Forcing Hard Choices on Tehran

Raising the Costs of Iran's Nuclear Program

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Policy Focus #62 | November 2006

THE WASHINGTON INSTITUTE for Near East Policy

Published in 2006 in the United States of America by the Washington Institute for Near East Policy,
1828 L Street NW, Suite 1050, Washington, DC 20036.

Design by Daniel Kohan, Sensical Design and Communication
Front cover: Iranian president Mahmoud Ahmadinezhad delivers a speech in Mashad, Iran, while standing in front of a backdrop containing images of the International Atomic Energy Agency flag, the Iranian national flag, and doves, April 11, 2006. Copyright AP Wide World Photos/Mehr News Agency

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Executive Summary

U.S. STRATEGY toward Iran's nuclear program, which has emphasized great-power unity and joint action at the UN Security Council to press Iran to abandon its pursuit of enrichment and plutonium production capabilities, carries a number of risks:

- Iran has drawn out discussions while it makes slow but steady progress with its nuclear program, creating facts that will be hard to reverse. The pursuit of great-power unity and joint action at the Security Council, which has proven elusive, could have the practical effect of facilitating the emergence of a nuclear Iran.

- Iran may not remain passive while the international community decides what to do. Tehran may instead initiate new confrontations, perhaps on unexpected fronts. Tehran seems to have concluded from the summer 2006 Israeli-Hizballah war that confrontation works to Iran's advantage by diverting Western attention from the nuclear issue; creating tensions among the great powers that complicate joint action; stoking anti-American sentiment in the Muslim world, making a U.S. preventive military strike against Iran less likely; and enhancing Iran's standing among the world's Muslims, making the Gulf states in particular less willing to openly participate in efforts to press Iran.

- Russia may not agree to meaningful UN sanctions on Iran. Russia may fear a nuclear Iran, but, other than in its relations with its former Soviet neighbors, Russia seems to operate on the belief that inducements are the best approach with difficult regimes and that sanctions are rarely successful. Because Russian entities have frequently been the target of U.S. sanctions, Russia seeks to delegitimize sanctions as an instrument of international diplomacy. Furthermore, Moscow may worry that pressure on Iran could result in instability in southern Russia. Finally, Russia may see a rising Iran as more of a constraint on U.S. power than a threat to Russian interests.

- The international community is set to pursue largely symbolic measures at first, progressively ratcheting up the pressure if Iran does not cooperate. This incremental approach will allow Iran to adjust at each new rung in the sanctions ladder, ensuring that international pressure has little effect on Iranian actions. Small steps adopted by a divided Security Council are unlikely to persuade Iran to abandon the more troubling elements of its nuclear program.

In light of the drawbacks of the current Security Council–centered approach, the United States should augment steps taken at the UN with parallel unilateral and multilateral measures. Such a mix of measures is more likely to make clear to Iran in the starkest possible terms that it confronts a choice between (a) retaining its nuclear program and suffering severe sanctions, or (b) abandoning the more problematic aspects of its program and receiving a package of political, economic, and security benefits. At the same time, the United States should not undercut the European-led UN effort by agreeing to bilateral U.S.-Iran negotiations that exclude the Europeans.

Pressure Iran Economically

Acting independently or in conjunction with its allies, the United States should apply existing and additional restrictions on Iran much more vigorously. A framework for action is provided by UN Security Council Resolutions 1373 and 1540, which call on countries to adopt and enforce effective controls on funds and services that could contribute to terrorism and the proliferation of weapons of mass destruction (WMD), respectively. The U.S. Department of the Treasury has an efficient mechanism for implementing restrictions; its warnings to banks about doing business in Iran have been particularly effective, because few banks in the world are willing to risk being cut off from dealing

with the U.S. financial system. Washington has been pressing its Gulf Arab allies to cooperate more fully with the Proliferation Security Initiative, designed to prevent Iranian access to WMD-related technology. The United States and its allies can more aggressively prosecute individuals and firms that provide Iran with dual-use technologies that can be used in its nuclear program.

These sorts of measures will not bring Iran's economy to its knees, and at any rate, Iran's political elites do not care enough about economics to abandon their country's nuclear program to avoid imposing hardships on the people. Nevertheless, Iran's leaders do care about domestic public opinion, and the country's mediocre economic situation in the midst of what should be an oil boom is already souring the public mood. To the degree that sanctions could contribute further to popular discontent with the government of Iranian president Mahmoud Ahmadinezhad and transform Iran's nuclear program from a rallying cry into a wedge issue, sanctions—supported by a vigorous information campaign—might play a role in causing Tehran to reconsider some of its nuclear activities.

Offer Appropriate Inducements

Inducements are worth offering to Tehran to test the potential for diplomatic progress and to persuade public opinion—in Iran, in the United States, and around the world—that Washington is making every reasonable effort to settle the dispute diplomatically. Inducements should be designed carefully, however, so that they do not backfire. That risk arises particularly with economic inducements, which can look suspiciously like bribes. The U.S. interest is not served by hardliners' being able to boast that their tough line brought Iran more than pro-Western reformers could obtain; that outcome would only encourage more hardline behavior in pursuit of larger bribes. Appropriate inducements should be mutually beneficial and might include the following:

- A conditional security assurance that if a nuclear deal is reached, the United States will not attack Iran if Iran does not attack the United States, which could help reduce tensions and build confidence between the two countries. Such a commitment is very different from Tehran's demand that the Bush administration recognize the legitimacy of the Islamic Republic.

- Arms control and confidence- and security-building measures designed to start a dialogue about how to address Iran's security concerns, such as an agreement to reduce the risk of incidents at sea between the U.S. and Iranian navies or an agreement to exchange observers during military exercises in the region.

Implement Security Measures to Dissuade and Deter Iran

With its European and Middle Eastern allies, the United States should create a regional security architecture designed to persuade Iran that (a) its nuclear program is creating more risks than benefits and will harm, not help, its security; and (b) it will not be able to use its nuclear option as an instrument of intimidation. Reinforced regional security measures would aim to dissuade Iran from pursuing nuclear weapons and prevent it from exploiting any perception that its success in continuing with its nuclear program in the face of international opposition shows that it is a powerful state that must be accommodated. U.S.-encouraged security measures should likewise create doubts in the minds of Iranian leaders about their country's ability to reliably deliver nuclear weapons and raise the possibility that even threatened use of a nuclear weapon could jeopardize the survival of their regime. Specifically, the United States and its allies should take steps to enhance their ability to

- Counter Iranian naval mine, small boat, and submarine warfare capabilities

- Clamp down on the smuggling of special materials and dual-use technologies

- Identify and neutralize terrorist cells affiliated with the Islamic Republic

- Detect and interdict attempts to deliver nuclear devices by sea, air, or land

Keep the Preventive Option on the Table

Iran's leaders seem to believe that the United States lacks the will and the capacity to take preventive military action. This perception needs to be changed. As Mohamed ElBaradei, the director-general of the International Atomic Energy Agency (IAEA) and a Nobel Peace Prize laureate, has said about Iran, "Diplomacy has to be backed up by pressure and, in extreme case, by force." While preserving its options, Washington should consider identifying "red lines" that would prompt preventive action should last-minute diplomacy fail. Meanwhile, the United States should engage now in careful planning for how it would make the most of the time gained through preventive action and disrupt Iranian efforts to rebuild its nuclear infrastructure. A failure to engage in such planning would be an omission on the magnitude of the failure to adequately plan for the aftermath of regime change in Iraq. The planning should include the possibility of follow-on strikes at facilities to prevent their reconstruction and steps to deter or disrupt possible Iranian responses.

Promote Reform Irrespective of the Nuclear Situation

The fight for reform is on a downward slope—hardliners are in power; reformers are in disarray; the student movements are divided; and media and civil society groups are shut down, limited, or kept out of Iran. Washington's reform agenda in the Middle East would suffer a grave setback if the United States were perceived to have made a deal with hardline autocrats to secure U.S. geostrategic interests at the expense of Iran's beleaguered pro-democracy forces. The effort to support reform should be undertaken for its own sake, rather than linked to the nuclear issue. The two are on a different timeline. Supporting reform nonetheless remains an urgent task, which can be pursued while nuclear diplomacy moves along slowly. Yet the time horizon for when supporting reform will bring success is entirely unknowable. The regime's grip on power looks solid, although the regime is profoundly unpopular with a people who want a freer, more open society.

A number of measures are available to the U.S. government for supporting liberty and justice in Iran, among them the following:

- People-to-people exchanges can be facilitated. The cumbersome visa application process needs streamlining. U.S. nongovernmental organizations (NGOs) should be permitted, through a waiver of the tight sanctions restrictions, to spend funds in Iran. More measures are needed to reinforce recent administration proposals for accelerating Iranians' access to U.S. universities, including steps to promote scientific exchange. Not only would such measures strengthen Iranian civil society and enhance the U.S. image in Iran, but they could also undercut Tehran's propaganda—effective both at home and with many governments in the developing world—that the real U.S. aim is to deprive Iran of modern scientific knowledge, not to prevent nuclear proliferation.

- Information needs to be targeted at the Iranian people; providing information becomes all the more important as the regime limits access to more websites and imposes tighter censorship on the press. The U.S. government should encourage a wide array of broadcasting options, including satellite television programs and internet news as well as AM and FM radio broadcasting.

Conclusion

Ahmadinezhad has a penchant for brinksmanship and may even want a military clash, but he is not the key decisionmaker. His policies have prevailed in no small part because Iran's revolutionary elites—especially Supreme Leader Ali Khamenei—have thought that he was correct in believing that the West's rhetoric could be ignored. If the international community's resolve can be demonstrated with sufficient credibility, if the choices can be made clear enough, if the costs can be made onerous enough, and if some appropriate benefits to both sides can be offered, then Iran's hardline leaders may possibly draw back from the path of confrontation with the international community.

Realistically, however, even if all the measures proposed here were implemented fully and immediately, Iran might still persist with its nuclear program. But Washington should still pursue this effort, if for no other reason than to show public opinion in Iran, the United States, and around the world that every peaceful option was being explored, which should strengthen the U.S. position if it has to resort to more severe measures. Meanwhile, UN diplomacy should be supplemented with other actions to pressure Iran, so long as the latter do not undermine the former. In particular, the United States should insist on European cooperation in immediate steps vis-à-vis Iran as the quid pro quo for any U.S. concessions regarding the UN process and the offering of inducements to Iran. Finally, the United States should start laying the foundation now for a regional security architecture with Iran's neighbors that is designed to dissuade Iran from acquiring nuclear weapons and to deter and contain Iran should dissuasion fail.

Introduction

THE UNITED STATES has repeatedly encountered obstacles in its efforts to achieve a diplomatic resolution of the standoff over Iran's nuclear program. This study aims to assess the potential for change in Iranian nuclear policy, explain the risks of relying exclusively on UN sanctions, and outline various measures that—in conjunction with action at the UN—could increase the likelihood of diplomatic success, or lay the groundwork for more severe measures, if necessary. In this section, the authors consider how the issue should be framed to best achieve a favorable diplomatic outcome, and they evaluate the likelihood that Iran's revolutionary ideologues will ever compromise on their commitment to obtaining a full nuclear fuel cycle, which would provide the means to build a nuclear weapon. The next section explains why relying on UN diplomacy alone is too risky and why more emphasis should be placed on complementary actions outside the UN. Succeeding sections explore a number of such actions, including economic, political, and security measures to be taken in tandem with the UN process.

Framing the Issue

International concerns about Iran's nuclear program focus on Iran's efforts to obtain a full fuel cycle, particularly its pursuit of conversion and enrichment facilities that could produce fissile material for a nuclear power plant or a nuclear weapon, or for a heavy water research reactor, that is a potentially efficient means of producing weapons-grade plutonium. The issue of whether a "smoking gun" exists that proves Iran is pursuing nuclear weapons has not been the main consideration driving international concerns about Iran's nuclear program, and U.S. public diplomacy should reflect that fact.

The international system for preventing the proliferation of nuclear weapons has for decades concentrated on control of fissile material rather than on the actual assembly of a bomb, for the simple reason that making a nuclear bomb is not particularly difficult if a country possesses sufficient quantities of fissile material. In a remarkable speech justifying the more-flexible approach Iran adopted through mid-2005, previous chief Iranian nuclear negotiator Supreme National Security Council Secretary Hassan Rohani explained, "Having fuel cycle [conversion and enrichment] capability almost means that the country that possesses this capability is able to produce nuclear weapons, should that country have the political will to do so."[1] Indeed, Nobel Peace Prize–winning director-general of the International Atomic Energy Agency Mohamed ElBaradei has estimated that if Iran completed the facilities that Tehran has proudly proclaimed it is building, then Iran would be "a few months" away from having a nuclear weapon.[2]

U.S. politicians have tended to reduce the Iranian nuclear problem to the simple statement that Iran must not be allowed to have a nuclear weapon. To be sure, disturbing indications exist that, in the words of French foreign minister Philippe Douste-Blazy, "No civil nuclear program can explain Iran's nuclear program. So it is a clandestine military nuclear program."[3]

1. Text of speech by Supreme National Security Council Secretary Hassan Rohani to the Supreme Cultural Revolution Council (place and date not given), "Beyond the Challenges Facing Iran and the IAEA Concerning the Nuclear Dossier", *Rahbord*, Foreign Broadcast Information Service (FBIS), Iran/Aghanistan Division (FBIS-IAP20060113336001), September 30, 2005, pp. 7–38. Much the same point was made on Iranian Channel 2 on April 13, 2006, by Iranian Nuclear Energy Organization director Gholam-Reza Aghazadeh, who—when asked, "If the enrichment is only 3.5% to 5% ... why are the American concerned?"—said, "This has a dual use . . . since this is the same technology. . . . Let me explain this. The simple way is to inject 0.7% [uranium] and obtain 3.5%, right? Now, if you take this 3.5% and inject it again into the chain [of centrifuges], the result will be 20%. If you inject the 20% back into the chain, the result will be 60%. If you inject this 60%, the result will be 90%. This process has a dual use." "Iranian Nuclear Energy Organization Head Reveals Details about Iran's Nuclear Project" (transcript of Middle East Media Research Institute, April 28, 2006), http://memri.org/bin/articles.cgi?Page=archives&Area=sd&ID=SP115106.
2. "Iran's Rogue Rage," *Newsweek*, January 23, 2006, p. 26.
3. Douste-Blazy is quoted in Martin Arnold, "France Alleges Iran's Nuclear Motive Military," *Financial Times*, February 17, 2006, p. 8. The evidence that Iran has a military nuclear program is summarized in Mark Fitzpatrick, "Assessing Iran's Nuclear Programme," *Survival* 48, no. 3 (Autumn 2006), p. 5.

The IAEA has come to no judgment about this matter; as one IAEA report put it, "The Agency remains unable to make further progress in its efforts to verify the correctness and completeness of Iran's declarations with a view to confirming the peaceful nature of Iran's nuclear programme."[4]

Nonetheless, Iran may not yet have a nuclear weapons program, much less a bomb—and Washington certainly cannot provide proof of either. The only evidence about whether Iran has an active nuclear weapons program comes from intelligence sources, and much of world opinion is, in the wake of the Iraq War, skeptical about claims based on intelligence. A better approach would be explaining that Iran cannot be permitted to complete the facilities under construction, because those facilities will allow Iran to quickly make a bomb if it so decides. The experience in Iraq demonstrates the merit of understating the problem and confining complaints to that which is known with complete certainty.

