with the pages and the rest received notice from the IRGC for cross-examination.
- All arrested people are male and the average age is 25 years old. ([Source](#))

• **February 4:** Vaezi announced that work on the second phase of the Intelligent Filtering system begun on 28 January, and will continue for three months. The Intelligent Filtering system has three phases, the first of which has been successfully completed. ([Source](#))

• **February 4:** Vaezi said the SHOMA budget in the next fiscal year has declined in comparison with the current year because the private sector will invest in it. Small Media published a comprehensive report about the ICT budget for the next fiscal year that is available [here](#). ([Source](#))

• **February 5:** Ali Jannati, Minister of Culture and Islamic Guidance, claimed 9.5 million Iranians use Viber and 4-4.5 million are on Facebook. ([Source](#))

• **February 5:** Vaezi announced Iran does not plan to block any more social networks. Also, Iran is trying to block only criminal content on social networks. Recently, Iran has launched the Intelligent Filtering system which can block specific content rather than entire platforms. ([Source](#))

• **February 6:** Vaezi announced that Iran will add 12,000 km of fiber optic cables in the next year in its current capacity. Also, the number of ADSL users has been increased from 3 million to 8 million. According to Vaezi, the ICT Ministry has been focused on increasing the number of users, which is one of the reasons internet speed in Iran has not increased. ([Source I](#), [Source II](#))

- **February 7:** Sadeh Abbasi Shahkoh, Deputy of Reviewing Technical and Regulatory Licensing at the CRA, said 3G will be available to 40% of Iran's population by end of the next Iranian year (March 2016). ([Source](#))
- **February 7:** Hossein Ramezani, Deputy of International and Legal Affairs at FATA denied news reports claiming that FATA made a decision about the blocking of WhatsApp, Line, Tango and Viber. ([Source](#))
- **February 9:** The IRGC released the Sepand operation system (OS) that can be used in robots, satellites, and car manufactures. According to Amirali Haji Zadeh, Commander of IRGC Air Force, Sepand is very fast and secure. ([Source](#))
- **February 15:** **Yooz**, an Iranian search engine was launched by Vaezi. Yooz has 400,000 daily visitors. The highlights of Vaezi's remarks at the opening ceremony are listed below:
 - There is no censorship on the results of Iranian search engines such as Yooz and users can search any keyword. It has indexed more than 1 billion pages.
 - The Iranian companies respect users' privacy more than their non-Iranians counterpart. For instance, it is not clear how non Iranian companies handle users' data and to whom they sell it.
 - Iran invested 900 billion IRR (32 million USD) in domestic search engines and will invest another 1,200 billion IRR (42 million USD) next year.
 - There are more than 20 companies that are active in developing search engines in Iran.
 - Two Iranian social networks, Esom and **Saina**, have been launched. Vaezi claimed that one network has more than 700,000 users, and another has 100,000, but it was not specified which network had which total. At the time of writing, Small Media was unable to locate or verify the existence of Esom.
 - Iran is not looking to limit Google by launching its own search engine. Rather, the government is simply aiming to give Iranians more options for online searches.
 - SHOMA will satisfy 80% of Iranians' needs on the internet.
 - The ICT Ministry has not done anything to disrupt Line. In the recent weeks, some Iranians said Line does not work properly and assumed the ICT Ministry blocked it.
 ([Source I](#), [Source II](#))
- **February 21:** Mohammad Ali Esfanani, a member of the CDICC, said this committee does not have any plans to block communication mobile apps such as Line, WhatsApp and Tango. ([Source](#))
- **February 24:** Kamal Hadianfar, Head of FATA announced his organisation has executed 4 cyber maneuvers since its creation. These maneuvers allowed the FATA to discover 32,000 cyber crimes and arrest 20,000 people for criminal activities on the internet. ([Source](#))
- **February 24:** Vaezi reacted to an [article](#) in *The Intercept* about the hacking of Gemalto SIM cards by the NSA and GCHQ, stating that no Iranian authorities use mobile phones for their work. In addition, he pointed out that Iran has invested 2,000 billion IRR (71 million USD) in digital security in the last 6 months. ([Source](#))
- **February 25:** Esmail Ahmadi Moghaddam, head of Iran's Police, announced that FATA could discover 96% of total cyber crimes, and that 90% of crimes discovered by FATA are related to financial fraud. ([Source](#))
- **February 26:** James R. Clapper, Director of National Intelligence published the Worldwide Threat Assessment and mentioned various countries such as Iran. According to the report, Iran was responsible for a series of DDoS attack against US financial institutions and hacked the Las Vegas casino company in February 2014. ([Source](#))