

MEMMO

Nov. 12, 2009

Defiant Iran Continues Nuclear Quest

Instead of accepting President Obama's offer to engage, Iran has reneged on its agreement to ship low-enriched uranium (LEU) out of the country. At the same time, it continues to violate numerous U.N. Security Council resolutions by continuing its enrichment of uranium and funneling weapons to its terrorist allies, Hamas and Hizballah. If Tehran continues to rebuff diplomatic entreaties to suspend its nuclear program, the United States and its allies should impose crippling sanctions on the regime.

Iran has failed to seriously engage with the United States and other world powers over its nuclear program.

- Iran's acceptance and subsequent backtracking from an International Atomic Energy Agency (IAEA) proposal, backed by the United States, France and Russia, to process a portion of Iran's LEU outside the country is part of a long pattern of Iranian delaying tactics.
- As with past talks, Iran agreed to the deal but then sought to change the details in order to stretch out the negotiations.
- Iran has offered to send only a small portion of its LEU out of the country, thus maintaining the possibility that the regime could further enrich its existing stockpile to produce the fuel needed for a nuclear bomb.
- Iran is also using these negotiations to distract attention from the main requirement of the international community—the long-overdue suspension of its enrichment of uranium, mandated by five U.N. Security Council resolutions.
- As the talks have dragged on, Iran's supreme leader Ayatollah Ali Khamenei has come out in opposition to holding serious negotiations with the United States, saying such a move would be "naive and perverted."
- President Obama has promised that the United States will not continue talks with Tehran if it follows its long history of deception and stalling, saying, "If Iran does not take steps in the near future to live up to its obligations, then the United States will not continue to negotiate indefinitely, and we are prepared to move towards increased pressure."



Iran is dragging out nuclear talks as it continues its illicit enrichment of uranium.

Iran continues to advance its nuclear weapons program.

- With attention focused on the more narrow issue of the transfer of Iran's LEU to Russia and France, Iran has continued to advance its nuclear program.

- Iranian centrifuges continue to operate at the Natanz enrichment facility and construction of the Arak heavy water reactor is ongoing. Iranian Foreign Minister Manouchehr Mottaki said while Iran might agree to the LEU proposal, it will continue to enrich its own uranium.
- If Iran is allowed to continue enriching uranium domestically, it could replace its current stockpile of LEU in under 10 months using its declared enrichment facility in Natanz. If Iran has undisclosed nuclear facilities beyond the recently revealed site at a military base near Qom, this timeline could be significantly shortened.
- According to a confidential IAEA analysis reported by the *New York Times*, the agency believes that Iran's nuclear program, run by Iran's Ministry of Defense, has sought to develop a "nuclear payload to be delivered using the Shahab-3 missile system," Iran's medium-range missile, which can strike the Middle East and parts of Europe.
- Satellite imagery indicates that Iran has stepped up its production of uranium ore at a mine near Bandar Abbas. According to experts, the mine—which Iran no longer allows the IAEA to inspect—could produce enough raw uranium for processing into two nuclear warheads a year.
- Tehran also has made major advances in its medium-range ballistic missile technology, recently test-firing a series of missiles, the most advanced of which represents a technological leap in Iran's ability to target U.S. military bases in the region, European allies and Israel.

Iran also continues to funnel weapons and money to terrorist groups in the region.

- On Nov. 3, Israeli naval forces seized the cargo ship *Francop*, a Cypriot-owned ship carrying 500 tons of Iranian weapons intended for the terrorist group Hizballah in Lebanon.
- The shipment is an egregious violation of U.N. Security Council Resolution 1747, which prohibits Iran from exporting or trading weapons.
- The weapons on the ship included some 3,000 Katyusha rockets. During Israel's 2006 defensive war against Hizballah, the terrorist organization fired more than 4,000 Katyushas into civilian population centers in northern Israel.
- Israeli Prime Minister Benjamin Netanyahu denounced the shipment and called on the United Nations to investigate and condemn it. "The bulk of the shipment included rockets whose aim is to hurt our citizens and kill as many civilians as possible," he said. "This constitutes a war crime."

Given Iran's history of deception and stalling tactics, the United States and its allies must keep up the pressure to prevent a nuclear-armed Iran.

- The United States should sanction the Central Bank of Iran and any foreign entities that continue to conduct transactions with previously sanctioned Iranian entities. These include four state-owned Iranian banks subject to U.S. or U.N. sanctions and Iran's Islamic Revolutionary Guard Corps—which has been designated as a supporter of terrorism and weapons proliferator.
- Passage by Congress of legislation that prohibits the sale and export to Iran of refined petroleum products and other similar legislation is critical. With Iran forced to import up to 40 percent of its gasoline and diesel, limiting the country's access to such products would have a dramatic economic effect and could force the regime to change course.
- The credible threat of such crippling sanctions—combined with similar international sanctions—offers a meaningful opportunity to convince Iran to revise its current nuclear policy.