In addition, the U.S. government should emphasize the IAEA board of governors' complaints about "Iran's many failures and breaches of its obligations to comply with its NPT [Nonproliferation Treaty] Safeguards Agreement."[5] The IAEA reports lay out in detail how Iran has lied about its nuclear program for eighteen years and how Iran continues to refuse to answer many of the IAEA's questions about its activities. The point to be driven home is that the NPT is a bargain: countries have the right to peaceful nuclear technology if they live up to the obligation to be open and transparent about their nuclear activities. Iran claims the rights, but it has not fulfilled its obligations. Because Iran has not fulfilled its obligations under the NPT, it cannot claim the rights that treaty guarantees.[6] Framing the case in that manner is the most effective way of refuting Iran's claim that its rights are being violated and that the West is pursuing a form of "nuclear apartheid" in which only certain privileged countries are allowed to have the most-advanced technology.[7]

Potential for a Change in Iran's Nuclear Policy

Pressure on Iran, combined with skillful diplomacy and appropriate inducements, might persuade its leaders to freeze their overt nuclear program.[8] Although President Mahmoud Ahmadinezhad exudes self-confidence and seems bent on a policy of confrontation, real power in Iran is held by revolutionary leaders, especially Supreme Leader Ali Khamenei.[9] Iran's presidents have not been

4. IAEA, "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran," August 31, 2006 (hereafter IAEA, "Implementation," August 2006), paragraph 29. As ElBaradei noted, "If I say that I am not able to confirm the peaceful nature of that program after three years of intensive work, well, that's a conclusion that's going to reverberate, I think, around the world." In addition, UN Security Council Resolution 1696 notes, "The IAEA is unable to conclude that there are no undeclared nuclear materials or activities in Iran." Interview with Mohammed ElBaradei by Christopher Dickey, "Diplomacy and Force," *Newsweek* January 23, 2006. Available online (www.msnbc.msn.com/id/10858243/site/newsweek/page/2/).
5. IAEA Board of Governors February 4, 2006 Resolution GOV/206/14, which referred the Iran matter to the UN Security Council. IAEA, "Implementation," August 2006, paragraph 28, notes, "Iran has not addressed the long outstanding verification issues or provided the necessary transparency to remove uncertainties associated with some of its activities."
6. In addition, the NPT makes no guarantee about access to conversion and enrichment; it is entirely silent on which particular forms of nuclear technology member states are entitled to. An attempt during the negotiation of the NPT to insert an explicit right to conversion and enrichment was rejected. See also, Arthur Steiner, "Article IV and the 'Straightforward Bargain,'" PAN Heuristics Paper 78-83208, in Wohlstetter et al., *Towards a New Consensus on Nuclear Technology*, vol. II (Supporting Papers), ACDA Report no. PH-78-04-832-33 (Marina del Rey, Calif.: Pan Heuristics, 1978), pp.1–8.
7. As an example of how widely this argument is accepted, see the September 11–16, 2006, 14th Summit Conference of Heads of State or Government of the Non-Aligned Movement, Havana, Cuba, "Statement on the Islamic Republic of Iran's Nuclear Issue," which said: "The Heads of State or Government reaffirmed the basic and inalienable right of all States, to develop research, production and use of atomic energy for peaceful purposes, without any discrimination and in conformity with their respective legal obligations… They furthermore reaffirmed that States' choices and decisions in the field of peaceful uses of nuclear technology and its fuel cycle policies must be respected." Available online (www.cubanoal.cu/ingles/). See also Senegalese President Abdoulaye Wade, "West Should Talk to Iran without Preconditions," *Financial Times,* August 30, 2006, p. 12.
8. Iran would presumably maintain some clandestine capabilities. If the international inspection process is sufficiently intrusive, the covert program could be severely constrained. Presumed linkages between the two mean that a freeze of overt activities could slow the clandestine program. And if Iran were ever to reveal the capabilities on which it had been working covertly, the fact that it had violated its pledges would facilitate bringing international pressure to bear on Iran.
9. For instance, Ahmadinezhad told UN Secretary-General Kofi Annan that although Britain and America won the last World War, Iran would win the next one. Warren Hoge, "Diatribes and Dialogue in Mideast for Annan," *New York Times*, September 11, 2006, p. A9. On Khamenei's role, see Michael Slackman, "Behind Iran's Challenge with West, a Cleric Cloaked in Immense Power," *New York Times*, September 9, 2006, pp. A1 and A8. An indication of Khamenei's cautious instincts is that despite the raging controversy about Iran's nuclear program, he did not publicly endorse Iran's efforts to acquire a

particularly powerful figures in foreign or security affairs, as the outside world discovered when its high hopes about Muhammad Khatami's 1997–2005 efforts at political reform came to naught or when his predecessor Ali Akbar Rafsanjani's 1989–1997 efforts at economic reform foundered.[10] Quite possibly, President Ahmadinezhad, like his predecessors, will sink below the waves after making a big initial splash.

For most of the eighteen years he has held power, Khamenei has preferred a foreign policy stance of low-level confrontation with the West—just enough to keep the revolutionary spirit alive, but not enough to risk open hostilities. However, since 2005, Khamenei seems to think that for all its rhetoric, the international community will do nothing to stop Iran's nuclear program, and therefore Iran's interests are best served by the confrontational approach advocated by Ahmadinezhad.

Nonetheless, important voices in Iran are warning of the price the country could pay for its present confrontational stance.[11] Many in the Iranian ruling circles see a nuclear program as less valuable than integration in the global economy, which they fear the nuclear program may threaten.[12] These voices could well grow louder if Iran's circumstances were to change, caused by: (a) falling oil prices; (b) domestic discontent at unrealized populist economic promises; (c) a less propitious international environment due to a U.S. exit from Iraq; (d) the refusal of Iran's neighbors to be intimidated by Iran's bellicose policies; and (e) more intense pressure on Iran concerning its nuclear program.

full nuclear fuel cycle plans until March 9, 2006; see, for example, "Khamenei Backs Nuclear Fuel Cycle for First Time," *Iran Times* (Washington), March 17, 2006, pp. 1 and 8.

10. Former president Muhammad Khatami has said, "In the system that works in Iran, the president is not deciding about fundamental and general policies at all." Interview in *Financial Times* online, September 3, 2006. Available online (http://search.ft.com/searchArticle?queryText=%22in+the+system+that+works+in+iran%2C+the+president+is+not+deciding+about+fundamental+and+general+policies+at+all%22&javascriptEnabled=true&id=060904006073).
11. Mosherakat, the reformist party led by Muhammad-Reza Khatami (brother of the former president) called in March 2006 for "voluntary suspension of all nuclear fuel cycle work," and *Daftar-i Tahkim-i Vahadat* (the Office for Strengthening Unity), the largest pro-reform student organization, in April called for a "temporary suspension of all nuclear activities." Gareth Smyth, "Iran's Spring Festival Brings Spirit of Optimism amid Ethnic Unrest," *Financial Times*, March 21, 2006, p. 5, and Bill Samii, "Student Group Wants Changes in Nuclear Policy," *RFE/RL Iran Report* 9, no. 15 (April 28, 2006) (available online at www.rferl.org/reports/iran-report/2006/04/15-280406.asp), respectively. See also Michael Slackman, "In Iran, Voices of Dissent Intensify on Leadership's Nuclear Strategy," *New York Times*, March 15, 2006, pp. A1 and A8. Bill Samii, "Analysis: Iran Avoids Direct Answer, but Ready for 'Serious Talks,'" *RFE/RL Iran Report* 9, no. 32 (August 28, 2006). Available online (www.rferl.org/featuresarticle/2006/08/629b1212-bb3c-4d07-9123-04f69d11d7ba.html).
12. On the nuclear debate in Iran, see Shahram Chubin, *Iran's Nuclear Ambitions* (Washington, D.C.: Carnegie Endowment for International Peace, 2006), pp. 28–43.

The Need for an Expanded Multitrack Process

U.S. STRATEGY toward Iran's nuclear program has emphasized the need for great-power unity to create international pressure on Iran.[1] Since 2003, the centerpiece of the U.S. approach has been to refer the Iranian nuclear program to the UN Security Council for action. To date, that effort has not had much, if any, effect on the Iranian nuclear program. Four problems exist with this approach, however, and each looks as if it may get worse: Iranian stalling, Iranian-inspired confrontations, uncertain Russian cooperation, and the ineffectiveness of likely UN sanctions.

Iranian Stalling

Iran has been dragging out discussions, thereby buying time for its nuclear program. Even when the international community had apparently achieved success by getting Iran to suspend conversion and enrichment, Iran's nuclear program may have been unaffected by the suspension—using the time gained to resolve underlying technical challenges.[2] Some cynics suggest that whenever Iran encounters a technical problem in its nuclear program, it agrees to what looks like a freeze in the program while it works on solving the technical glitch. Then when the problem has been resolved, Iran unfreezes the program.

Likewise, its August 22, 2006, response to the Security Council order to suspend enrichment and conversion was twenty pages of questions about what exactly Iran was being asked to do and what precisely it would receive as incentives if it complied.[3] Such a response is well designed to appeal to professional diplomats, whose entire orientation and training are for negotiations about these sorts of details. The risk is that talks will become a substitute for action. Achieving an international consensus about a need to take stronger action against Iran will be extraordinarily difficult so long as it is perceived to be interested in negotiations.

The best explanation of why stalling is a wise strategy for Iran was provided by Rohani in his remarkable speech: if Iran is able to build any given capability, the chances are slim that it will be pressed to give that up.[4] Confirming Rohani's analysis was the international reaction to Iran's successful start-up of its uranium conversion plant. Once that plant was working, Russia proposed that the great powers compromise with Iran by allowing Iran to convert uranium but not to enrich it. Not surprisingly, Iran's response was to rush into operation its enrichment program, whereas previously Iran had not introduced nuclear material into the centrifuges it had built.[5] And the immediate reaction of some prominent international analysts was to say that because Iran had mastered enrichment technology, Tehran would have to be permitted to keep it; the best

1. Although the United States seeks support from the entire international community on the Iranian nuclear issue, the main locus of U.S. diplomacy has been frequent meetings at the foreign minister level among the five permanent members of the Security Council plus Germany ("5+1" or, in the European account, the "3+3" of the European Britain, France, and Germany plus the United States, Russia, and China). To a lesser extent, the United States has also involved the other members of the G-8, Canada, Italy, and Japan.
2. In his remarkable speech, Rohani justified Iran's 2003–2005 agreement with Britain, France, and Germany to freeze its nuclear enrichment and conversion by arguing that the freeze had no practical effect on the Iranian program. "While we were talking with the Europeans in Tehran, we were installing equipment in parts of the [conversion] facility in Esfahan, but we still had a long way to go to complete the project. In fact, by creating a calm environment, we were able to complete the work in Esfahan." Text of speech by Supreme National Security Council Secretary Hassan Rohani to the Supreme Cultural Revolution Council (place and date not given), "Beyond the Challenges Facing Iran and the IAEA Concerning the Nuclear Dossier", *Rahbord*, Foreign Broadcast Information Service (FBIS), Iran/Aghanistan Division (FBIS-IAP20060113336001), September 30, 2005, pp. 7–38 [hereafter, Rohani, "Challenges"].
3. The response can be found online (www.isis-online.org/publications/iran/responsetext.pdf).
4. Rohani, "Challenges." "The usual practice is to put pressure on a country that is standing on the threshold of this technology [i.e., the nuclear fuel cycle]. That is to say, if a country does in fact fully develop this technology, it would be very difficult, if not impossible, to continue the pressure. A country that is nowhere near this capability is not put under pressure. However, the countries that are standing on the threshold of having this technology are put under a tremendous amount of pressure to force them to stop their activities and do not move toward achieving this capability. It is at this point that the pressures are redoubled."
5. The same dynamic was at work with the initial start-up of the conversion facility in August 2004 when Iran temporarily unfroze its program; the start-up was so rushed that Iran had significant technical problems. International Institute of Strategic Studies, *Iran's Strategic Weapons Programmes: A Net Assessment* (London: Routledge, 2005), p. 42.

that could be hoped for would be to limit the number of centrifuges Iran operates.[6]

Parts of the U.S. government have shown considerable complacency about the pace of negotiations with Iran over the nuclear program. That attitude seems to be driven in large part by the intelligence judgment about the progress of the Iranian nuclear program. Although the Israeli government made a major effort in 2004 to persuade Bush that Iran would soon pass the "point of no return" and be irreversibly on course for a nuclear weapon, that view has by no means prevailed.[7] To the contrary, Director of National Intelligence John Negroponte has frequently repeated that Iran's program is proceeding slowly and that Iran will not have a nuclear weapon until the next decade.[8] The risk exists, however, that inaction could effectively translate into de facto acquiescence to an Iranian nuclear weapon.

Iranian-Provoked Confrontations

Assuming that Iran will passively wait while the West decides what to do would be quite risky. Tehran may have drawn the lesson from the Israeli-Hizballah war of summer 2006 that confrontation works to Iran's advantage. Former president Ali Akbar Hashemi Rafsanjani, now chairman of the Expediency Council, warned, "We hope America has learned a lesson from the war in Lebanon and refrains from getting involved in another conflict and causing insecurity in our region."[9] Whether or not Iran encouraged Hizballah to seize Israeli soldiers the week before the July 2006 St. Petersburg G-8 summit, the effect was to turn great-power attention away from the Iranian nuclear issue at a convenient moment for Iran, which may suggest to Iran that fomenting a confrontation on an unexpected front may be a good way to shift the spotlight if a future crisis over the nuclear issue looms. One possibility is that Iran might withdraw from the NPT, something that President Ahmadinezhad hinted at in February 2006 and that Majlis National Security and Foreign Policy Committee chairman Alaedin Borujerdi has been urging.[10]

Iran may have also concluded that in light of Israel's "defeat" in Lebanon, as well as the United States' continuing problems in Iraq, neither Israel nor the United States has a realistic military option against Iran, and that the use of force would create an anti-Western backlash by aggrieved Arabs and Muslims. Important Iranian military figures seem to have concluded that the U.S. military has feet of clay. Former defense minister Ali Shamkhani has said, "Since the U.S. has led a war in Iraq that has entailed a major catastrophe in the region [a military attack on Iran is] impossible."[11]

6. Most especially, International Crisis Group, *Iran: Is There a Way Out of the Nuclear Impasse?*, ICG Middle East Report no. 51, February 23, 2006, pp 19–20. This position was well described as "premature capitulation" by George Perkovich in an article by that title in *Proliferation Brief*, March 3, 2006. Available online (http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=18090).
7. For representative Israeli concern about how urgent was the necessity to prevent Iran from proceeding further, see three issues of *Tel Aviv Notes* from the Jaffe Center for Strategic Studies of Tel Aviv University: Ephraim Asculai, "Intelligence Assessment and the Point of No Return: Iran's Nuclear Program," No. 143, August 8, 2005; Emily Landau, "US Engagement with Iran: The Moment of Truth in the Nuclear Crisis?," No. 173, June 2006; and Ephraim Asculai, "Iran at the Nuclear Crossroads," No. 183, August 13, 2006.
8. See, for example, www.dni.gov/testimonies/20060202_testimony.pdf and www.dni.gov/testimonies/20060228_testimony.htm. Negroponte continues to argue, "We need to keep this in perspective" because "Iran is a number of years off…perhaps into the next decade" before it could have enough fissile material for a nuclear weapon. Negroponte's speech is available online (www.dni.gov/speeches/20060420_speech.htm).
9. Quoted in Nazila Fathi, "Iran Fires Practice Missiles and Affirms Nuclear Stance," *New York Times*, August 20, 2006, p. A7. See also Vahid Sepehri and Bill Samii, "Hailing Hizballah 'Victory,' Iranian Officials Condemn U.S., U.K., Israel, and UN," *RFE/RL Iran Report* 9, no. 30 (August 14, 2006), and Roula Khalaf, "Syria and Iran Look for Gains from Fresh Bloodshed," *Financial Times*, July 15, 2006, p. 2. For the contrary view—namely, that Hizballah has become a less-effective counterweight to potential Western military action against Iran—see Michael Slackman, "Iran Hangs in Suspense as War Offers New Strengths and Sudden Weakness," *New York Times*, July 30, 2006, p. 12.
10. On Ahmadinezhad's threat, see Islamic Republic News Agency (IRNA), February 11, 2006. Available online (www.irna.ir/en/news/view/line-24/0602117847144128.htm). The head of the Majlis National Security and Foreign Policy Commission Alaeddin Borujerdi has frequently spoken out about ending cooperation with the IAEA or membership in the NPT if Iran is pressed; for example, his August 21, 2006, statement, in IRNA's words, that "if the Europeans take hasty actions against Iran and wanted to ignore the rights of Iranians in line with the Non-Proliferation Treaty (NPT), Iran will no longer grant inspections to the IAEA" (available online at www.irna.com/en/news/view/line-17/0608215350153429.htm), or his July 23, 2006, statement, "[A] change of direction of Iran's nuclear problem and issuing a resolution by the UNSC [UN Security Council] will not help solve it, rather may lead to suspension of Iran's membership in NPT" (available online at www.irna.com/en/news/view/line-17/0607233215200159.htm).
11. Alarabiya.net, September 18, 2006. Former commander of the Revolutionary Guards and current secretary-general of the Expediency Council Mohsen Rezai has gone further, arguing: "They [the Americans] are facing serious military difficulties.…The American empire is hovering between life and death. If America loses some of the countries it has subjugated and plundered, there will be chaos in America." Iranian Channel 2, June 8, 2006, as transcribed and

Uncertain Russian Cooperation

How much Russia will cooperate with efforts of the trans-Atlantic partners to dissuade Iran from pursuing nuclear enrichment and conversion is by no means clear. The track record to date has been quite mixed.

During the 1990s when the Clinton administration was unsuccessfully pressing Russian president Yeltsin to suspend all nuclear and missile cooperation with Iran, many analysts had the distinct impression that Russia was not that concerned about Iranian nuclear progress, or at least that it was not a priority for the weak Russian state, especially when Iran was offering to pay sums that looked tempting to an impoverished Russia.[12] That situation seems to have changed after Russia was apparently surprised by the 2002 discovery of Iran's clandestine enrichment program—a program that, if carried through, would deprive Russia of the lucrative market for supplying Iran with nuclear fuel. Russian leaders appear to have decided that a nuclear Iran would be, at the very least, a threat to Russian business interests.

In 2003–2005, Moscow was generally supportive of the E3-led pressure on Iran.[13] But since September 2005, Russia has struggled to identify a way to entice Iran into an agreement without using the pressure that the United States and the European Union believe necessary. At the September 2005 IAEA meeting, Russia effectively blocked referral of Iran to the UN Security Council, though it did support a resolution condemning Iran's "many failures" as noncompliance and noting that those violations "have given rise to questions that are within the competence of the Security Council."[14] To its credit, Russia did propose its own solution, which would allow Iran to retain some conversion capabilities and allow Russia to comanage enrichment as long as that was done on Russian soil. Although it was unenthusiastic about the Russia proposal, the United States decided in December 2005 to support it. Since the refusal of its proposal, Moscow has shown annoyance at the Iranian position, but it has continued to be extremely hesitant to use the Security Council's powers to pass resolutions critical of Tehran, or to impose significant penalties on Iran, for noncompliance with these resolutions.

