

Trade Tips

THE UNITED STATES AND ISRAEL
FOCUS ON TECHNOLOGY SHARING

Support for the U.S.-Israel relationship often comes from all corners of the American government. One such place is the Department of Commerce's Bureau of Industry and Security, which last month hosted its inaugural U.S.-Israel High Technology Forum.

The three-day conference began with an all-day public event in Arlington, Virginia, featuring speeches and presentations by Under Secretary of Commerce Mario Mancuso, Director General of Israel's Ministry of Defense Pinchas Buchris and other officials from both countries. Topics covered included defense sector cooperation, export controls and future prospects for Israel's economy.

Since the Bureau of Industry and Security is the primary U.S. agency charged with maintaining export controls for dual-use goods—those products with both civilian and military applications—its initiative in developing and hosting this forum shows the confidence of U.S. officials in Israel's new export control law, which is firmly in line with U.S. standards. The new law addresses earlier shortcomings in Israel's export control structure and cements the Jewish state's status as a reliable strategic partner in the area of defense technology.

In creating a platform for dialogue on this issue, the annual forum brings the defense-industrial sectors of the two countries even closer. As the United States and Israel work together to fight common threats from rogue states and terrorist groups, both countries can be certain that shared technologies will not end up in the wrong hands. Moreover, scientists and technicians in both countries can rest assured that their respective governments are fully supportive of their numerous joint projects, which are now a declared priority for the Departments of Commerce and Defense, along with other agencies. •NER•

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NEAR EAST

Report

OCTOBER 1-15, 2008
AIPAC'S BIWEEKLY ON AMERICAN
MIDDLE EAST POLICY

EDITOR'S COMMENTS

Strong Sanctions Now

Will the international community do anything more to stop Iran's nuclear program? Three times the U.N. Security Council has passed binding resolutions demanding that Iran suspend its efforts to enrich uranium—a key step toward developing nuclear weapons. And three times, Iran has rebuffed those resolutions while accelerating its illicit nuclear activities.

Sanctions efforts both inside and outside the Security Council have inflicted considerable economic pain on the regime in Tehran. Yet whatever measures have been applied still have not been enough to persuade Iran to verifiably end its atomic work. Time is of the essence as the Islamic Republic is rapidly overcoming technical obstacles and getting closer to being able to build a nuclear weapon.

Both U.S.-led international sanctions efforts and the Security Council must do a lot more to present a united international front against Iran's quest to develop a nuclear weapons capability. U.S. and E.U. sanctions are vital in the effort to stop Iran's nuclear drive, but Tehran continues to do business with key countries—especially Russia
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Hateful Harangue

THE IRANIAN PRESIDENT LASHES OUT
AT THE UNITED STATES AND ISRAEL

For the fourth year in a row, Iranian President Mahmoud Ahmadinejad traveled to New York to address the opening session of the U.N. General Assembly. In front of world leaders, he declared that both “the American empire” and the state of Israel would soon fall.

“The Zionist regime is on a definite slope to collapse and there is no way for it to get out of the cesspool created by itself and its supporters,” Ahmadinejad said.

The Iranian leader accused a “deceitful number of people called Zionists” of “dominating an important portion of the financial and monetary centers as well as



Photo by the Associated Press

President Ahmadinejad used his U.N. platform to bash the United States and Israel.

the political decision-making centers of some European countries and the United States.”

During his 30-minute speech, Ahmadinejad alluded to his apocalyptic and messianic religious beliefs. “A golden and brilliant future is awaiting mankind,” he said. “The community promised by the great divine Prophets Noah, Abraham, Moses, Jesus Christ and Mohammad is about to materialize....The Imam of Time, The promised One...will come accompanied by Jesus Christ....”

Despite numerous and recent reports to the contrary (see page 64), Ahmadinejad asserted before the General Assembly that his country's nuclear program is transparent and Iran has provided
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Alarming Report

A NEW IAEA REPORT SHOWS THAT IRAN IS RAPIDLY PRESSING AHEAD WITH ITS ILLICIT ATOMIC WORK, COMING CLOSER EACH DAY TO HAVING THE ABILITY TO ASSEMBLE A NUCLEAR WEAPON

An alarming new International Atomic Energy Agency (IAEA) report has revealed that Iran is rapidly overcoming technical obstacles and increasing its ability to enrich uranium—a key step toward developing nuclear weapons.

