

# MEMMO

April 15, 2009

## Iran Says It Will Forge Ahead With Its Nuclear Program

**Iranian President Mahmoud Ahmadinejad is now claiming that Iran controls the entire cycle for producing nuclear fuel, highlighting Tehran's continuing pursuit of a nuclear weapons capability. While the claim may be premature, the IAEA has confirmed that Iran has accumulated enough low-enriched uranium for a nuclear weapon if that material were further enriched. The United States and our allies should undergird a diplomatic approach to Iran with more robust economic, diplomatic and political sanctions, particularly if Iran does not soon agree to suspend enrichment.**

Iranian leaders say they have no intention of stopping their nuclear and ballistic missile programs.

- Ahmadinejad on April 11 announced that Iran now controls “the entire nuclear fuel cycle.” Ahmadinejad has repeatedly said that Iran will not suspend its enrichment of uranium as required by three U.N. Security Council Resolutions.
- A few days later, Ahmadinejad said Iran is building new rockets that can carry heavier satellites and travel greater distances than the one it launched in February 2009.
- Such a rocket would represent a further development in Iran's efforts to produce intercontinental ballistic missiles capable of reaching U.S. territory.
- Iranian parliament speaker Ali Larijani declared on April 12 that the world must now accept Iran as a nuclear power, saying that world powers have “no reason to deny or refuse Iran's nuclear technology.”
- Iranian parliament deputy Hamid Reza Haji Babaei said on April 11 that “the country's nuclear issue has reached the point of no return.”



**Iranian President Mahmoud Ahmadinejad has announced further progress in Iran's nuclear and ballistic missile programs.**

Iran has amassed a sufficient quantity of uranium to produce a nuclear weapon if it further enriched that material to weapons-grade level.

- Iran has now acquired more than 2,200 pounds of low enriched uranium that—if further enriched to a weapons-grade level—is enough for one first-generation atomic bomb.
- Using its existing centrifuges, Iran would need only two to three months to raise the enrichment level of its uranium stockpile to weapons-grade.
- Director of National Intelligence Dennis Blair testified on Capitol Hill that Iran has “the scientific, technical, and industrial capacity eventually to produce nuclear weapons.” He said Tehran may be able to produce enough highly enriched uranium for a nuclear bomb as early as next year.

- In the past three months Iran completed the installation of nearly 1,500 new centrifuges—the machines used to enrich uranium. This represents an increase of more than 40 percent.
- Iran has also begun manufacturing fuel rods for its heavy water reactor at Arak. The spent fuel from such rods could be reprocessed to obtain bomb-grade plutonium. According to David Albright of the Institute for Science and International Security, the reactor will be able to produce 17-22 pounds of plutonium per year, enough for one to two bombs' worth of nuclear material.

Enhanced U.S. diplomatic efforts must not be open-ended and should be carried out independent of Iran's political calendar.

- As the United States seeks to engage with Iran and in light of the rapid pace of advancements in Iranian capabilities, it is crucial this process begin as soon as possible and not be open-ended.
- In the past, Iran has used negotiations as a way to delay sanctions while continuing to advance its nuclear program. Iran can only be given a few months to negotiate without verifiably suspending its enrichment activities.
- If possible, the United States should not wait until after Iranian elections in June to engage Tehran. Deferring such talks will give Iran more time to further advance its nuclear capabilities, making the successful outcome of such negotiations less likely.

Engagement should be backed with tougher sanctions to enhance the probability of success.

- It is critical that Tehran not misconstrue U.S. engagement as a reward for its continuing intransigence. Engagement should be combined with tougher sanctions in order to demonstrate the ramifications for Iran if it abuses America's genuine desire for better relations.
- To increase the negotiating leverage on Iran, the United States should work with its allies today on spelling out additional tough sanctions that will be imposed on Iran if talks are not successful.
- Sanctions are having an increasingly negative impact on the development of Iran's oil and gas infrastructure. Iran announced on March 11 that French energy company Total will be pulling out of a large gas development project with Iran "because of sanctions against Iran."
- Penalties the United States could deploy, should Iran fail to verifiably suspend its enrichment activities, include: sanctioning Iran's Central Bank, foreign banks that continue to conduct transactions with Iranian banks and companies doing business with Iran's Islamic Revolutionary Guard Corps.
- The United States could implement current law by sanctioning foreign energy companies investing more than \$20 million in Iran's energy sector. President Obama and Secretary of State Clinton both voted to reauthorize this legislation as senators.
- The United States should begin diplomatic contacts now to gain agreement to prohibit the export to Iran of refined petroleum products if engagement with Iran fails. President Obama backed this approach during the campaign. With Iran forced to import 40 percent of its gasoline, limiting the country's access to such products would have a dramatic economic effect.