Why Russia has since mid-2005 been less cooperative with European and U.S. efforts on the Iran issue is not clear. Some reasons might include the following:

- **Fear of instability.** Although Russia fears a nuclear Iran, it also fears instability in Iran, and it may worry that pressure will lead to such an outcome. That concern is not unreasonable; the U.S. experience in Iraq demonstrates the potential for instability when the established order in a strong state is overturned. Furthermore, instability in Iran could easily spill over into Russia, which already faces many problems in Muslim-majority regions near Iran, such as Chechnya. Russia also worries about potential unrest among the million or so ethnic Azeris living in Russia (many in Moscow); at least 10 million ethnic Azeris live in Iran.

- **Skepticism about sanctions**. In its relations with its former Soviet neighbors, such as Georgia, Russia is quick to apply sanctions as a foreign policy tool. But outside its "near abroad," Russia seems to think that inducements are the best approach with difficult regimes. Defense Minister Sergei Ivanov argues, "I know of no cases in international practice or the whole

translated by Middle East Media Research Institute, June 21, 2006. Available online (http://memri.org/bin/articles.cgi?Page=archives&Area=sd&ID=SP118906).

12. This thesis is developed in Eugene Rumer, *Dangerous Drift: Russia's Middle East Policy,* Policy Paper no. 54 (Washington, D.C.: Washington Institute for Near East Policy, 2000), especially pp. 15–30.
13. A good summary of Russian actions about Iran during this period is contained in Shahram Chubin, *Iran's Nuclear Ambitions* (Washington, D.C.: Carnegie Endowment for International Peace, 2006), pp. xv–xix and 108–112.
14. Paragraphs 1 and 2 of the IAEA Board of Governors' Resolution of September 24, 2005 (IAEA GOV/20005/77), read: The Board "Finds that Iran's many failures and breaches of its obligations to comply with its NPT Safeguards Agreement, as detailed in GOV/2003/75, constitute noncompliance in the context of Article XII.C of the Agency's Statute; Finds also that the history of concealment of Iran's nuclear activities referred to in the Director General's report, the nature of these activities, issues brought to light in the course of the Agency's verification of declarations made by Iran since September 2002 and the resulting absence of confidence that Iran's nuclear programme is exclusively for peaceful purposes have given rise to questions that are within the competence of the Security Council, as the organ bearing the main responsibility for the maintenance of international peace and security."

of previous experience when sanctions achieved their goals or were efficient."[15] Indeed, sanctions do not have a particularly good track record as an instrument for compelling a government to change a policy to which it is deeply committed, although sanctions have been successful in some cases, such as against apartheid in South Africa and in contributing to Libya's decision to dismantle its WMD programs. Sanctions are typically used because of a lack of any better alternative stronger than diplomatic remonstrations but short of military force. Russia has reason to worry that sanctions against Iran, no matter how minor or carefully crafted, would be a start down a slippery slope into the same scenario played out over twelve years in Iraq. The problem is coming up with an alternative way to persuade Iran that it will pay a serious price if it does not comply with Security Council resolutions.[16] Failing that alternative, Russia may well endorse some kinds of sanctions, such as a ban on nuclear technology exports to Iran.

- **General geostrategic approach.** Some voices in Moscow have long opposed cooperation with the West; they see a nuclear Iran has a good way to weaken U.S. influence.[17] Although that seems to be a minority view in today's Russia, many influential Russians do seem to have soured toward the West and therefore see little reason to be cooperative.[18] This attitude has been strengthened by the perception that the West has harmed Russian interests, supporting anti-Russian opposition takeovers in Georgia and Ukraine and expanding NATO into the former Soviet Union. Even among those more inclined to work with the West, Russia's remarkable economic turnaround in the last five years has made Russians more self-confident and therefore more willing to assert their differences with the West. Whereas ten years ago Moscow may have been deeply worried by a potential U.S. cutoff of funding for space and nuclear cooperation if Russia worked too closely with Iran, now any potential U.S. assistance is a pittance compared to the vast revenues from oil and gas that are flooding into Russian state coffers.[19]

Certainly, continuing to work with Russia on Iran is worthwhile. Although Moscow is leery of sanctions, the West may well be able to secure Russian support for limited Security Council actions, for instance, a resolution ordering a cutoff of nuclear technology to Iran along the lines of Resolution 1696 about North Korea—especially if the resolution is sufficiently vague for Russia to claim that the Bushehr nuclear power project is grandfathered in and therefore exempt.[20] Moreover, areas of cooperation between the United

15. Steven Lee Myers, "Russia Says It Opposes U.N. Sanctions on Iran," *New York Times*, August 25, 2006, p. A7. This view also finds an echo in China; see Editorial, "Wobbly Diplomacy," *Washington Post*, September 11, 2006, p. A16. French president Jacques Chirac caused a stir when he said, "I am never in favor of sanctions. I have never seen sanctions that are very effective." Elaine Sciolino, "Iran's Freeze on Enrichment Could Wait, France Says," *New York Times,* September 19, 2006, p. A12.
16. In no small part, the negotiations over an initial Security Council resolution on Iran took from March to July because Russia refused to accept any sanctions, not even the European-proposed ban on dual-use technology. In the end, the United States agreed to join negotiations with Iran in return for some tacit understanding that sanctions would be considered if Iran continued to block progress. See Glen Kessler, "Rice Key to Reversal on Iran," *Washington Post*, June 4, 2006, p. A17, and Helene Cooper and David Sanger, "With a Talk over Lunch, a Shift In Bush's Iran Policy Took Root," *New York Times*, June 4, 2006, pp. 1 and 12. For a description of the original resolution proposed by the Europeans and blocked by Russia, see Colum Lynch, "Security Council Is Given Iran Resolution," *Washington Post*, May 4, 2006, p. A18, and Warren Hoge, "Britain and France Press U.N. to Oppose Iran Nuclear Efforts," *New York Times*, May 4, 2006, p. A11.
17. See, for example, Brenda Shaffer, *Partners in Need: The Strategic Relationship of Russia and Iran*, Policy Paper no. 57 (Washington, D.C.: Washington Institute for Near East Policy, 2001), pp. 90–94.
18. See, for example, Council on Foreign Relations, *Russia's Wrong Direction: What the United States Can and Should Do*, Independent Task Force Report no. 57 (New York: Council on Foreign Relations, 2006), p. 42.
19. In 2006, Russia will have a $120 billion surplus on the current account of its balance of payments, equivalent to 12.3 percent of GDP, while its budget surplus will be 8.5 percent of GDP, implying that the budget surplus will be $83 billion. The budget and current account surpluses in 2005 were about the same size. International Monetary Fund, *World Economic Outlook, September 2006* (Washington, D.C.: International Monetary Fund, 2006), pp. 215, 229, 237.
20. In October 2006, an anonymous senior State Department official said, "The agreement we have [among the 5+1, including Russia] is that we will begin a series of graduated sanctions measures against Iran, and that we'll start with sanctions directed at Iran's nuclear industry, like limits on the import of so-called dual use technology and on the travel of scientists and bureaucrats involved in the Iranian nuclear program." Philip Shenon, "U.S. Says It Has Deal with Other U.N. Members to Penalize Iran for Nuclear Drive," *New York Times*, October 7, 2006, p. A5. The draft Security Council

States and Russia continue to exist that are useful for responding to the Iranian nuclear challenge. For instance, after a shaky start full of suspicions on both sides, the two countries' nuclear establishments have a close working relationship; indeed, more than half of the fuel in U.S. nuclear power plants comes from former Russian military stocks.

Ineffective UN Actions Most Likely

A broad gap exists between the actions the international community is most likely to take to pressure Iran and those that would most likely be effective at persuading Iran to change course. French foreign minister Douste-Blazy says the 5+1 have decided to pursue "proportionate and reversible sanctions," suggesting that the sanctions would be modest at first, gradually escalating if Iran does not cooperate.[21] But there is a real risk that Iran will see minor steps as evidence that the world community is not serious and that Iran will adapt to each incremental measure without perceiving a need to change its policy.

This dynamic has already been at work at the UN Security Council. Iran was long concerned that if the issue got to the Security Council, it would face serious problems.[22] But when Iran's file was laid before the Security Council in February 2006 after protracted negotiations, that body acted only after long delays and many public differences among Council members, and its initial actions in May and July 2006 were modest in the extreme. The lengthy delays and modest steps seem to have persuaded Iran that its fears were groundless and that any action by the Security Council could be endured. The same process could well occur with sanctions.

A more-effective approach would be to confront Iran with a stark choice between two different paths, as outlined by Secretary of State Condoleezza Rice:

> Today, the Iranian regime can decide on one of two paths—one of two fundamentally different futures for its people and for its relationship with the international community. The Iranian government's choices are clear. The negative choice is for the regime to maintain its present course, pursuing nuclear weapons. That path will lead to international isolation and progressively stronger political and economic sanctions. The positive and constructive choice is for the Iranian regime to alter its present course and cooperate in resolving the nuclear issue. This path would lead to the real benefit and longer-term security of the Iranian people.[23]

The problem is that the steps that would impress Iran—quick imposition of strong penalties—are precisely the steps the Security Council members will likely refuse to take at first. Strong steps need not be economic measures (such as a ban on Iranian oil exports or comprehensive economic sanctions). They could instead be sharp political measures, such as closure of Iranian embassies abroad (except at the UN), and a ban on all travel by Iranian officials, except for negotiations with the UN and its agencies. But whether economic or political, sharp measures could not possibly be adopted now at the Security Council. Indeed, delicate diplomacy will be required to secure passage of even a modest measure, such as a resolution banning nuclear technology exports similar to Security Council Resolution 1696 concerning North Korea.

Pursuing a Grand Bargain: Highly Risky

A "grand bargain" between the United States and Iran, under which the two countries settle the major differences between them, is even less likely. The barriers to reaching such a bargain are just too high to expect that a deal could be made in time to stop Iran's nuclear program. Many complicated issues separate the two sides, such as the questions of terrorism, Israel, and the tangled web of financial claims—some still under dispute in a tribunal set up in The Hague by the 1981 Algiers Accord ending the Tehran embassy hostage crisis. Fur-

resolution being discussed in late October reportedly included a wide variety of restrictions on Iranian nuclear activities; see Helene Cooper and Thom Shanker, "Draft Iran Resolution Would Restrict Students," *New York Times*, October 26, 2006, p. A6.

21. Robin Wright, "Six Powers Agree to Take Next Step on Iran," *Washington Post*, October 7, 2006, p. A18.
22. Chubin, *Iran's Nuclear Ambitions*, pp. 66–67 and 98–99.
23. Secretary of State Condoleezza Rice, May 31, 2006 statement. Available online (www.state.gov/secretary/rm/2006/67088.htm).

thermore, the two sides distrust each other profoundly, and each is so bitterly divided internally that reaching domestic consensus on an accord with the other—an accord that will inevitably involve difficult concessions—may require protracted discussions at home. Strikingly, longtime advocates of a more-active U.S. diplomatic engagement with Iran who signed a 2004 Council on Foreign Relations report concluded that a grand bargain is "not a realistic or achievable goal."[24]

Furthermore, if the United States were to hold separate bilateral meetings with Iran to explore a grand bargain, the Europeans and Russians might well take this as a sign that Washington was undercutting them. That concern would be reasonable, because many in the United States would like to undercut the French and Russians. And important voices are calling for a deal to get the United States back into the Iranian market at the expense of Europe. So a risk would exist that bilateral U.S.-Iranian negotiations that exclude the Europeans would undermine the European-led UN process. A more-effective approach would be U.S. participation in the European-led negotiations, as proposed by the Bush administration in May 2006. Indeed, it is instructive that after the United States offered to join the talks, Europe and Iran found all during the summer of 2006 that conducting talks on their own was more productive; U.S. direct participation was just so politically charged for all parties that it would have complicated matters and slowed progress. The simple fact is that Iran and the United States distrust each other so much, and relations have become so politically charged, that bringing the two together slows diplomacy; relying on intermediaries like Europe and Russia facilitates progress.

Conclusion

Undue reliance on the UN Security Council as the principal locus for pressuring Iran entails substantial risks. Although the Security Council could be useful for signaling the existence of an international consensus that Iran must suspend its nuclear program, the existence of a consensus for action is by no means apparent.[25]

For this reason, the United States should broaden and deepen efforts to reinforce its actions at the Security Council with parallel measures with a variety of partners. These steps should be consistent with existing international initiatives, so that they do not undercut future Security Council action. The rest of this study describes various economic, political, and security measures to be taken in tandem with the UN process.

24. *Iran: Time for a New Approach*, Independent Task Force Report no. 52 (New York: Council on Foreign Relations, 2004), p. 41; the task force was chaired by Zbigniew Brzezinski and Robert Gates and directed by Suzanne Maloney.
25. Although U.S. officials often speak of taking actions independent of the UN, this route is generally cast as an option to be explored in the event the UN process fails rather than a simultaneous track that can reinforce the UN process. See, for example, Steven Weisman, "U.S. Presses Other Nations to Penalize Iran on Arms," *New York Times*, April 22, 2006, p. A6.

Pressure Iran Economically

IRANIAN LEADERS consistently present the nuclear program as an accomplishment of Iranian science and as evidence that Iran is an advanced modern industrial power. They also argue that Western opposition to Iran's nuclear ambitions is an effort to keep Iran down, to prevent the country from assuming its rightful place as a leader in the region and the broader Muslim world. They play to Iranians' national pride, to their sense that Iran is a great power. Indeed, one could argue that the pursuit of prestige and influence is at least as important a reason for the nuclear program as the defense of the country and the regime, although what really motivates Iranian leaders—who are unlikely to publicly contradict their claim that the nuclear program is purely peaceful—is undoubtedly hard to judge.[1] Be that as it may, the greater the extent that the West can persuade Iran's power holders that the nuclear program will not advance Iran's prestige and influence, the more likely they are to freeze the program. Economic and diplomatic pressures can play a role in this regard, although they are most unlikely to be sufficient by themselves.

Symbolic Sanctions

An important element in the Iranian elite cares intensely about Western opinion and about the state of the economy. Former chief nuclear negotiator Rohani, criticizing the confrontational approach of the current leadership, warned that isolation over the nuclear issue could impede development:

> We have to interact with the rest of the world for the sake of our country's development. If what we envisaged for the next twenty years is to see a developed Iran ranking first in the region from the scientific, technological, and economic aspects, can we achieve this objective without interaction with the industrial world?[2]

This viewpoint predominated for at least fifteen years after Ayatollah Ruhollah Khomeini's death in 1989. The Iranian government placed high priority on good relations with Europe—not just Russia—as a counterweight to U.S. hostility and as a source of finance and technology for economic growth. That priority seems to have changed in recent years. Key figures in the revolutionary leadership became more self-confident about Iran's situation as oil prices rose, Saddam fell, the reform movement collapsed, and Islamism seemed to be on the march throughout the region. The principal power holders do not seem at present to care enough about the opinion of the major powers to change policy to avoid diplomatic isolation, especially because they are firmly convinced that the world's Muslims are on their side. Nor are the hardliners worried enough about the economy to change a basic security policy to promote growth.

The case for diplomatic sanctions always rested on their symbolic effect at signaling Iran's isolation from its putative friends in Europe and Russia. But if the hardliners do not at present care that much about such isolation, then symbolic sanctions lose much of their efficacy. Thinking that symbolic sanctions can make the hardliners worry about their grip on power is unduly optimistic. Arguably, the main effect of diplomatic sanctions is their capacity to frighten, by threatening that worse is to come unless diplomacy advances. In their present self-confident mood, Iran's hardliners are not going to be easy to frighten. They may well regard symbolic sanctions as indications that the world community is not serious, meaning that Iran will in the end pay little price for its nuclear program.

Nonetheless, the hardliners do care about threats to their rule from intense popular dissatisfaction or elite

1. Shahram Chubin argues, "Iran's programme has been undertaken for general reasons as much motivated by status and influence as by concrete security concerns." "Iran's Nuclear Ambitions: Motivations and Political Dynamics" (discussion paper for the International Institute of Strategic Studies Global Strategic Review, September 2006). He has also argued, "Iran's principal reason for developing nuclear technology appears to be domestic legitimation of the regime." *Iran's Nuclear Ambitions* (Washington, D.C.: Carnegie Endowment for International Peace, 2006), p. 28.
2. Rohani quoted in *al-Sharq al-Awsat* (London) in 2005; cited by Bill Samii, "Iran: Tehran Avoids Direct Answer, but Ready for 'Serious Talks,'" *RFE/RL Iran Report* 9, no. 32 (August 28, 2006) (available online at www.rferl.org/featuresarticle/2006/08/629b1212-bb3c-4d07-9123-04f69d11d7ba.html).

dissension. So far, however, the hardliners do not seem much concerned about grumbling at home; they seem confident that ample oil income and the weak state of domestic opposition make their position secure.

In these circumstances, sanctions that target the government and the hardliners, such as restrictions on travel by diplomats or freezing the foreign assets of top officials, have little point. The hardliners do not care enough about being isolated to worry about such restrictions. By contrast, the most effective symbolic sanctions would be those that feed popular discontent, if accompanied by a vigorous public diplomacy campaign to blame the hardliners for the restrictions. That tactic could cause the hardliners to worry about popular dissatisfaction that threatens their grip on power. If nothing else, they might worry that the Supreme Leader could decide that a resurrected reform movement should be returned to office. In both South Africa and Serbia, the sanctions that were most acutely felt by the public were the restrictions on participation in international sporting competitions, which is an excellent example of a symbolic sanction that would be widely resented by the Iranian public.