Iran has roughly doubled its production of low enriched uranium (LEU), and at the current pace could accumulate ample LEU within six months to produce enough weapons-grade uranium for a nuclear bomb.

In a sign of its frustration with Iranian intransigence, one IAEA-affiliated diplomat accused Tehran of further “deepening suspicions” over its nuclear intentions. Another diplomat simply stated that the year-long probe to get the Islamic Republic to clarify whether it covertly researched how to make a nuclear weapon had reached a “dead end.”



Photo by the Associated Press

Mohamed ElBaradei's IAEA has had a difficult time investigating the nature of Iran's nuclear program.

Report Shows Iran Getting Closer to a Nuclear Weapons Capability

The IAEA report said that Iran has increased the number of centrifuges to more than 3,800—up from 3,300 in May—with upwards of 2,000 more being installed. With new, more efficient machines operating, Iran has reduced the time required to produce enough highly enriched uranium needed for a nuclear weapon.

In addition, Iran continues to make substantial progress on the construction of its heavy water reactor at Arak, which, according to the IAEA, now appears to be operational. The reactor could be used to produce plutonium for nuclear weapons without having to master the onerous uranium enrichment process.

Iranian President Mahmoud Ahmadinejad made clear that Iran has no intentions of end-

ing its enrichment efforts, saying recently that the “era of [uranium enrichment] suspension has ended.”

IAEA Says Iran Has Researched Nuclear Weapons

Iran has repeatedly failed to address concerns about the military nature of its nuclear program. Shortly after the IAEA released its latest report, the U.N. nuclear



Photo by the Associated Press

Iranian nuclear scientists continue to enrich uranium—a key step toward developing atomic arms.

watchdog showed its members documents and photographs suggesting that Iran secretly tried to modify a missile cone to carry a nuclear bomb.

Diplomats who attended the special briefing said the IAEA's head of inspections in the Middle East, Herman Naeckerts, had shown them new proof indicating that Iran tried to refit the long-range Shahab-3 missile to carry a nuclear payload. Iran has refused IAEA requests to interview engineers involved in the work and visit their ostensibly civilian workshops. IAEA chief Mohamed ElBaradei has said that it is impossible to guarantee that Iran is not hiding nuclear activities unless the regime allows his inspectors much broader access and answers allegations that it hid past attempts to make nuclear arms.

For the first time, the IAEA also said that Tehran had received “foreign assistance” for experiments with high explosive charges suitable for nuclear implosions. In a startling revelation, IAEA officials said that the aid came from a “non-state actor” other than the network of A.Q. Khan, the disgraced Pakistani nuclear scientist who provided Iran with centrifuges and other nuclear technology. So far the IAEA has given few additional details.

Sanctions Affecting Iranian Regime

As Iran presses ahead with its illicit nuclear work, the United States and its allies are working to impose more stringent international sanctions against Tehran.

In late September, the United States sanctioned Iran's national maritime carrier and much of the country's shipping sector for illegally transferring cargo for U.N.-designated proliferators. The move followed a series of steps by the European Union to restrict export credits to Iran, expand the inspection of Iranian cargo shipments and freeze the assets of Bank Melli—Iran's largest commercial bank.

These sanctions are creating difficulties for the Iranian regime. Foreign investment is down and financial institutions are having trouble making a profit, according to a recent International Monetary Fund report. Mohammad Nahavandian, the head of Iran's chamber of commerce, admitted that sanctions are having an impact on Iran, saying in the *Sarmayeh* newspaper that the costs of imports have increased “because of the obstacles created.” Those obstacles, however, have not yet persuaded Tehran to change course.

