

MEMMO

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Implementing Tough Sanctions Key to Countering Iran

The U.N. Security Council decision earlier this month to impose a third round of sanctions on Iran marks a notable response to Tehran's continued defiance of international law. The Council's decision comes as the International Atomic Energy Agency (IAEA) reported that Iran has conducted sophisticated research on technologies needed to build and deliver a nuclear weapon. Russia, China and European countries should join with the United States to effectively implement a comprehensive regime of economic, diplomatic and political sanctions aimed at preventing a nuclear-armed Iran.

The U.N. Security Council's third resolution on Iran requires that Tehran stop its enrichment of uranium and imposes further sanctions.

- The U.N. Security Council for the third time in 15 months declared Iran a threat to international peace and security and demanded Iran immediately suspend all uranium enrichment and its construction of a heavy-water reactor designed to produce plutonium.
- The resolution marks the first time the U.N. has banned trade with Iran in "dual-use" goods (those that have both civilian and military capabilities). The resolution also authorizes nations to inspect suspicious Iranian air and sea cargo for these items.
- The resolution implores countries to exercise vigilance when entering into new commitments for public-provided financial support for trade with Iran, including the granting of export credits, guarantees or insurance.
- The new resolution also calls on nations to use extra diligence concerning transactions with two Iranian state-owned banks, Melli and Saderat. The United States previously designated Bank Melli as a weapons proliferator and Bank Saderat as a supporter of terrorism.
- The Security Council also reiterated its openness to negotiating with Iran once it suspends its nuclear activity. The United States has held out a similar offer, which has been repeatedly rejected by Iran.



The U.N. Security Council imposed a third round of sanctions on Iran for the regime's continued failure to suspend its enrichment of uranium.

The IAEA says Iran is continuing its enrichment efforts and has worked on technologies needed to build and deliver a nuclear bomb.

- The IAEA's recent report says that contrary to U.N. Security Council Resolutions, Iran has not suspended its enrichment activities and is now testing more advanced P-2 centrifuges, capable of enriching uranium—the key fuel for nuclear weapons—at two to three times the speed of older models.
- The IAEA report says Iran is continuing construction and operation of its IR-40 Heavy Water Reactor, which when fully operational is estimated to be able to produce enough weapons-grade plutonium for one or two nuclear weapons per year.
- The IAEA report also raises concerns about Iran's Green Salt Project, an alleged clandestine Iranian entity focusing on uranium processing, high explosives and a missile warhead design, saying it remains “a matter of serious concern and critical to an assessment of a possible military dimension to Iran's nuclear program.”
- The IAEA has corroborating evidence, from several countries, indicating Iran has conducted sophisticated research into key technologies specifically needed to build and deliver a nuclear bomb, according to a briefing last week to diplomats by IAEA Deputy Director Olli Heinonen. The information includes documents describing studies on how Iran can modify its Shihab-3 ballistic missile to accommodate a nuclear warhead.
- The IAEA, in its report, says Iran has yet to answer questions concerning a 15-page document Iran received from Pakistan describing the procedures for producing enriched uranium metal and machining the uranium into hemispheres, components needed to build a nuclear warhead.

Russia, China and the EU should join the United States in implementing tough sanctions to increase the pressure on Iran.

- The United States should designate the Central Bank of Iran as a supporter of terrorism and weapons proliferator. Iran is using the bank to support Hizballah and other terrorists, while the bank is increasingly handling the transactions of other Iranian financial institutions already sanctioned by the United States and United Nations.
- The United States should sanction foreign banks that continue to conduct transactions with the four state-owned Iranian banks subject to U.S. or U.N. sanctions. The United States also should sanction foreign entities that continue to do business with the Iranian Islamic Revolutionary Guard Corps in violation of U.S. sanctions.
- The European Union should build on the Security Council's call to exercise vigilance in providing export credits that back investment in Iran by stopping all such transactions. The EU also should end all transactions with Bank Melli and Bank Saderat.
- China and Russia, both of which continue to expand their trade with Iran, should stop all new business with Tehran and not fill the void left by European and other nations that reduce their business dealings with the regime.