Nuclear Technology Sanctions

One area where pressing Iran harder may be both politically possible and productive is stricter restrictions on the transfers to Iran of materials, technology, and financial resources for the nuclear program. Even though such restrictions were rejected by Russia when proposed by Britain, France, and Germany in May 2006, consensus to impose restrictions may be possible to achieve at the UN Security Council.[3] The effectiveness of such restrictions, however, would depend on how the resolution is drafted, including the following elements:

- **The legal force of the restrictions.** A mild form of such restrictions might echo Security Council Resolution 1695 concerning North Korea's missile program, which in some readings orders countries to stop nuclear and missile transfers but to other eyes only skates at the edge of such an order. In Resolution 1695, the Security Council "requires all Member States, in accordance with their national legal authorities and legislation, and consistent with international law" to prevent the relevant transfers—wording that is close to, but not, an order. Resolution 1695 further hedges by stating that the Security Council is "acting under its special responsibility for the maintenance of international peace and security," rather than under its authority in the UN Charter to order countries to impose restrictions. A more robust resolution would impose an order for countries to stop transfers.

- **The scope of the restrictions.** Resolution 1695 covers North Korea's "procurement of missiles or missile-related items, materials, goods, and technology" only. A broader ban on Iran's nuclear imports would include a ban on financing and on dual-use items. The dual-use issue is particularly important because it would potentially cover a number of industrial items and technologies with important civilian uses, including in the oil industry.

- **The loopholes.** Russia will quite likely insist on an exemption from any ban for the Bushehr nuclear power plant. The potential of this exemption's becoming a large loophole is less if the wording about exempting Bushehr is explicit—presumably to show Iranians that the UN does not object to Iranian access to advanced nuclear technology per se—rather than vague language about exempting existing contracts.

Reason exists to believe that restrictions on transfers have impeded Iran's nuclear program. Despite worries about leakage of nuclear technology and material

3. The British, French, and German draft May resolution called on governments to prevent the transfer to Iran of all "items, materials, goods, and technology" that could be used to enrich or reprocess uranium, according to Colum Lynch, "Security Council Is Given Iran Resolution," *Washington Post*, May 4, 2006, p. A18. As noted earlier, the draft resolution being discussed in the UN Security Council in October 2006 would include similar restrictions.

from the former Soviet Union, Iran is not using ex-Soviet technology in its enrichment and reprocessing activities (as distinct from the nuclear power plant at Bushehr), and there is no evidence that former Soviet scientists have assisted those parts of the Iranian nuclear program.[4] To the contrary, Iran has had to make do with limited transfers from Pakistan, which seem to have stopped some years ago. Iran's nuclear progress has been much less than the U.S. government feared years ago. Particularly noticeable is that Iran's overt nuclear program has proceeded much slower in 2006 than outside observers had expected, much less than the ambitious pace Ahmadinezhad promised in his April 2006 speech claiming Iran was now a nuclear state and would have 3,000 centrifuges operational by the end of 2006. Both the U.S. government and the IAEA staff apparently expected Iran to have five 164-centrifuge cascades operational at Natanz by the end of summer 2006 and several more by the end of the calendar year. But the August 2006 IAEA report showed that Iran still only had one 164-centrifuge cascade at Natanz—which had been down more often than it had been running—and hoped to start up a second by the end of September, although in fact that second cascade only started at the end of October.[5] Apparently, Iran has not figured out how to prevent the centrifuges from overheating, so they cannot operate for long without significant risk. Or maybe Tehran is going slowly because of concerns about a possible U.S. or Israeli strike.

To be sure, a prudent assumption would be that Iran could eventually make a nuclear weapon on its own, even if it got no additional foreign technology or equipment, although the publicly available evidence is inconclusive on this point. Even if Iran were able to make a primitive nuclear weapon, technology export controls could prevent or at least slow Iranian efforts to produce large numbers of nuclear warheads for its Shahab-3 missiles. Dual-use sanctions primarily offer the prospect of slowing the nuclear program; they are unlikely to persuade Iran to abandon its nuclear program. But if sanctions on dual-use items do slow Iran's program to a crawl, they could buy time for other forms of pressure to influence Iran's nuclear calculus. Indeed, at some point, Iran may decide the effort is not worthwhile—especially if its self-confidence were to slip because its overall geostrategic situation became less favorable.

Vulnerability to Pressure

Iran's economy has been boosted by high oil prices, which raised oil and gas exports from $23 billion in 2002–2003 to $55 billion in 2006.[6] The oil exports have allowed much higher government spending, much of it off-budget and therefore particularly prone to manipulation for political gain of the hardliners. Despite this short-term windfall, Iran is vulnerable to international economic pressure for two basic reasons. First, the country suffers from deep structural economic problems. Having pegged his reputation on his

4. International Institute of Strategic Studies, *Iran's Strategic Weapons Programmes: A Net Assessment* (London: Routledge, 2005). As *Iran's Strategic Weapons Programmes* explains (p. 30): "Iran bought technical assistance from Russian institutes and individuals during the mid-1990s. This unauthorized assistance established the basis for Iran's current projects to build the Arak heavy-water production plant and 40MW heavy-water research reactor." However, that was the extent of the leakage of Russian technology and material, so far as is publicly known. As for China, *Iran's Strategic Weapons Programmes* (p. 30) concludes, "Before Beijing abandoned the project in 1997 to satisfy Washington, Iran obtained enough Chinese technology to finish the Esfahan conversion facility." China also built a number of other facilities in Esfahan, including a fuel-cladding facility and a small research reactor.
5. IAEA, "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran," August 31, 2006, paragraph 4. Although Ahmadinezhad's claim about 3,000 centrifuges by the end of 2006 seemed high, Iran was thought to have hundreds of centrifuges ready to assemble into cascade as well as parts for several thousand centrifuges. See, for example, David Albright and Corey Hinderstein, *Clock Ticking but How Fast?*, Institute for Strategic and International Studies, May 27, 2006, pp. 5–6. Available online (www.isis-online.org/publications/iran/clockticking.pdf). On the problems Iran seems to have encountered, see David Albright and Jacqueline Shire, *Iran's Centrifuge Program: Defiant but Delayed*, Institute for Strategic and International Studies, August 31, 2006. Available online (www.isis-online.org/publications/iran/defiantbutdelayed.pdf); David Ignatius, "Iran's Uranium Glitch," *Washington Post,* September 29, 2006, p. A4; and Colum Lynch, "Iranian Nuclear Effort Defies U.N. Council Again," *Washington Post*, October 28, 2006, p. A10. In contrast, Graham Allison of the Kennedy School of Government at Harvard University argues that Iran may be putting more emphasis on a covert-track program and that therefore, "a prudent American approach should include the possibility that the negotiations about the overt track are essentially a conjurer's distraction." David Sanger and William Broad, "Nuclear Déjà vu: Now It's Iran That Does or Doesn't Intend to Make Nuclear Weapons," *New York Times*, September 6, 2006, p. 6.
6. International Monetary Fund, *Islamic Republic of Iran: 2005 Article IV Consultation* (hereafter *2005 Article IV Consultation*), IMF Country Report 06/154 (Washington, D.C.: IMF, 2006), p. 28.

ability to help the ordinary man, Ahmadinezhad faces serious problems delivering.[7] He has the daunting task of living up to the high expectations of Iranians, who remember when their economic situation was much better than it is today and who realize how badly their country has slipped under the Islamic Republic.[8] The International Monetary Fund (IMF) forecasts that even if oil prices remain at their present high level, unemployment will steadily increase in years to come. In its 2003 report, the usually sober and understated World Bank summed up the "daunting unemployment challenge" with strong words: "Unless the country moves quickly to a faster path of growth with employment, discontent and disenchantment could threaten its economic, social, and political system."[9]

The second reason for Iranian vulnerability to international economic pressure is that Iranians blame hardliners, not the West, for the country's economic predicament. When in June 2006 fifty academics wrote an open letter to Ahmadinezhad complaining about the poor state of the economy, they laid the blame squarely at his feet, not even mentioning international pressure on Iran.[10] Anecdotal reporting indicates that some Iranians are blaming economic troubles on the regime's much-touted generous support for Hizballah in Lebanon.[11] Quite possibly, if international sanctions were imposed on Iran, the public would blame hardliners for the isolation from the world and the resulting economic problems; that was the experience with U.S. unilateral sanctions in the mid-1990s. By contrast, little evidence suggests that Ahmadinezhad could use international sanctions to rally support for the government. Sanctions would be a political liability for the hardliners, not a political asset.

Given that inappropriate government policies are already making the Iranian business community nervous, international pressure on the economy could have a major effect on business confidence. The state-owned Karafarin Bank warned, "The [Tehran] stock market has shown to be hypersensitive to political issues (such as the course of the nuclear enrichment negotiations), as well as domestic economic policy uncertainties."[12] In 2005, the stock market index fell 26 percent.

With even Iranian firms nervous about business conditions, opportunities are excellent to press foreign firms to reduce their presence in Iran. Some notable successes have already occurred in this regard. Strict U.S. Treasury application of existing rules about fund transfers—such as those to prevent transfers of funds to terrorists and proliferators of WMD—led the two largest Swiss banks (UBS and Credit Suisse) and a large British bank (HSBC) to decide recently that Iran was not an attractive place to do business, and to stop taking new business from Iranian customers. The Treasury Department's September 2006 order cutting off the state-owned Bank Saderat from even indirect access to the U.S. financial system was a further turn of the screw.[13] These kinds of actions could be combined with UN sanctions to cause Iran to rethink its nuclear program.

Some outside observers have derided financial sanctions as only symbolic. That is not the evaluation inside the Iranian business community. The effect of the financial pressure on Iran was described by the privately owned Iranian Karafarin Bank as considerable:

7. Gareth Smyth, "Oil Wealth Fails to Ease Economic Disquiet in Iran," *Financial Times*, September 27, 2006, p. 9; Bill Samii, "Weak Economy Challenges Populist President," *RFE/RL Iran Report* 9, no. 27 (July 24, 2006); David Lynch, "Geopolitics Casts Pall on Hobbled Iranian Economy: Oil Earnings Mask Pervasive Problems Deepened by Sanctions," *USA Today*, September 5, 2006.
8. World Bank, Iran: Medium-Term Framework for Transition: Converting Oil Wealth to Development—A Country Economic Memorandum, Report 25848-IRN, April 30, 2003, p. 13 (hereafter Converting Oil Wealth to Development) noted, "Despite the growth in the 1990s, GDP per capita in 2000 is still 30 percent below what it was in the mid 1970s, compared with a near doubling for the rest of the world."
9. Ibid., p. ii.
10. Vahid Sepehri, "Academics Warn of Negative Economic Trends," *RFE/RL Iran Report* 9, no. 22 (June 19, 2006). Available online (www.rferl.org/reports/iran-report/2006/06/22-190606.asp).
11. Nasser Karimi, "Some Iranians Not Happy with Help for Hezbollah," Associated Press, August 24, 2006. Available online (www.canada.com/ottawacitizen/news/story.html?id=cba6c3a9-4b40-461d-b2f5-570831101b32&k=96523).
12. Karafarin Bank, *Survey of the Iranian Economy in 1384 (March 21, 2005–2006)*. Available online at (www.karafarinbank.com).
13. Like all Iranian banks, Bank Saderat had previously been banned from doing business with U.S. banks. The September 2006 action banned U.S. banks from processing payments involving Iran that begin and end with a non-Iranian foreign bank, placing a serious barrier to Bank Saderat's carrying out transactions denominated in U.S. dollars. Glenn Kessler, "U.S. Moves to Isolate Iranian Banks," *Washington Post*, September 9, 2006, p. A11.

> Most probably, the fear of imposition of sanctions by the UN against Iran, in connection with the nuclear enrichment issue, has reduced the reliability of Iranian banks as international trading partners. In other words, despite [an] important balance of payments surplus, Iranian banks have been facing difficulties dealing with their otherwise cooperative correspondents. This may prove to be for the banks and the country as a whole, one of the most important obstacles to hurdle in the months to come.[14]

The United States has a broad scope for working with its allies to more vigorously apply restrictions on financial transactions and trade with Iran. UN Security Council Resolutions 1373 and 1540 call on countries to adopt and enforce effective controls on funds and services that would contribute to terrorism and WMD proliferation, respectively. The United States and its allies can approach countries to ask what they are doing to implement these resolutions regarding Iran, especially in light of the IAEA decisions finding Iran has violated its safeguard agreements with the IAEA. Firms can be warned about the many items that could be diverted from their declared peaceful intentions to be used instead in the nuclear program; they can be cautioned about the negative publicity as well as the regulatory complications if they were found to be facilitating shady businesses. European governments excel at using such quiet warnings, which can be very effective at persuading firms that the Iranian market is not worth the risks.

Tighter restrictions are de facto sanctions that have some advantages over formal sanctions imposed by the UN Security Council. Russia and China have no veto over tightening restrictions. In the best of cases, obtaining Security Council consensus for action takes a long time, whereas restrictions can be tightened much more quickly. Action by the Security Council provides Ahmadinezhad with a banner around which he can rally nationalist reaction, claiming that the country is under attack. By contrast, tighter restrictions operate under the public's radar screen, while their effect is fully felt by the business community—which in Iran means first and foremost the revolutionary elite that behind the scenes controls the economy as fully as it does the political system.

A strategy for pressing Iran harder through restrictions on its access to nuclear technology and dual-use goods provides a good example of the mixed merits of the UN route. The effect of a UN Security Council resolution to ban such access would depend not only on how the ban was written, as previously explained, but also on the vigor of the enforcement effort. Enforcing a ban on dangerous exports to Iran might not be a priority for some new industrial powers, especially in Asia. And even if the political will existed, those governments might have considerable difficulty ascertaining what is being exported to Iran from their country.[15] Washington might well have to pressure those governments and provide them with information about what Iran is importing from their country. Given the problems with the UN route, a good reason exists for the United States to expand its efforts on a complementary track in which it warns international firms of the complications—such as negative publicity and problems with the U.S. government—if anything they sell to Iran is diverted to its nuclear program.

Oil's Mixed Role

Perhaps the most immediate Iranian vulnerability to economic sanctions is its dependence on imported gasoline, which amounts to some 40 percent of the 350,000 barrels of gasoline sold daily.[16] This vulner-

14. Karafarin Bank, *Survey of the Iranian Economy for October–December 21, 2005*, p. 13. Available online at (www.karafarinbank.com). See also Najmeh Bozorgmehr, "Iranian Companies Pay Prices for Tehran's Nuclear Defiance," *Financial Times*, November 2, 2006, p. 5.
15. Detecting how Iran imports materials for its nuclear program is not easy, as shown by the considerable effort German authorities had to put into an investigation of exports channeled to Iran through a Russian firm. Richard Bernstein, "Germans Say 6 Companies Sold Nuclear Parts to Iran Network," *New York Times*, March 29, 2006, p. A11.
16. Bill Samii, "Iran: Government Balks at Gasoline Rationing," *RFE/RL Iran Report* 9, no. 30 (August 7, 2006) (available online at www.rferl.org/featuresarticle/2006/08/605bb241-e2f0-4b8d-9e68-39bd7264e9b6.html); IMF, *Islamic Republic of Iran: Statistical Appendix*, IMF Country Report no. 06/129, (Washington, D.C.: IMF, 2006), pp. 13–14. The IMF *2005 Article IV Consultation* has strong language about the negative impact of the energy subsidies, which is also a major theme in the World Bank report *Converting Oil Wealth to Development*.

ability, however, is less than meets the eye. The price of gasoline at the pump is 800 rials per liter, or about 35 cents a gallon. Such a ridiculously cheap price encourages rampant smuggling of gasoline to neighboring countries, such as Turkey and Pakistan, where gasoline prices are more than ten times higher than in Iran. The low pump price leads to excessive gasoline consumption that gives Tehran some of the world's most polluted air; schools frequently have to close because the air outside is unhealthy for children. The low gasoline price also results in a massive loss of government revenue; energy subsidies are estimated by the Iranian government at $13 billion a year. The IMF and World Bank have spent years documenting in great detail the pernicious economic and health effects of Iran's excessive gasoline consumption. In short, few steps would help the Iranian economy more than forcing a reduction in gasoline consumption. Technocrats have long urged that the Iranian government ration gasoline, with only a limited amount sold at the controlled price and the rest at a market price—plans that would allow a quick response in the event of a gasoline import cutoff.

A ban on foreign investment in the Iranian oil industry would also seem to be a potentially powerful tool, because Iran badly needs investment to rejuvenate its aging oil fields, production from which declines by 300,000 barrels per day (b/d) each year.[17] Nevertheless, an investment ban would be even less likely than a gasoline cutoff to affect Iran's nuclear calculus. For one thing, the ban would at best affect production only after a lead time of several years. Foreign investors are already shunning Iran over fears of future political problems with the West. But more important, Iran's difficulties in attracting significant foreign energy investment have led its elite to discount the prospect that foreign investment will boost Iran's oil output. In July 1998, sixteen oil blocks were put out for bidding, of which only four were awarded in the next eight years; no major contracts have been signed since early 2004. On top of that, the atmosphere for foreign investment in oil has gotten worse under Ahmadinezhad, whose team is generally suspicious of foreigners. Only four foreign oil rigs were operating in Iran in August 2006, when Iranian armed forces attacked and seized one of the rigs whose owner had been in a commercial dispute with Oriental Oil Kish, a politically well connected Iranian firm said to have close ties to the Revolutionary Guard. Using the military to advance commercial claims against foreign firms is not likely to improve Iran's image as a place to invest.