Despite possessing some of the largest oil reserves in the world, Iran imports 40



Photo by the Associated Press

Iran imports 40 percent of its refined petroleum and is vulnerable to stronger international sanctions.

percent of its gasoline because it lacks sufficient refining capability. A U.S.-led international campaign to voluntarily ban the sale to Iran of all refined petroleum products could help convince Iran to abandon its illicit nuclear program. So, too, could a fourth round of U.N. Security Council sanctions, which the United States, Britain and France have vowed to pursue. •NER•

Important Alliance

ISRAEL AND THE NORTH ATLANTIC TREATY ORGANIZATION (NATO) ARE ENHANCING THEIR RELATIONSHIP AS MUTUAL THREATS AND A SIMILAR WORLDVIEW BRING THEM CLOSER TOGETHER

Since World War II, 26 countries have established a defensive alliance that would collectively respond to an attack by any outside party. This pact, called the North Atlantic Treaty Organization (NATO), was meant to deter the Soviet Union from invading western Europe. Today, the Soviet Union is no more, but NATO continues to be an important player in the war on terrorism and an organization whose relationship with Israel is expanding.

NATO-Israel Ties are Growing

Although Israel is not a member of NATO, the Jewish state participates in some of the alliance's cooperative forums. One of these is the Mediterranean Dialogue, a forum of seven Arab countries that work alongside Israel to contribute to the stability of the Mediterranean region. The existence of such a working group reflects NATO's view that security in Europe is linked to a stable Mediterranean region.

Through the Mediterranean Dialogue, NATO and Israel have finalized an Individual Cooperation Program (ICP) agreement—the first such deal outside the Euro-Atlantic arena. It allows Israel to contribute assets to NATO operations and take part in the alliance's burden sharing. Some analysts have called the ICP agreement a *de facto* partnership between

NATO and Israel and a sign that ties will continue to grow.

There has been a decades-long debate within Israel about whether full NATO membership would bring a higher level of security relative to the obligations it would incur. However, regardless of Israel's official status with NATO, having the United States treat Israel as an equal to its NATO partners in terms of releasing defense technology is an important goal for maintaining Israel's qualitative military edge.

NATO, Israel Face Mutual Threats

Following the 9/11 attacks on the United States, NATO invoked, for the first time in its history, Article 5 of its charter, which says that an attack on one member is an attack on all members. The fight against Islamist terrorism has since been a permanent agenda item for NATO.

Because of this commitment, NATO has become actively engaged and works closely with partner countries, including Israel, in the fight against terrorism.

In 2006, then-Spanish Prime Minister Jose Maria Aznar recognized Israel's role. "Treating Israel as if it were not an integral part of the Western world is a big mistake that will affect our ability to prevail in this long war against jihadism," Aznar said. "I think it is in our mutual interests to have

Israel as a formal ally. The West cannot fight this radical tide without Israel."

NATO Expansion Sends Signal to Potential Adversaries

NATO's collective defense commitment protects its member states while simultaneously putting countries outside the alliance at a higher risk. The most recent example of such a situation was the lead up to the Georgia-Russia conflict. During the Bucharest Summit last April, President Bush called for increased cooperation between NATO and Georgia, but his suggestion was shelved. Some experts opined that the suspension of Georgia's consideration for membership emboldened Russia to invade Georgia, knowing that NATO members had little desire to defend it.

The same logic could be applied to the NATO-Israel relationship. In the Middle East, Iran is looking for weakness. With a missile arsenal that can reach parts of Europe and a rapidly expanding nuclear program, Iran threatens both Israel and NATO countries. A strong Israel-NATO relationship is likely to influence Iran's calculations as it forges ahead with its atomic work. As the threats from Iran and global jihad brings Israel and NATO into closer alignment, the two parties will benefit from enhanced ties and cooperation. •NER•



NATO TODAY

THE ALLIANCE IS FIGHTING TERRORISM AND WORKING FOR A MORE SECURE WORLD

Training With Israel.

The Jewish state has broadened its relationship with NATO by participating in military exercises with Mediterranean countries, including NATO members.

On the Front Lines.

The NATO-led International Security Assistance Force is serving in Afghanistan, targeting the Taliban and al Qaeda terrorists.

United Against Terrorism.

