

MEMMO

June 11, 2009

IAEA: Iran Significantly Expanding Nuclear Capabilities

The latest report by the International Atomic Energy Agency (IAEA) shows that Iran continues to aggressively expand its nuclear capabilities in continued defiance of the international community. Tehran now possesses more than 7,000 centrifuges, enough to make the required fuel for up to two atomic weapons a year. The IAEA says Iran's dramatic expansion of its enrichment capabilities is making it increasingly difficult for the agency to fully monitor these activities. The United States and our allies should undergird a diplomatic approach to Iran with more robust economic, diplomatic and political sanctions to persuade Iran to end its illicit activity.

Iran has amassed a quantity of uranium sufficient—if further enriched—to produce nuclear weapons.

- Iran has increased the number of installed centrifuges in its Natanz enrichment facility by 30 percent since February 2009 to more than 7,000. This number, according to experts, is enough to produce sufficient highly enriched uranium for up to two nuclear bombs a year.
- Iran has now produced nearly 3,000 pounds of low enriched uranium that—if further enriched to a weapons-grade level—is more than sufficient for one first-generation nuclear device.
- Iran would need only two to three months to raise the enrichment level of its uranium stockpile to weapons-grade using its existing centrifuges.
- The IAEA also reported that Iran is continuing its work testing more advanced centrifuge designs in order to reach its ultimate goal of 55,000 operational centrifuges and an industrial enrichment capability.



Iran's Supreme Leader Ayatollah Ali Khamenei has stated repeatedly that Iran will not halt its nuclear program.

International inspectors lack access to key Iranian nuclear facilities, making accurate assessments of Iran's nuclear program impossible.

- The IAEA is no longer able to fully safeguard against the diversion of nuclear material at the Natanz facility or monitor Iran's attempts to quickly enrich its stockpiled uranium to a weapons-grade level given the dramatic increase in Iran's enrichment program, according to the report.

- Iran has failed to agree to a 2007 request by the IAEA to install remote “containment and surveillance measures” at Natanz. Inspectors currently must travel to the facility to download surveillance footage as Iran refuses to allow remote monitoring. On one occasion in May, the IAEA was denied access to carry out an unannounced inspection of the facility.
- Iran continues to stonewall IAEA efforts to resolve outstanding questions about possible “military dimensions” to its nuclear program. Tehran also refuses to grant access to relevant authorities who could address allegations of Iran’s suspected work on a nuclear warhead design.
- For 10 months, Iran has denied inspectors access to its heavy water plutonium reactor at Arak. When completed, the fully operating reactor could produce about nine kilograms of plutonium annually—enough for two nuclear weapons a year—if Iran built the necessary reprocessing facility.
- In denying the IAEA design plans for a new nuclear plant planned in Darkhovin, Iran is the only country with “significant nuclear activities” not implementing safeguards provisions that provide the IAEA with design information prior to construction.

Enhanced American diplomatic efforts should not be open-ended.

- As the United States looks 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.
- For too long, Iran has been allowed to use 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 and reprocessing activities.
- The United States should attempt to commence engagement with Iran at the earliest possible date. Deferring such talks will allow Iran to achieve further nuclear capabilities, making a successful outcome less likely.

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

- It is critical that Tehran not misconstrue U.S. engagement efforts as a reward for its continuing intransigence. Engagement should be combined with tougher sanctions 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.
- The United States should sanction Iran’s Central Bank, foreign banks that continue to conduct transactions with sanctioned Iranian entities, and companies doing business with Iran’s Islamic Revolutionary Guard Corps as a means of enhancing pressure on Iran’s regime.
- The United States should implement current law and sanction foreign energy companies investing more than \$20 million in Iran’s energy sector. President Obama and Secretary of State Clinton both voted to enact this legislation as senators.
- The United States should lead an international diplomatic effort to prohibit the export to Iran of refined petroleum products, a move Obama backed during the campaign. With Iran forced to import up to 40 percent of its gasoline, limiting the country’s access to such products would have a dramatic economic effect and could force the Iranian regime to change course.