Even less useful than a gasoline import cutoff or a ban on foreign investment in oil would be an oil export cutoff—though that evaluation could change within a few years. For now, Iran has sufficient foreign exchange reserves to ride out such a ban for about two years, though to be sure the oil export cutoff would depress business confidence and deprive the government of 75 percent of its revenue.[18] Iranian leaders frequently threaten to cut off oil shipments if the West presses Iran, which suggests that they may feel oil export restrictions work to their advantage. Khamenei, who is usually more cautious than some of the Iranian firebrands, has warned, "If Americans make a mistake about Iran, the flow of energy from this region will definitely be jeopardized."[19]

The most likely explanation for Iranian confidence that the country would gain from an oil export cutoff is the perceived negative impact on the world economy from the loss of Iran's 2.5 million barrels per

17. On declining output, "Capacity Crunch Looms in Iran as Deals Stall," *Petroleum Intelligence Weekly*, July 3, 2006, pp. 2–3. On the poor record attracting investment, "Back to Square 1 on Oil Contracting," *Iran Times* (Washington), June 16, 2006, p. 2. On existing investor fears, Thomas Catan and Roula Khalaf, "Standoff over Iran Jeopardises Investment Projects," *Financial Times*, March 18, 2006, p. 9, and "Real Menace for Iran in Sanctions Threat," *Petroleum Intelligence Weekly*, August 7, 2006, pp. 3–4. On the seizure of the rig, Alex Barker, "Iranian Forces Seize Romanian Oil Rig," *Financial Times*, August 23, 2006, p. 4, and Andrew Higgins, "A Feared Force Roils Business in Iran," *Wall Street Journal*, October 4, 2006, pp. A1 and A8.
18. At the present bloated level of imports, the reserves would last for only eleven months, but were imports reduced to the still quite ample level of 2002/2003, the reserves could carry Iran for two years. IMF, *2005 Article IV Consultation*, p. 28. On the share of oil in government revenue, Karafarin Bank, *Survey of the Iranian Economy in 1384 (March 21st, 2005–2006),* explains that although official accounts for 2005/2006 showed the share of oil in government revenue to be 61.6 percent, the transfer of resources from the Oil Stabilization Fund increased this figure to 71.0 percent, and the sales tax revenue from the National Iranian Oil Company raised it to 75.5 percent.
19. Roula Khalaf and Negar Roshanzamir, "Iran Threatens Oil Disruption in Event of US 'Mistake,'" *Financial Times*, June 5, 2006, p. 3.

day in exports in a tight world oil market. However, Iran may be miscalculating about the leverage it gains from tight oil markets. Already global oil supply is becoming more ample relative to demand. For much of 2006, world oil output has been running between 1 million and 2 million b/d above demand, leading to rising stocks and falling oil prices.[20] The Organization of the Petroleum Exporting Countries (OPEC) has had to cut output below capacity in order to prevent further price softening, including an October 2006 OPEC decision to trim quotas by 1.2 million b/d; OPEC's excess capacity was up to 1.5 million b/d by midyear and rising. The combination of OPEC's excess capacity, nearly all in Gulf Arab states, and the excess supply of oil compared to demand adds up to about 3 million b/d. This figure suggests that even now, were Iran's exports of about 2.5 million b/d removed from the market, the shortfall could be made up without dipping into strategic reserves. If past patterns hold, then in reaction to the high oil prices of recent years, global oil supply will become even more ample in coming years and oil prices will fall. If so, Iran may have less oil income and be more vulnerable to Western pressure.

Iran's oil wealth is often said to affect the decisions by the great powers about what actions to take regarding Iran's nuclear program.[21] Actually, the evidence on that matter is quite mixed. Consider, for instance, that the great power most reluctant to pressure Iran has been Russia, which is a fellow oil exporter that would benefit if Iranian oil were kept off the market. Indeed, little reason exists to think that Moscow's approach has been affected by any economic consideration, which is not surprising, given the remarkably favorable economic circumstances in which Russia finds itself. As for Iranian efforts to use oil projects to influence China, Japan, or India, they seem to have had little effect, in part, perhaps, because Iran has been unwilling to offer particularly attractive terms to foreign investors. The massive deals announced with great fanfare have all run into serious difficulties over their terms and conditions.[22]

To conclude, neither diplomatic nor economic sanctions alone are likely to be sufficient to persuade Iran to freeze its nuclear program. They could, however, help set the conditions for success, which is more likely if diplomatic and economic measures are combined with action on other fronts.

20. On the balance between supply and demand, see "Oil Market Arithmetic Has Yet to Add Up," *Petroleum Intelligence Weekly*, June 12, 2006, p. 3. On OPEC reducing output below capacity—including Iran storing oil in tankers—see Bhusan Bahree, "Saudis Cite Market Forces for Lower Crude Capacity," *Wall Street Journal*, June 5, 2006, p. 3, and OPEC, "Press Release: Consultative meeting of the OPEC Conference, Doha, Qatar, 19–20 October 2006" (available online at www.opec.org/opecna/Press%20Releases/2006/pr172006.htm). On OPEC's excess capacity, see "OPEC Keeps Its Cool in Caracas Hothouse," *Petroleum Intelligence Weekly*, June 5, 2006.
21. The broadest form of this argument is that Iran's oil income makes it such an attractive market that European countries, much less Russia and China, are reluctant to support sanctions; see, for example, Neil King Jr. and Marc Champton, "Nations' Rich Trade with Iran Is Hurdle for Sanctions Plan," *Wall Street Journal*, September 20, 2006, pp. A1 and A18. In fact, Iran is not a particularly large market for any country, though individual firms may be highly committed to the Iranian market and therefore may lobby vigorously against sanctions. Because the U.S. government has imposed unilateral sanctions on Iran, an imbalance exists when Washington asks for international sanctions on Iran, in that no U.S. firm will suffer new losses. But the reluctance of political leaders in Russia, China, and France to adopt sanctions seems based less on commercial considerations than on skepticism about the effectiveness of sanctions for accomplishing their geopolitical purposes.
22. For instance, the June 2005 agreement to supply India with 5 million tons of liquefied natural gas (LNG) over twenty-five years at $3.25 per million British thermal units (BTUs)—implying total sales of $21 billion, given that a ton of LNG has about 52 million BTUs—has stalled over Iran's insistence that the price be increased 57 percent to $5.10 per million BTUs, which can be compared with Indian imports of LNG from Qatar at $2.53 per million BTUs. See "Tehran Seeks to Jack Up Indian Gas Price by 57%," *Iran Times* (Washington), May 12, 2006, p. 2.

Dissuade and Deter by Checking Iran's Military Potential

THE UNITED STATES needs to show Iran that its efforts to develop a full nuclear fuel cycle will not only jeopardize its international political standing and its economy, but will also hurt Iran's security.

To deter threats to its security, enhance its military freedom of action, and fight wars should deterrence fail, Iran has created a deterrent and war-fighting triad that provides it with the ability to (a) disrupt oil exports from the Persian Gulf; (b) launch terror attacks on several continents, using various surrogates, such as the Lebanese Hizballah; and (c) deliver nonconventional weapons against targets in the Middle East and beyond, by sea, air, and land. Should it decide to produce nuclear weapons, Iran is likely to seek a nuclear "punch" for all three legs of this triad.

U.S. efforts to influence Iran's thinking about nuclear weapons must incorporate measures to deny Iran use of each leg of this triad. By raising doubts in the minds of Iranian decisionmakers about the country's ability to reliably deliver nuclear weapons, and by stoking fears that the attempted use of such weapons could threaten their personal survival and that of the regime, the United States and its allies could limit the utility of Iran's nuclear program as an instrument of intimidation and make the use of nuclear weapons prohibitively risky for Tehran in all but the most dire of circumstances. In this way, Iranian decisionmakers might be dissuaded from acquiring nuclear weapons or deterred from using them.[1]

To counter Iran's deterrent/war-fighting triad, the United States and its allies will need to be able to counter Iranian naval mine, small boat, and submarine warfare capabilities, which allow it to threaten the world's oil supply line; identify and neutralize terrorist cells affiliated with Tehran; and detect and interdict attempts to deliver nuclear devices or weapons by sea, air, or land. How might these goals be met?

A Regional Security Architecture

The foundation of any effort to effectively respond to Iran's nuclearization would be the creation by the United States, with its European, Middle Eastern, and Central Asian allies, of a regional security architecture that focuses on building up allied and U.S. capabilities required to contain and deter Iran without overtly identifying Iran as the target of those efforts, which is probably a precondition for regional buy-in.[2] This security architecture would aim to dissuade Tehran from pursuing a full nuclear fuel cycle by convincing it that it would entail significant risks, and that Iran would not be able to use its nuclear option as an instrument of intimidation. Moreover, a security architecture that confronts Tehran with a robust deterrence posture would show Iran's decisionmakers that the use of nuclear weapons would likewise be extremely risky. Such an architecture should build on basing, infrastructure, and security arrangements established during the 1990s to contain Iraq and to deter and defend against the use of WMD in the region, and should allow a role for all those countries willing to participate from among Iran's neigh-

1. For a more detailed discussion of the issues raised here, see Michael Eisenstadt, "Deter and Contain: Dealing with a Nuclear Iran," in *Getting Ready for a Nuclear-Ready Iran,* ed. Henry Sokolski and Patrick Clawson (Carlisle, Penn.: Strategic Studies Institute, 2005), pp. 225–55.
2. Most of the ideas for a regional security architecture for the Gulf call for confidence- and security-building measures, establishment of a regional security forum, collective security arrangements, or a mix of the three, with Iran participating fully in any such system. By contrast, the security architecture proposed here not only would exclude Iran, but also would in fact be directed against the Islamic Republic (although the sensitivities of local Gulf Arab states would preclude such security architecture from being identified explicitly as anti-Iranian in its thrust). Such a security architecture would not, however, preclude the creation of a parallel regional security forum incorporating Iran. In fact, an effective regional security architecture to contain and deter Iran may be a prerequisite for creating the confidence among regional states that is necessary for the creation of such a regional security forum. For more on these alternative regional security architectures for the Gulf, see James A. Russell, "Searching for a Post-Saddam Regional Security Architecture," *Middle East Review of International Affairs* 7, no. 1 (March 2003) (available online at www.ciaonet.org/olj/meria/meria03_ruj01.pdf); Andrew Rathmell, Theodore Karasyk, and David Gompert, "A New Persian Gulf Security System," RAND Issue Paper no. 248 (2003); Kenneth M. Pollack, "Securing the Gulf," *Foreign Affairs* 82, no. 4 (July/August 2003), pp. 2–16; and Joseph McMillan, Richard Sokolsky, and Andrew C. Winner, "Toward a New Regional Security Architecture?," *Washington Quarterly* 26, no. 3, pp. 161–75.

bors, as well as from among America's European and Asian allies.

During the 1990s, Iran's neighbors generally rebuffed U.S. efforts to politically isolate and economically pressure the Islamic Republic; they have generally preferred to keep open channels of communication with Tehran to avoid antagonizing or provoking their large and powerful neighbor, and to preserve access to Iranian markets.[3] For these same reasons, Iran's neighbors will likely avoid participating in new efforts to politically isolate and economically pressure the Islamic Republic, although the United States should test this supposition, to see if it is in fact the case. America's regional allies could, however, render a valuable service by informing Iran's leaders—at every possible opportunity—that their acquisition of nuclear weapons will more likely harm than help their country by prompting the formation of a coalition to contain Iran, deepening the U.S. security role in the region, and perhaps sparking a nonconventional arms race in the region. Such warnings might encourage Iranian decisionmakers to reassess the potential costs of continuing on their present course.

Some of Iran's neighbors might, perhaps, welcome the opportunity to deepen their security ties with Washington by expanding access, basing, and overflight rights to U.S. forces in the region; broadening and deepening military cooperation; and enhancing the capabilities of their conventional forces through intensified training and arms transfers. Thus, in pursuing a containment architecture, the United States should deepen existing bilateral security relationships where feasible (with Turkey, the Gulf Cooperation Council [GCC] states, and the Central Asian Republics); forge new bilateral security relationships where possible (with Iraq and Afghanistan, if at some point the security situation in these countries permits); and pursue regional cooperative ventures where desirable, for example, augmenting efforts already under way to create shared air- and missile-defense early warning and C4I (command, control, communications, computing, and intelligence) arrangements. Such an approach would allow the United States to build on existing bilateral and multilateral ties and, through incremental steps, lay the foundation for future regional collective defense or security arrangements.

Moreover, when feasible, the United States should equip its friends in the region with the means to deal with Iranian threats on their own—providing them with the rudiments of an independent conventional retaliatory deterrent so that they might be able to resist Iranian intimidation, as well as the temptation to acquire chemical or nuclear weapons of their own. The United States can do so by helping these friends enhance their naval special-warfare and aerial precision-strike capabilities (capabilities that some states, such as the United Arab Emirates [UAE], are already developing), so that if Iran were ever to threaten their oil exports, they could threaten to respond in kind by attacking Iranian oil production and export facilities, interrupting Iranian port operations, or interdicting Iran's sea lines of communication.

U.S. assistance in creating such capabilities should be explicitly conditioned on a commitment by these states to eschew the development or acquisition of WMD and to clamp down on the smuggling of special materials and dual-use technologies to Iran that passes through their territories. In the past, these activities have been a particular problem for Dubai in the UAE.[4]

Staying the Hand on the World's Oil Jugular

Iran's conventional offensive options are limited. It does not pose a ground threat to any of its neighbors because of the small size and limited capabilities of its ground forces, although it could launch limited air, or rocket and missile strikes into neighboring countries (as it did in Iraq on several occasions during the 1990s). The main conventional threat from Iran is in the naval arena—in particular, the threat it poses to the flow of oil from the region, and to the ability of the

3. Gary Milhollin and Kelly Motz, "Nukes 'R' Us," *New York Times*, March 4, 2004, p. A29.
4. Ibid.

United States to project power in the Gulf. Thus, on June 4, 2006, Supreme Leader Ali Khamenei warned, "If the Americans make a wrong move toward Iran, the shipment of energy will definitely face danger, and the Americans would not be able to protect energy supply in the region."[5]

Iran's mines, missiles, fleet of fast attack craft, submarines (including several new minisubs), several hundred small boats, jet-ski assault craft, and combat divers could wage a "naval guerilla warfare" campaign that could temporarily disrupt shipping through the Strait of Hormuz, although the strait is probably too wide and deep to be blocked or obstructed for long.[6] Thus, in March 2005, Defense Intelligence Agency director Vice Admiral Lowell E. Jacoby told the Senate Armed Services Committee, "We judge Iran can briefly close the Strait of Hormuz, relying on a layered strategy using predominantly naval, air, and some ground forces."[7]

Moreover, although the Gulf is a significant barrier to major aggression against the southern Gulf states, Iran could conduct limited amphibious operations to seize and hold lightly defended islands or offshore oil platforms in the Gulf. Its naval special-warfare units could sabotage harbor facilities, offshore oil platforms, and terminals and attack ships while in ports throughout the lower Gulf, disrupting oil production and maritime traffic there.

Some Iranian decisionmakers might believe that "the bomb" could provide them with a free hand to take such steps with relative impunity, by deterring an effective response by its neighbors or the United States. For this reason, U.S. help is critical for its GCC allies in obtaining the means to counter Iran's naval mine, naval special-warfare, small boat, submarine, and shore-based antiship missile forces. This means bolstering the littoral warfare and aerial precision-strike capabilities of these states (particularly their ability to counter Iran's mine, submarine, and naval special-warfare forces). Countering these Iranian capabilities will also require a significant U.S. military presence in the Gulf for the foreseeable future.

To deal with these threats, the United States and its Gulf allies should build on past efforts to hone their ability to preserve freedom of navigation in the Gulf, protect the region's oil supply lines, and deal with various maritime threats—such as the smuggling of narcotics, illegal immigrants and terrorist fugitives, and proliferation-related technologies. Such past efforts have included the following:

- Operation Earnest Will (July 1987–September 1988), the U.S. operation to escort reflagged Kuwaiti oil tankers during the final phases of the Iran-Iraq War, which was the largest naval convoy operation since World War II.

- The creation in October 2001 of Task Force 151, which has patrolled the Persian Gulf and Arabian Sea in search of vessels violating UN sanctions on Iraq, ships engaged in the transport of al-Qaeda and Taliban fugitives (after Operation Enduring Freedom), and Iraqi mine-laying vessels (during Operation Iraqi Freedom). It has included ships from the United States, Great Britain, Canada, France, Italy, Greece, and New Zealand.[8]

- A January 2004 Proliferation Security Initiative exercise, Sea Saber, which tracked a dummy WMD-related cargo from the northern Persian Gulf through the Strait of Hormuz to the North Arabian Sea. It involved ships from the United States, Great Britain, Canada, France, Spain, Italy, the Netherlands, Japan, and Australia, as well as observers from Denmark, Germany, Poland, Turkey, and Portugal.[9]

5. *Jomhuri-ye Islami* (a hardline Iranian newspaper), June 6, 2006, translated in *Akhbaar Ruuz* (translation news service published in Iran).
6. Riad Khawaji, "Iran Plans for Attrition War in Gulf," *Defense News,* May 8, 2006. Available online (www.defensenews.com/story.php?F=1749274&C=navwar).
7. Vice Admiral Lowell E. Jacoby, Director, Defense Intelligence Agency, "Current and Projected National Security Threats to the United States," Statement to the Senate Armed Services Committee, March 17, 2005. Available online (www.defenselink.mil/dodgc/olc/docs/test05-03-17Jacoby.doc).
8. "Canadian Navy Looking to Enhance Interoperability with U.S. Forces," *Inside the Pentagon* 19, no. 41 (October 9, 2003).
9. Wes Eplen, "Multi-National Forces Conclude Sea Saber," *All Hands*, no. 1043, March 1, 2004, p. 12.