After the 9/11 attacks on the United States, NATO invoked Article 5 of its charter, which says that an attack on one member is an attack on all members.

Watching the Skies.

NATO is supportive of U.S. plans to deploy a missile defense system to protect Europe from long-range missile attacks by rogue nations such as Iran.

and China—who are reluctant to sanction Iran inside or outside the Security Council.

Russia's attitude has been particularly troubling. On the sidelines of the U.N. General Assembly in New York last week, Russia refused to attend a high-level meeting to discuss new Iran sanctions, citing Washington's stance on the Russia-Georgia conflict.

Such linkage between Georgia and Iran is unwarranted. After all, a nuclear-armed Islamic Republic poses a danger to the entire region and even to Russia itself, which is much closer to Iran than is the United States. Russia is playing politics when it is time to get serious over an issue of global concern. Does the Kremlin or anyone really want the Islamist theocrats to have nuclear weapons?

If the answer is no, then enacting biting economic sanctions is the best and only peaceful way to achieve Iranian compliance.

Israel is beginning to worry that Iran will go nuclear and it will have to face the new threat alone. Gabriela Shalev, the Jewish state's U.N. ambassador, said she felt Russia's stance meant the end of any hope of stronger U.N. sanctions. "We don't see it working or leading anywhere," she said.

If the world fails to adopt stronger sanctions against Tehran, Israel and other U.S. allies in the region may begin to assess what other steps may be needed to prevent Iran from going nuclear. •NER•

Women at the Helm

IF FOREIGN MINISTER TZIPI LIVNI BECOMES ISRAEL'S NEXT PRIME MINISTER, ALL THREE BRANCHES OF ISRAEL'S GOVERNMENT COULD BE HEADED BY WOMEN

In the wake of Ehud Olmert's resignation as prime minister of Israel, Tzipi Livni, the new head of the Kadima party, has begun the task of forming a new governing coalition. Should Livni succeed in forming a government, she will become Israel's second female prime minister after Golda Meir, and all three branches of the Israeli government—executive, legislative and judicial—could be headed by women. Such a situation would be unprecedented in world history. So, who are these women?

Born in Tel Aviv in 1958, Tzipi Livni served as a lieutenant in the Israel Defense Forces (IDF) and later with the Mossad in Europe. Upon returning to Israel, Livni practiced law for ten years before entering public life. She was first elected to the Knesset in 1999 as a member of the Likud party, which she left at the end of 2005 in order to join Ariel Sharon's new Kadima party.

Dalia Itzik, the speaker of the Knesset, is a longtime Labor member who was first elected to the Israeli parliament in 1992 and

was selected as its speaker in 2006. A native of Jerusalem, Itzik is a teacher by profession and a former deputy mayor of Jerusalem in charge of education. Itzik also served as Israel's acting president for the first half of 2007 when then-President Moshe Katsav took a leave of absence.

Dorit Beinisch has been the chief justice of the Supreme Court since 2006. A Tel Aviv native, she was a first lieutenant in the IDF and later studied law at the Hebrew University of Jerusalem. After serving in a number of government roles, she was named attorney general in 1989 and was appointed to the Supreme Court in 1995.

Also worth noting: Israel's new U.N. ambassador is a woman. Gabriela Shalev assumed her post last month at the U.N. headquarters in New York.

As Livni attempts to form a coalition, Olmert will oversee an interim government until a new prime minister is sworn in. As it looks now, 2009 may turn out to be the year of the woman in Israel. •NER•

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"full cooperation" with inspectors from the International Atomic Energy Agency, the U.N.'s nuclear watchdog

The United States and many of its allies have been vocal about their concern over Iran's nuclear program. Speaking on behalf of the European Union, French President Nicolas Sarkozy told the General Assembly that Europe "cannot accept a nuclear-

armed Iran which would endanger the peace and stability of an entire region, nor can it tolerate Iran calling for the destruction of the state of Israel."


The French president also reiterated the European Union's support for the Jewish state. "Europe is telling Israel that it is a friend, that it will let no one threaten its existence, that we will always be at Israel's side to fight terrorism," he said. •NER•

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