Future efforts should focus on obtaining greater Gulf Arab and other regional participation in such operations and exercises, which will enhance the ability of the international community to preserve freedom of navigation in the Gulf and to protect the world's oil pipeline.

Regional Subversion, Global Terror

Emboldened by the lack of a firm international response to its refusal to suspend its nuclear program, U.S. and British troubles in Iraq, and the growing regional popularity of Iran's president in the wake of the summer 2006 war in Lebanon, Iran might resume efforts to export the revolution or sponsor acts of terrorism in neighboring countries (as it did during the 1980s), in order to expand Iranian influence, intimidate its neighbors, and influence U.S. allies to withdraw access and basing privileges previously extended to U.S. forces.[10]

Enhanced intelligence sharing and cooperation, and expanded efforts to enhance the internal security capabilities of U.S. friends and allies in the region, will be key to dealing with potential Iranian efforts to undermine regional security and the prevailing political order in the Gulf. Also vital will be U.S. efforts to encourage political and economic reform in the region with the goal of defusing popular disaffection with the political status quo—particularly in countries where extreme Islamists have in the past shown a willingness to work with Iran's intelligence services (e.g., Turkey, Iraq, Saudi Arabia, Bahrain, and Afghanistan). Finally, to prevent Iranian miscalculation that could lead to an unintentional nuclear crisis, the United States, Israel, and the international community must clearly define their "red lines," whose violation could prompt a crisis or war with Tehran.

In this regard, the summer 2006 war between Israel and Hizballah highlighted the destabilizing potential of Hizballah in the context of Iran's gradual nuclearization. In the wake of the war, the need to address the potential role of Hizballah as an "agent provocateur" to divert attention from Iran's nuclear program or as the fuse that could ignite a nuclear crisis between Israel or the United States and Iran has become clearer than ever before. For this reason, Hizballah's potential destabilizing role must be dealt with in the coming years through the implementation of UN Security Council Resolution 1701, which calls for the disarmament of all armed groups in Lebanon.

Preventing Nuclear Armageddon

To deal with the possible use of nuclear weapons by Iran, the United States needs to be able to detect the deployment of a nuclear device or weapon, preempt its use or interdict it en route to the target, and strengthen U.S. postevent forensic capabilities to preclude the possibility of deniable delivery of a nuclear device or weapon.

The United States and its allies will need to reinforce their ability to detect the transport of nuclear weapons by small boats or merchant ships originating in Iranian ports, motor vehicles exiting Iran at both official and unofficial border crossings, and perhaps eventually, by individuals carrying "suitcase nukes." To deal with this threat, the United States could significantly expand work being done by Sandia National Laboratory's Amman-based Cooperative Monitoring Center to enhance regional border security and portal monitoring capabilities.[11]

Furthermore, the United States and regional states should consider creating a regional detection capability using hundreds of networked sensors ringing Iran to detect a device or weapon being transferred or delivered by land or sea. Although an effective sensor network may not yet be technologically feasible, some experts believe that a focused research and development effort could make an effective network a reality within just a few years.[12] Detecting the transport of

10. Such terrorist acts could draw Iran into a nuclear crisis with the United States or Israel, in much the same way that Pakistani support for the Kashmiri terrorist group Jaish-e-Muhammad, which undertook the December 2001 attack on the Indian parliament, nearly drew Pakistan into a war with India that many believed could have quickly gone nuclear.
11. For more on the Sandia Cooperative Monitoring Center in Amman, see (www.cmc.sandia.gov/regional-middleeast.htm).
12. In June 2004, the Defense Science Board Task Force on Preventing and Defending against Clandestine Nuclear Attack stated that "[I]t may be possible to develop a multi-element, layered, global, civil/military system of systems and capabilities that would greatly reduce the likelihood of a successful clan-

human-portable bombs overland would require neighboring states to monitor smuggling routes as well as official border-crossing points and ports of entry in countries neighboring Iran, while detecting the delivery of a nuclear weapon by sea would require U.S. naval forces to work with local coast guards and navies in the Gulf to identify and monitor suspicious vessels plying the Gulf waters and the Strait of Hormuz, and to interdict them if need be. European and Asian countries could participate in such activities in the Gulf as well as on the high seas.

The United States and its allies should likewise continue to encourage the networking of regional air- and missile-defense early warning and C4I networks, to enhance the capabilities of regional air- and missile-defenses. Several such initiatives are already under way:

- The so-called Cooperative Belt (Hizam al-Ta'awun) program, a distributed C4I network for the air defenses of the states of the GCC that enables them to jointly identify, track, and monitor hostile aircraft and to coordinate a response to these threats[13]

- The deployment of American Aegis cruisers and destroyers to the Persian Gulf, equipped with AN/SPY-1 radar and standard SM-3 missiles, to provide early warning, and a first line of defense against air or missile attacks from Iran toward the southern Gulf states and Saudi Arabia

- The Cooperative Defense Initiative, which involves the six GCC states (Kuwait, Bahrain, Qatar, UAE, Oman, and Saudi Arabia) plus Egypt and Jordan, and which has promoted cooperation in the area of shared missile-defense early warning and several other areas[14]

More, however, needs to be done to enhance cooperation among GCC members and with non-GCC states in the region. Currently, cooperation in the area of shared missile-defense early warning is limited to the GCC plus Egypt and Jordan, but future efforts could include other participants. Thus, missile-defense radars located in Turkey, Iraq, Kuwait, or Saudi Arabia could provide early warning and detection and tracking data for missiles launched from western Iran against the states of the lower Persian Gulf (Bahrain, Qatar, UAE, Oman) and Israel. Some of the lower Gulf states could provide early warning to Saudi Arabia with regard to missiles coming from south-central or southeastern Iran. The main challenge here will be to convince the Gulf Arab states to increase funding for missile defenses and to transcend the petty rivalries that have in the past hindered military cooperation.

Farther afield, Israel, Jordan, and Turkey are natural candidates for cooperation. Jordan has expressed concern that Israeli missile defenses could knock down incoming missiles from Iran over the populated western half of Jordan, leading to casualties on the ground. Contingency deployment of U.S. missile defenses to eastern Jordan might resolve this problem.

The United States has also been exploring the basing of long-range missile interceptors and radars in Poland or the Czech Republic, to provide a missile shield for Europe and possibly a forward defense for the United States. Several sites in both countries have been surveyed, and a decision on this matter, despite Russian opposition to such a step, is expected in the near future.[15]

destine nuclear attack." The concept discussed here could form part of such a global network. Defense Science Board, *Preventing and Defending against Clandestine Nuclear Attack* (Washington, D.C.: Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, 2004), pp. 3–5, 9–11, 27–34. Available online (www.acq.osd.mil/dsb/reports/2004-06-Clandestine_Nuclear_Attack.pdf).

13. Ed Blanche, "Gulf States Take Major Step toward C3I Update," *Jane's Defence Weekly*, December 3, 1997, p. 5; Michael Sirak, "GCC Commissions Joint Aircraft Tracking System," *Jane's Defence Weekly*, March 7, 2001, p. 41.
14. The Cooperative Defense Initiative is a U.S. Central Command (USCENTCOM) program consisting of five pillars: (1) shared early warning of missile strikes and C4I interoperability to permit a coordinated response to these threats; (2) active defense against theater air and missile threats; (3) passive defense against chemical and biological weapons; (4) medical countermeasures against chemical and biological weapons; and (5) consequence management to deal with the aftermath of WMD use.
15. Michael R. Gordan, "U.S. Is Proposing European Shield for Iran Missiles," *New York Times*, May 22, 2006, pp. A1, A6.

Some have also argued that boost-phase missile defense systems using ground-based interceptors located farther afield could protect the United States against Iranian intercontinental-range missiles, if and when those are fielded. Such a system could be based in southeastern Turkey; aboard ships in the Caspian Sea, the Sea of Oman, or both; and in Tajikistan. Although a boost-phase missile defense would likely have many advantages over a midcourse national missile-defense system, it has a major political drawback: the remnants of intercepted Iranian missiles and their warheads might land in Russia, virtually ensuring that deployment of such a system would meet with strong opposition from Moscow.[16]

Finally, because of the importance that Tehran has traditionally attached to preserving deniability, Iran is likely to seek, when acting against more powerful adversaries, the ability to covertly deliver nonconventional arms by nontraditional means (for instance, terrorists, boats, or remotely piloted aircraft). Because such methods offer the possibility of deniability, they are likely to become important adjuncts to more traditional delivery means, such as missiles, and in situations in which deniability is a critical consideration, they are likely to be the delivery means of choice—either by members of Iran's security services or by operatives of Hizballah's security apparatus, who have cooperated with their Iranian counterparts on some of the most sensitive and risky operations Iran has undertaken. The possibility of deniable, covert delivery of nuclear weapons by Iran could pose a major challenge for deterrence—particularly if the country's leadership believed that the regime's survival was at stake. For this reason, strengthening postattack attribution capabilities and convincing Tehran that U.S. forensic capabilities (e.g., the ability to determine the origin of a nuclear device or weapon by analyzing the isotopic signature of its fission products) preclude the possibility of deniable delivery will be vital for efforts to deter a nuclear Iran.[17]

Threatening the Survival of the Leadership of the Islamic Republic

Iran's leaders must understand that should they brandish or use nuclear weapons, the United States could threaten their personal survival and the stability of the Islamic Republic by conventional military strikes that target the senior leadership of the Islamic Republic, disrupt the regime's command and control, and target key nodes of the country's economic infrastructure.

At present, practical obstacles prevent the operationalization of such an approach. For one thing, political authority in the Islamic Republic is diffuse. Though the Supreme Leader is the paramount authority, many others play important roles in the regime. The complex power structure of the Islamic Republic, in which revolutionary Islamic institutions counterbalance the traditional institutions of the Iranian state, provides the system of clerical rule with great resilience. This structure would complicate efforts to destabilize the Islamic Republic by decapitation strikes.

The practical difficulties of striking leadership targets from the air, moreover, should not be underestimated—U.S. experience during recent wars in Yugoslavia, Afghanistan, and Iraq was not encouraging. In Iraq alone, some fifty attempted decapitation strikes against "high value targets" (key individuals) involving manned aircraft failed to kill even one of the intended leadership targets, while inadvertently killing scores, if not hundreds, of innocent civilians.[18] Success here awaits the development of better human intelligence and more flexible and responsive tactics, techniques, and procedures for hitting leadership targets.

Furthermore, several organizations have responsibility for ensuring the survival of the Iranian regime, including the Islamic Revolutionary Guard Corps, the

16. Richard L. Garwin, "Boost-Phase Intercept: A Better Alternative," *Arms Control Today*, September 2000. Available online (www.armscontrol.org/act/2000_09/bpisept00.asp?print).
17. William J. Broad, "New Team Plans to Identify Nuclear Attackers," *New York Times*, February 2, 2006, and Defense Science Board, *2003 Summer Study on DOD Roles and Missions in Homeland Security*, vol. 11-A, *Supporting Reports* (Washington, D.C.: Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, 2004), pp. 48–50.
18. *Off Target: The Conduct of the War and Civilian Casualties in Iraq* (Washington, D.C.: Human Rights Watch, 2003), p. 22–23.

Law Enforcement Forces, the Basij militia, the security and intelligence organs of the Justice Ministry, and the street thugs of Ansar-e-Hizballah. The fact that these organizations are rather lightly armed (relative to praetorian units in other Middle Eastern countries) and are garrisoned in or near populated areas throughout the country could make it difficult to strike these organizations in a way that would destabilize the regime.

Iran, however, would be acutely vulnerable to military strikes against its economic infrastructure. Its economy is heavily dependent on oil and gas exports, which provide 75 percent of its foreign exchange earnings.[19] Nearly all of its major oil and gas fields are located in the exposed southwest corner of the country and in the Gulf—where all six of its major oil terminals are also located—and nearly all of its oil and gas exports pass through the Strait of Hormuz. The five main ports located on the Persian Gulf handle about 75 percent of all imports by tonnage, while Iran's sea lines of communication in the Gulf are vulnerable to interdiction along their entire length.[20]

U.S. and allied air and naval forces could halt Iranian oil exports and dramatically reduce imports of refined oil products and other necessities, causing great harm to Iran's economy, and perhaps even political unrest. The main challenge would be mitigating the international economic effect of air and missile strikes on Iran's oil and gas industries, and deterring or disrupting Iranian retaliatory moves, which could include attacks on oil facilities on the other side of the Gulf or an international terror campaign against U.S. interests.

In light of the question marks surrounding the potential efficacy of attempts to conventionally deter a nuclear Iran, the option of a nuclear response to the use of nuclear weapons by Iran must be kept on the table, although the United States would be well advised not to openly tout this nuclear option. Iran's leaders are undoubtedly familiar with the nuclear capabilities of the United States, and U.S. interests currently lie in deemphasizing the role of nuclear weapons in its national security policy, as it tries to influence Iran and North Korea to abandon their own nuclear ambitions.

19. Iran's 2005/2006 exports of goods and services were $66 billion, of which oil and gas provided $49 billion, according to International Monetary Fund, *Islamic Republic of Iran: 2005 Article IV Consultation,* IMF Country Report 06/154 (Washington, D.C.: IMF, 2006), pp. 24 and 28.
20. In 2004/2005, the ports of Imam Khomeini, Bushehr, Shahid Bahonar, and Shahid Rajaee (the latter two at Bandar Abbas) handled 19.8 million tons of oil imports and 25.6 million tons of nonoil imports, for a total of 45.4 million tons. For the same year, Iranian customs reported 34.4 million tons of imports, evidently excluding oil imports of 25.1 million tons at the ports, for a total of 59.5 million tons. Statistical Centre of Iran, *Iran Statistical Yearbook 1383 (March 2004–March 2005)* (Tehran: Statistical Centre of Iran, 2005), pp. 474 and 432.

Dissuade or Disrupt by Preventative Military Action

AS WASHINGTON SEEKS to persuade Tehran to suspend its more problematic nuclear activities, U.S. policymakers are almost certainly examining the potential risks and benefits of covert operations and preventive military action against Iran's nuclear program. Covert action has certain advantages. It would reduce the risks of a nationalist backlash that military action would likely engender, and it could hinder Iran from imputing responsibility for an act of sabotage that might look much like an industrial accident. Covert action could, however, prove very difficult to pull off effectively and is unlikely to avert the ultimate necessity of military action, if the United States is determined to prevent Iran from acquiring nuclear weapons, or at least to significantly delay those efforts.[1]

U.S. policymakers considering prevention, however, face a range of uncertainties that greatly complicate their decision calculus. To some extent, their bottom line is likely to depend on how they weigh competing factors: What can prevention accomplish? Can the risks of Iranian retaliation be mitigated? Can the consequences of Iranian proliferation be managed? And can a nuclear Iran be deterred? Policymakers must also consider a number of other political and military-technical factors that are likely to complicate the calculus of prevention and to influence a decision to act.

Consulting Congress and Allies

Although the U.S. Constitution invests in Congress the power to declare war, the practice in recent decades has generally been for the president to seek a joint resolution from Congress authorizing him, as commander in chief, to use military force to deal with major threats to international peace and security. Given that precedent, the need for secrecy to ensure a successful surprise attack, deep divisions in the body politic over the war in Iraq, and the Bush administration's penchant for pushing the limits of executive authority, the administration is likely to find itself on the horns of a dilemma: whether to inform a select, bipartisan group of members of Congress of its intention to strike just before doing so, thereby jeopardizing public support for subsequent measures against Iran, or whether to encourage Congress to openly debate the merits of military action, thereby precluding surprise, allowing Iran time to disperse and hide key elements of its nuclear program, and risking defeat of a joint resolution. How to handle the politics of preventive action could prove a major challenge for the administration.

Many U.S. allies stand to be adversely affected by Iranian retaliation for a preventive strike, which could, among other things, take the form of a global terrorism campaign. The United States therefore has an obligation to warn its allies in advance to prepare for the figurative fallout from a preventive strike. Because operational security considerations could preclude immediate advance warning, the United States should encourage its allies well ahead of time—without implying that prevention is imminent or inevitable—to take necessary measures to reduce their vulnerability to Iranian retaliation (e.g., by rolling up suspected Iranian agent networks, reducing staffing at their embassies in Iran, and taking steps to secure embassies and cultural centers located in third countries of concern).

Timing

If the United States were to strike, would sooner be better than later? At least three factors could influence the timing of an operation: the quality of the intelligence picture, the maturity of Iran's nuclear infrastructure, and the state of its scientific-technical human resource pool.

- The intelligence picture. By about 2004, the international community had a detailed picture of large parts—perhaps the entirety—of Iran's previously clandestine nuclear program. Since February 2006,

1. For more on the challenges of covert action, see Michael Eisenstadt, "The Challenges of U.S. Preventive Military Action," in *Checking Iran's Nuclear Ambitions*, ed. Henry Sokolski and Patrick Clawson (Carlisle, Penn.: U.S. Army War College, Strategic Studies Institute, 2004), pp. 121–22.

however, Iran has barred IAEA inspectors from visiting sites other than those where safeguarded materials are present, thus raising the level of uncertainty regarding its nuclear program. New intelligence, however, could expose ongoing activities or previously undisclosed clandestine nuclear facilities in Iran. It is therefore impossible to assess, relying exclusively on publicly available information, how the passage of time is affecting the intelligence picture.

- The nuclear infrastructure. The expeditious destruction of workshops engaged in the production of centrifuge components would be highly desirable, due to their potential to contribute to a clandestine program. Regarding major facilities, though some are complete (e.g., the conversion plant at Esfahan), others are in the early phases of construction (e.g., the centrifuge facility at Natanz and the research reactor at Arak). Striking facilities in the early phases of construction would yield little benefit; waiting until they are closer to completion would make more sense, although protective measures at these sites might well improve with the passage of time, or Iran might transfer their operations to clandestine facilities elsewhere.

- The scientific-technical human resource pool. Much of the talk about preventive action focuses on striking facilities, but people are the backbone of Iran's nuclear program. Finding a way to neutralize key scientists, engineers, and project managers (by encouraging them to emigrate or by other means) is critical to successful prevention. Here, sooner is clearly better than later, for with the passage of time, these individuals gain experience and know-how, which they are likely to share with other Iranian—and perhaps foreign—colleagues.

In sum, because these factors are moving along different and sometimes contradictory timelines, there may be no optimal moment to strike. Moreover, successful prevention could require the United States to restrike elements of Iran's nuclear infrastructure, thereby complicating efforts to limit the scope, intensity, and duration of any conflict with Iran to a single, discrete strike or exchange.

Target Intelligence

Accurate target intelligence is the sine qua non of effective preventive action. On the one hand, because of the risks that preventive action would entail—and in light of intelligence failures regarding WMD in Iraq and elsewhere—policymakers are likely to set a high bar for action. On the other hand, the intelligence community has chalked up a number of important successes uncovering nuclear programs in North Korea (1993) and Libya (2003), as well as Abdul Qadir Khan's nuclear supplier network (2003). Moreover, recent revelations about Iran's nuclear program apparently derived from leaks from inside the program. Thus, one should not dismiss the possibility that the intelligence picture concerning Iran's nuclear program could change rapidly thanks to additional leaks.

Weaponeering

Much has been made of the difficulty of destroying buried and hardened targets, and some have even claimed that nuclear earth-penetrating munitions (such as the B61 Mod 11 bomb) would be needed to destroy certain key facilities in Iran's nuclear program. In fact, the targeting of buried, hardened targets with either conventional or nuclear penetrator munitions involves tremendous uncertainties, such as the quality of the target intelligence, the configuration of the facility, its depth underground, the composition or geology of the overburden atop the facility, and the type of hardening measures taken to protect it. Given what is known about Iran's principal declared centrifuge enrichment plant at Natanz (which is a relatively shallow "cut and cover" type facility), large conventional penetrator munitions might be up to the task of disabling or destroying this or similar facilities, even if repeated strikes would be necessary to penetrate the overburden and burster slabs above the plant. At any rate, penetrator munitions are not the only way to deal with such facilities.

Measuring Success

Success in prevention would be measured primarily in terms of the delay imposed on Iran's nuclear pro-

gram. Thus, if the United States goes this route, a plan to make the most of the time gained by prevention is absolutely critical. Such a plan might hinge on nonproliferation measures and economic sanctions to deny Iran the means needed to rebuild its nuclear infrastructure, efforts to address Iran's legitimate security requirements through a variety of security assurances, or accelerated efforts to promote regime change in Iran. Failing to plan for how to best use the time gained by prevention would be an omission on the order of the failure to adequately plan for the aftermath of regime change in Iraq.

Information Operations

Should it decide to strike, Washington must try to prevent Tehran from using the nationalist backlash that military action could engender to undermine pro-American sentiment in Iran, and to consolidate popular support for an unpopular regime. Washington should explain to the Iranian people through a high-profile information campaign that although it does not object to Iran's possession of peaceful nuclear technology, it does object to Iran's acquisition of the means to build nuclear weapons. The emphasis of such a campaign should be to explain that the U.S. goal in striking was to prevent the mullahs from obtaining "the bomb," which they would likely have used to fend off pressure for political change in Iran and to threaten regional peace. And Washington should couple strikes on Iran's nuclear facilities with strikes on headquarters and barracks of the Ministry of Intelligence and the Revolutionary Guard—organizations that have ties to Iran's nuclear program and that are responsible for repression at home and terror abroad. Thus, attacks on Tehran's apparatus of repression, tied to a carefully crafted information campaign, might help mitigate a nationalist backlash against the United States and limit the regime's ability to exploit such a backlash for its own purposes.

Making Credible the Threat of Prevention

Iran's leaders seem to believe that neither the United States nor Israel has a realistic preventive option and that they are therefore free to push ahead with their nuclear program free of any fear of military action. This perception undermines efforts to convince Tehran to halt its nuclear program. As Nobel Peace Prize–winning IAEA director general Mohammed ElBaradei has said about Iran, "Diplomacy has to be backed up by pressure and, in extreme case, by force."[2] Washington should therefore consider identifying "red lines" that would prompt preventive action should last-minute diplomacy fail.

Thus, even as it seeks a diplomatic solution to the current impasse with Iran, the United States should keep the option of military prevention on the table. Whether Tehran can be cowed by threats of preventive action is unclear; some Iranian politicians might even welcome an attack in order to use a nationalist backlash to bolster their domestic standing. However, the possibility of preventive action might help stiffen weak European spines and move Russia and China to support sanctions, or other, tougher measures. And by creating an atmosphere fraught with uncertainty, the threat of prevention serves as a form of de facto sanctions, by creating an environment unfavorable to foreign investment in Iran, thereby imposing an additional cost on the Islamic Republic for its current policies.

2. Interview with Mohammed ElBaradei by Christopher Dickey, "Diplomacy and Force," *Newsweek* January 23, 2006. Available online (www.msnbc.msn.com/id/10858243/site/newsweek/page/2/).

Design Inducements the United States Can Live With

INDUCING IRAN'S LEADERS to abandon the more problematic aspects of their nuclear program (i.e., conversion, enrichment, and plutonium production) will be hard because they are remarkably self-confident and because Ahmadinezhad seems to welcome tensions with the West. Furthermore, the risk exists that any inducements offered to Iran will be seen by Iranian hardliners as proof that their tough stance is working and should be continued. They can plausibly argue that their hardline stance led to a change in U.S. policy—namely, its acceptance of Iran's right to nuclear power plants and its agreement to participate in multilateral negotiations with Iran, which the Bush administration had refused to concede to the Khatami government. The U.S. government can counter that it engaged in extensive direct contacts with the Khatami government—the multilateral discussions about Afghanistan provided the context for what were in effect direct U.S.-Iran talks—and that the barrier to moving forward was on the Iranian side.[1]

Nonetheless, offering the Islamic Republic inducements is worthwhile, even if they are immediately rejected by the Iranian government. Two principal reasons exist for doing so. The first is to test the possibility of a negotiated deal. The second, equally if not more important, is to influence public opinion in Iran, the United States, and around the world. Inducements that seem generous to those publics could do much to persuade many people that every reasonable effort has been made to get Iran to freeze its nuclear program. If it refuses offers that seem reasonable, the Islamic Republic risks being isolated, something its leaders do not want. After all, one of the main aims of their nuclear program is prestige and influence, and that goal is hurt if international opinion considers them unreasonable (though the possibility exists that Iran's leaders are more concerned about their image as the world's leading anti-American force). Furthermore, if U.S. and world opinion believe that Washington has gone the extra mile to offer concessions aimed at resolving the crisis, but Iran has refused, then international opinion is more likely to accept, albeit reluctantly, the need for tough U.S. measures to pressure Iran.

That said, economic inducements look suspiciously like bribes paid for bad behavior, which risk creating the impression that bad behavior is more profitable than good behavior. Pro-Western reformers were able neither to secure a trade agreement with Europe nor to push the United States to substantially relax its economic sanctions despite those reformers' obvious interest in improving relations. Now anti-Western hardliners may actually achieve those objectives, which might suggest that Iran would be better off confronting, rather than cooperating with the international community.

To avoid creating such an impression, the United States would do better to offer security inducements compatible with a policy of containing and deterring Iran. Such security inducements should be designed to counter the argument that Iran needs nuclear weapons for its defense, while at the same time locking Iran into the status quo—that is, checking Iran's ambitions to dominate the region. Many confidence- and security-building measures (CSBMs) and arms control measures, such as those used to reduce tensions between the old Warsaw Pact and NATO during the Cold War, would provide gains for the international community while addressing legitimate Iranian security concerns.[2] They might include the following:

- An agreement to reduce the risk of incidents at sea between the U.S. and Iranian navies

1. Kenneth Pollock, *Persian Puzzle: The Conflict between Iran and America* (New York: Random House, 2004), pp. 303–342, especially pp. 341–342.
2. An extensive literature is available on CSBMs during the Cold War; much information can be found on the website of the Federation of American Scientists section devoted to the issue (www.fas.org/nuke/control/osce/), such as the 1986 document of the Stockholm Conference on Confidence- and Security-Building Measures and Disarmament in Europe, which established procedures for many CSBMs, such as exchange of observers at military exercises. For an interesting example of how one CSBM—an agreement about incidents at sea (INCSEA)—helped reduce post–Cold War tensions (in this case, between Pakistan and India), see Vijay Sakhuja, "Cold War in the Arabian Sea," *Strategic Analysis: A Monthly Journal of the IDSA* 25, no. 3 (June 2001).

- An agreement to provide early warning about missile tests or to exchange observers during military exercises

- An agreement limiting the deployment of heavy weapons, such as tanks, on both sides of the Iran-Iraq and Iran-Afghanistan borders, similar to what was done in Europe under the Conventional Forces in Europe treaty

An additional security inducement would be for the United States to assuage Iran's concerns that the Bush administration seeks regime change in Iran. It would be undesirable for the U.S. government to offer security guarantees to the Iranian government. Even with its allies, the United States offers security guarantees to foreign states, not foreign governments; that is, the United States does not guarantee which government holds power in a country. The U.S. position should indicate that the Iranian people should determine their country's future form of government. But Washington could propose to Tehran that, if the nuclear dispute is settled, the United States will provide Iran a "conditional security assurance"—a U.S. commitment not to attack Iran unless Iran attacks the United States. To clarify what that means, the U.S. government should spell out that if Iran sponsors terror attacks that target Americans, then the United States reserves the right to respond by military means.

A conditional security assurance could reassure the Iranian government that its violent "regime change" concern has been addressed, without preventing Washington from lending moral and material support for democratic forces in Iran. The key audience for such an offer, however, is not the Iranian government but instead public opinion in Iran, the United States, and the world; the aim is to make the point that U.S. policy is to support domestic reformers and not violent regime change.

Similar creative compromises should be sought on other issues where Iran will need to save face and where Iran's arguments have a certain intuitive appeal to world and Iranian opinion. In particular, Iran has cleverly pressed the argument that it has the right to the same advanced technologies found in the West and in the non-NPT nuclear weapon states. Developing proposals about uranium conversion and enrichment that save face for Iran, look reasonable to world and Iranian opinion, and do not give Iran dangerous capabilities would now be appropriate. Creativity is the key here, going beyond the usual approaches of how many centrifuges Iran can keep. For instance, proposing that Iran can keep a limited number of centrifuges might be appropriate if conditions could be imposed that would greatly reduce their effectiveness, perhaps by drastically limiting the rotor speed. (The maximum performance of a centrifuge is proportional to the length of the rotor and the fourth power of the velocity, which ideally is greater than 50,000 revolutions per minute; speed can be easily monitored.[3]) Designing these "concessions" now will give the negotiators options to propose, if pressed, to make a better offer, rather than being forced to react to worse offers made by others.

The key principle is to find offers that accomplish two goals. First, the proposals should preserve Iranian national pride and be respectful of Iran's desire to be accepted as a technologically advanced regional power. The aim is to have proposals that are feasible and that look good to world and Iranian public opinion, even if they are rejected by the Islamic Republic's leadership. Second, the proposals should be sustainable over the long term; that is, they should not provide Iran with the means of slowly acquiring the dangerous technology it seeks. The challenge is to avoid rushed, ill-considered measures, debated only by diplomats without adequate consultation with technical experts, that end up being speed bumps that only slow down Iran's nuclear program.

3. However, the maximum is never achieved because of inefficiencies such as the quality of the stream profile inside the machine. A speed-squared relationship is closer to what is achievable. See also Argun Makhujani, Lois Chalmers, and Brice Smith, *Uranium Enrichment, Just Plain Facts to Fuel an Informed Debate on Nuclear Proliferation and Nuclear Power*, prepared by Institute for Energy and Environmental Research for the Nuclear Policy Research Institute, October 15, 2004.

Promote Reform Irrespective of the Nuclear Situation

THE INTERNATIONAL COMMUNITY would be unwise to base its policy toward Iran on the assumption that the Islamic Republic will fall soon. For better or worse, the international community will have to deal with the current Iranian government as long as it is in power. But recognizing the necessity of dealing with the current government does not mean that the international community should take steps that might prolong the life of the Islamic Republic. Perhaps the following is the best way to think about the dilemma: "Two clocks are ticking in Iran: the nuclear clock and the democracy clock. The strategic objective of western policy must be to slow down the nuclear clock and speed up the democracy clock. Our problem is that some of the things we might do to slow down the nuclear clock are likely to slow down the democracy clock as well."[1]

A serious problem with any negotiation with Iran is that talks might be used by hardline mullahs now firmly in control in Iran to advance their domestic political position vis-à-vis those seeking change in Iran. That is the fear of many Iranian reformers. Soon after his 2006 release from jail after a hunger strike that brought him near death, the prominent journalist Akbar Ganji warned:

> We believe the government in Tehran is seeking a secret deal with the United States. It is willing to make any concession, provided that the United States promises to remain silent about the regime's repressive measures at home. We don't want war; nor do we favor such a deal. We hope that the regime will not be allowed to suppress its people, foment a crisis in the regime or continue with its nuclear adventurism.[2]

Many reformers harbor similar fears that Europe will sell out human rights for commercial profits.

Washington's reform agenda would suffer a grave setback in the region if the United States were perceived to have abandoned Iran's beleaguered pro-democratic forces by making a deal with hardline autocrats to secure U.S. geostrategic interests. Since September 11, 2001, broad consensus has existed in the United States that the international community has a compelling interest in giving the region's youth hope that they can peacefully bring about change. In other words, Middle East democratization is not just a moral value but also a vital national security interest.

A strong argument can be made that change in Iran makes the progress of democracy inevitable over the long run. Mohsen Sazegara has provided an excellent analysis about changes in Iranian society—urbanization, literacy, and increased involvement of women in education and employment—that have been associated in other countries with pressure for empowerment of the middle classes and for more popular participation in decisionmaking.[3] He also points out how the intellectual atmosphere in Iran has changed from the pro-revolutionary viewpoints of the 1970s to widespread mouthing of democratic terminology even by antidemocratic politicians. In addition, he explains that democratic trends in the region have been reinforced, as seen by the strengthening of Turkish democracy and the turn away from totalitarianism in the former Soviet Union.

At present, however, the fight for reform in Iran is on a downward slope—hardliners are in power; reformers are in shambles; the student movements are divided; and media and civil society groups are shut down, limited, or kept out of Iran. The biggest prob-

1. Timothy Garton Ash, "We Need a European Approach to Supporting Democracy in Iran," *Guardian*, March 9, 2006. Available online (www.guardian.co.uk/Columnists/Column/0,,1726797,00.html).
2. Akbar Ganji, "Letter to America," *Washington Post*, September 21, 2006, p. A25. Much the same case is made by Nobel Peace Prize–winner Shirin Ebadi and Muhammad Sahimi, "Link Human Rights to Iran's Nuclear Ambitions," *New Perspectives Quarterly* 23, no.2 (Spring 2006). Available online (www.digitalnpq.org/archive/2006_spring/10_ebadi.html). They go on to argue, "The EU has been paying only lip service to the cause of democracy and respect for human rights in Iran. Instead, it has used the hardliners' dismal human rights record to extract more commercial concessions from them."
3. Mohsen Sazegara, "The Point of No Return: Iran's Path to Democracy," *Policy Focus* no. 54 (Washington Institute for Near East Policy, April 2006). See also Ali Gheissari and Vali Nasr, *Democracy in Iran: History and the Quest for Liberty* (Oxford: Oxford University Press, 2006).

lem is that Khamenei has convinced the people that he and the elite he represents are an all-powerful force that will continue to rule Iran for the indefinite future, irrespective of election results, domestic protests, or international objections to the regime's human rights violations. One of the increasingly politically powerful ayatollahs, Muhammad Taqi Mesbah-Yazdi, is a sharp critic of elections; he argues, "Accepting Islam is not compatible with democracy."[4] The regime arrests whoever it wants without much pretense of following the rule of law and keeps people in jail for months despite considerable international pressure, as seen in the case of Akbar Ganji. Furthermore, it closes down newspapers or dissident groups on a whim. It actively disrupts labor protests of an entirely apolitical sort, such as the 2006 Tehran bus drivers' strike in which many of the drivers were thrown into jail for extended periods. A grave risk exists that the regime is becoming totalitarian in the full sense of a government that insists on controlling the totality of peoples' lives, refusing to allow any social organization, no matter how trivial, outside its tight supervision.

The measures available to the U.S. government for supporting justice and the rule of law in Iran are limited under any circumstances; an additional limitation is the low priority given to such support in relation to other U.S. policy objectives. In particular, a sharp contrast exists between the intense effort Washington devotes to generating international support on the nuclear issue and the relatively few signs that the United States is consulting with other countries about human rights and support for democratic reform in Iran. A vigorous outreach program by the United States to explain its reform agenda—which rests on doing what little it can to help Iranian reformers inside the country—could help undercut the perception, all too common in Europe and the Middle East, that the Bush administration's real Iran agenda is violent regime change and that Washington is only going through the diplomatic motions to lay the groundwork for war. Furthermore, joint action among the Western powers offers a much better prospect of aiding reform in Iran than does action by the United States alone.

Indeed, a solid basis for international cooperation exists. Several other countries have been more active on the reform issue than has the United States. In May 2005, Canadian foreign minister Pierre Pettigrew ordered Canadian diplomats to limit their contact with Iranians to the promotion of human rights and the control of nuclear weapons.[5] The Dutch government has allocated €15 million to bolster reform in Iran—on a per capita basis, an equivalent sum from the United States would be $340 million. The European Union staff has proposed that Europe aid human rights and civil society groups as well as support satellite transmissions into Iran.[6] In a major address in March 2006, British foreign secretary Jack Straw argued at length, "We and the rest of the international community should not look the other way when the regime fails to abide by international standards in the way it treats its own people.... And we should help Iranians to make informed choices for themselves by helping to improve the flow of information into the country."[7] Some European intellectuals, especially Timothy Garton Ash, have spoken out about the need for more European support of democracy in Iran.[8]

4. Nazila Fathi, "Iranian Clerics' Angling Stirs Worry on Absolutist Rule," *New York Times*, September 25, 2006, p. A12.
5. In May 2005, Canadian foreign minister Pierre Pettigrew announced, "We will limit our encounters with Iranian officials to the Kazemi case [Canadian-Iranian journalist Zahra Kazemi was killed in an Iranian prison], Iran's human rights record, and Iran's nuclear nonproliferation performance. No visits or exchanges by Iranian officials to Canada will be permitted, nor will Canadian officials engage with Iran, except relating to these issues." As printed in *Rendez Vous* (the newsletter of the Canadian Ministry of Foreign Affairs and International Trade), July 2005. Available online (www.infoexport.gc.ca/ie-en/DisplayDocument.jsp?did=56281). On the Dutch action, see Dutch Ministry of Foreign Affairs, "Grant Framework on 'Media Diversity in Iran.'" Available online (www.minbuza.nl/en/developmentcooperation/Themes/HumanRights,human-rights/grant_framework_on_media_diversity_in_iran.html).
6. On the proposal by Solana's staff, see Daniel Dombey, "EU Paper Outlines Tough Action on Tehran," *Financial Times*, April 10, 2006.
7. The March 13, 2006, Straw address at the International Institute of Strategic Studies is available online (www.iiss.org/index.asp?pgid=11149).
8. Timothy Garton Ash, "We Need a European Approach to Supporting Democracy in Iran," *Guardian*, March 9, 2006. Available online (www.guardian.co.uk/print/329430126-111322.00.html). Ash argues, "Rather than sitting on the sidelines carping at whatever Washington does, we Europeans should do something better ourselves." He proposes a whole series of initiatives, such as European universities inviting Iranian academics and students, European newspapers bringing over Iranian journalists, European trade unions linking up with Iranian trade unionists, European artists traveling to Iran, and European theologians engaging in dialogue with Iranian Islamic jurists.

Areas in which U.S. policy could give higher priority to its support of reform in Iran include civil society support, people-to-people exchanges, defense of justice—especially for persecuted Iranians, and efforts to bring information to the Iranian people.

Civil Society Support

Existing U.S. sanctions policy impedes support for Iranian civil society. U.S. NGOs are neither allowed to spend money in Iran nor to give money to Iranians except under the most constrained circumstances.[9] That policy makes little sense. The Treasury Department's July 2006 announcement that it may give permission for a few particular U.S. NGOs to operate in Iran is much too limited an approach: the Office of Foreign Assets Control should issue a general waiver for all activity by U.S. NGOs, foundations, and nonprofit organizations inside Iran. Although at one time that might have been dangerous given that some hardline Islamist extremists were masking their activities through U.S. NGOs, this problem has been much reduced in recent years.

The Bush administration's proposal to provide U.S.-government support for civil-society groups in Iran has received much criticism by those claiming that U.S. support would taint these groups. To be sure, the regime will smear civil-society groups as foreign puppets; indeed, hardliners reject the need for civil-society groups, arguing that mosques and religious organizations suffice.[10] NGOs have no effective legal protection, making support of these groups quite difficult and complex—as is their agitation for change—without being hindered by government persecution or intervention. That said, some of these groups have become quite outspoken in identifying problems and lobbying for change.

Iran is hardly the first case of a totalitarian regime making such accusations. The U.S. government has much experience to draw on, both from its efforts in other totalitarian societies and from European efforts in Iran. Indeed, European countries have been providing funding for some years.[11] Support can be provided indirectly, for example by channeling money through UN agencies or financing training outside of Iran. Funding independent groups with objectives the Iranian regime approves of, such as drug rehabilitation programs, also has merit. The basic aim is expanding the space for actions independent of the government, not funding antiregime political activities. More delicate is the issue of providing covert funding, which has pros and cons.

People-to-People Exchange

Visa processing times and procedures have improved in the last year or so, but travel by Iranians to the United States still remains inordinately difficult. The

9. As described on the State Department website (www.state.gov/g/drl/rls/69556htm), U.S. "goals would be advanced by the assistance of privately funded nongovernmental organizations (NGOs) and privately funded individuals/entities working on projects targeted to benefit the people of Iran, inside and outside Iran." Nevertheless, only on July 17, 2006, did the Treasury Department Office of Foreign Assets Control (OFAC) issue a "Statement of Licensing Policy on Support of Democracy and Human Rights in Iran and Academic and Cultural Exchange Programs" that required approval on a case-by-case basis. By contrast, after the 2003 earthquake in Bam, OFAC issued a general license for "funds transfers to Iran for humanitarian relief," valid for only 90 days.

   On August 22, 2006, OFAC issued a general license for U.S. persons authorizing work in Iran by Americans employed or contracted by six named international agencies: IAEA, UN, World Bank, IMF, World Health Organization, and International Labor Organization. Before then, work in Iran by an American employed by the IAEA presumably was forbidden—an example of cramped and counterproductive rules. Note that the August license does not cover some other international agencies active in Iran, such as UNICEF.
10. Hamid Reza Taraqi of the hardline Islamic Coalition Party was quoted in Tehran newspaper *Etemad* on July 28, 2005, saying NGOs "are based on the Western way of thinking and models that are not in tune with [Iran's] cultural structure and traditions ... Instead of promoting such formation and Western models, [Ahmadinezhad] will try to make use of the mosque and religious teams." As quoted in Bill Sami, "Times Get Tougher for NGOs," *RFE/RL Iran Report* 9, no. 30 (August 14, 2006). Available online (www.rferl.org/reports/iran-report/2006/08/30-140806.asp). The regime does not hesitate to go after even the most famous: in August, Nobel Peace Prize–winner Shirin Ebadi's Center for the Defense of Human Rights was notified by the Interior Ministry that its activities were illegal. "Ebadi Told Her Human Rights Group Is Illegal," *Iran Times* (Washington), August 11, 2006, p. 1.
11. To quote the European Commission web page, "The EU's Relations with Iran": "Within the EIDHR [European Initiative for Democracy and Human Rights] budget line, a programme administered through Europeaid, four projects are on-going in partnership with UNICEF, UNODC [UN Office on Drugs and Crime], UNDP [UN Development Programme] and the British Institute for International and Comparative Law for an overall support from the EC of €3.9 million [$4.9 million] to promote human rights and the rule of law in Iran. New projects are expected to be launched in 2007." Available online (http://ec.europa.eu/comm/external_relations/iran/intro/index.htm). Some EU member states have similar programs.

International Society for Iranian Studies had such a bad experience with arranging for Iranian scholars to speak to its 2004 biennial convention that the society shifted the 2006 convention from the usual Bethesda, Maryland, site to London, thereby allowing scores of Iranian scholars to participate. To many Iranians, the visa process seems at best arbitrary—if not downright hostile. That reaction is hardly surprising, given episodes such as the August 2006 arrest at the airport upon their arrival and subsequent expulsion without explanation of dozens of Iranians who had been given visas to attend a Sharif University reunion in California; surely airlines should be able to inform people their visas have been cancelled before they board and therefore lose thousands of dollars spent on tickets.[12] For the U.S. government to speak out in favor of people-to-people exchanges would be counterproductive so long as Iranians know full well that getting a visa takes many months for those who fall into the numerous categories requiring special vetting, such as government employees—categories that are likely to include most reformers.

Much comment was made in Iran contrasting the problems of ordinary Iranians who want to visit the United States, such as the Sharif University alumni, with the extensive assistance provided to former president Khatami by the U.S. government. Khatami was issued a visa in three days without having to travel abroad for an interview with a U.S. consular official, whereas ordinary Iranians who worked for the Iranian government (e.g., teachers) have to travel abroad (usually to Dubai or Istanbul) for an interview and then wait months for their visa. When Khatami arrived in the United States, he was protected by the State Department's Bureau of Diplomatic Security; at one speech, at least 100 armed U.S. officers were deployed. It is hardly surprising if ordinary Iranians conclude from this episode that regime officials are more welcome in the United States than are ordinary Iranians. That impression does not serve U.S. interests.

Offering to consider opening a U.S. consular office in Tehran and making a major public diplomacy drive to publicize the offer would be worthwhile. The reason for doing so is to impress the Iranian people—and people around the world—that the United States is eager for more contact with ordinary Iranians. The Iranian government seems highly unlikely to take up the offer; the hardline regime would not welcome the long lines that would form of Iranians applying for visas. Indeed, the Islamic Republic might react with hostility, and the U.S. offer could complicate other U.S. interests with Iran. But the price would be worthwhile if the United States were able to reach ordinary Iranians with the message that their hardliners, not Washington, keep Iranians isolated.

A particular problem has been the perception that the U.S. government impedes educational and scientific exchanges, which feeds the regime's propaganda claims that the United States opposes Iranian development and hates ordinary Iranians. The U.S. government has not been good at communicating to American organizations—indeed, not even to the entire U.S. government bureaucracy—that sanctions on Iran are designed to hurt the regime without restricting people-to-people contact. This failure has led to such unnecessary and harmful episodes as temporary bans on internet service, extraordinary problems for Iranians who want to take the English-language exam required by many U.S. universities, and a bitter dispute about articles by Iranians in scientific journals.[13] In each case, hairsplitting,

12. Conference organizer Fredun Hojbari said that 152 Sharif University graduates applied for visas, about 120 were granted them, and at least 40 were then stopped upon arrival in the United States and informed their visas had been revoked. "U.S. Mass-Cancels Visas Issued to Iranians," *Iran Times* (Washington), August 11, 2006, p. 1. This episode was widely covered in the Iranian and California press; see Golnaz Esfandiari, "U.S. Treatment of Would Be Iranian Visitors Causes Worry," *RFE/RL Iran Report* 9, no. 31 (August 22, 2006). Available online (http://www.rferl.org/reports/iran-report/2006/08/31-220806.asp).
13. Actually, OFAC restrictions continue to prevent much people-to-people exchange. The OFAC website gives a redacted version of the September 30, 2003, letter (031002-FACRL-1A-11) in which OFAC explains that scientific journals may review articles by Iranians, but "U.S. persons may not provide the Iranian author substantive or artistic alterations or enhancements of the manuscript" nor may Americans engage in "collaboration on and editing of manuscripts submitted by persons in Iran." In other words, U.S. and Iranian scientists may not as a matter of course coauthor any studies for publication in a scientific journal, but OFAC adds that it "will consider licensing U.S. persons to engage in certain non-exempt activities related to the publication of academic articles or studies." In contrast, OFAC takes a sensible stance about films; its "guidance on informational materials" (030203-FACRL-1A-01)

narrow-minded interpretations of the sanctions regulations led to vicious restrictions on educational and scientific exchange, which were reversed only after protracted protests. More-creative leadership is needed to craft sanctions regulations in a way that facilitate such exchanges and to focus sanctions enforcement on preventing funds from flowing to the regime. The recent administration proposal to create a $5 million scholarship fund for Iranians wishing to study in the United States is a step in the right direction, but it should be complemented by clear and unequivocal language permitting universities to extend scholarships—including teaching assistantships and research assistantships typical for graduate students—to Iranians.

Defense of Justice and of Persecuted Iranians

In recent years, the United States has more actively spoken out against Iranian human rights violations and in support of Iranian aspirations for a more open society.[14] Statements issued by international human rights groups and senior Western officials, especially the U.S. president, have had an effect—for instance, the release of Ganji from prison.[15] Nevertheless, the message needs to be pitched for ordinary Iranians. "Human rights" has come to sound like something of concern solely to dedicated activists but remote from the daily lives of ordinary Iranians. Moreover, the regime has so perverted the concept of democracy that many Iranians have come to believe that elections will always be manipulated one way or another. The message of defending Iranian rights and persecuted Iranians therefore has to be carefully crafted to sound relevant to ordinary Iranians. The most effective way to frame these issues for Iranian audiences is to speak about justice and the rule of law, which are concepts widely respected in Iran, fitting well with Iranian traditions.

Another way in which the message needs to be crafted is in countering the regime's complaints about Western interference in Iranian domestic affairs. The regime's favorite description for the United States is "global arrogance," and its frequent response to U.S. criticism is to dismiss it as cover for the true U.S. agenda of regime change. One way to check the regime's response potential is to criticize Iran for not fulfilling the commitments it has made under various human rights treaties it has signed. But the most effective approach is coordinated action with other members of the international community. It would be especially helpful if those powers negotiating with Tehran about the nuclear issue would also speak out together about reform in Iran. This action would make clear to the Iranian people that any deal about the nuclear program will not end international criticism of government abuses.

One area that the U.S. government should stay away from is exile politics. The U.S. government should resist the temptation to urge opposition groups to form a unified front; this strategy would suck Washington into the maelstrom of opposition politics, inevitably putting U.S. policymakers into the role of anointing leaders—who would immediately and correctly be painted by Tehran as creations of Washington.[16] Indeed, for the U.S. government to lend excessive weight to the opin-

permits "the dubbing or subtitling of films in Iran or at the direction of an Iranian entity."

As another example of a narrow OFAC ruling, its website includes a redacted letter (030424-FACRL-1A-03) that states, "The proposed conduct of surveys and interviews in Iran constitutes a prohibited export of services to Iran. As it would be contrary to current U.S. Government policy to issue a license authorizing such an export of services, your application is hereby denied." In other words, U.S. residents may not legally conduct telephone polling of Iranians because that would be "contrary to current U.S. Government policy."

14. For instance, President Bush's September 2006 address to the UN General Assembly, in which he spoke at length on the theme: "To the people of Iran, the United States respects you. We respect your country. We admire your rich history, your vibrant culture and your many contributions to civilization. You deserve an opportunity to determine your own future... The greatest obstacle to this future is that your rulers have chosen to deny you liberty and to use your nation's resources to fund terrorism and fuel extremism and pursue nuclear weapons." As printed in the *Washington Post*, September 20, 2006, p. A20.
15. For evidence such statements are appreciated by Iranian activists, consider the open letter circulated by a group of political prisoners criticizing the European Union for not formally condemning the death in jail of student protest leader Akbar Mohammadi; by contrast, Amnesty International and Human Rights Watch issued strong statements after his death. Vahid Sepehri, "Dissident's Condition Concerns Political Prisoners," and Golnaz Esfandiari, "Former Inmate Describes Activist's Death in Custody," both in *RFE/RL Iran Report* 9, no. 30 (August 14, 2006); available online (www.rferl.org/reports/iran-report/2006/08/30-140806.asp).
16. A detailed description of many of the opposition groups can be found in Iran Policy Committee, *Appeasing the Ayatollahs and Suppressing Democracy: U.S. Policy and the Iranian Opposition* (Washington: Iran Policy Committee, 2006), pp. 152–164. The Iran Policy Committee urges U.S. support for the

ion of expatriate Iranian opposition groups would be inappropriate, especially the opinions of those groups that have long been outside the country. Washington's interests are not the same as those of exile groups, no matter how well intentioned or how well connected they are with U.S. political figures. U.S. government support of individual figures outside of Iran is very dangerous. The West wants democracy in Iran, but it must come from Iranians within the country.

Bringing Information to the Iranian People

A 2006 poll showed that 90 percent of Iranians watched television the previous day while only 30 percent read a newspaper; more than 90 percent identified local television stations—which are rigidly controlled and highly ideological—as one of their top three news sources.[17] Whereas the print press was once more free, that is no longer the case. In 2006, the regime has been imposing tighter censorship on the press: the Supreme National Security Council forbade any political analysis on the nuclear issue that differs from official policy, the Ministry of Islamic Culture and Guidance ordered publications to use news only from a list of twenty-four "reliable and valid" sources (such as the official news agency), and the Press Supervisory Board closed several newspapers for criticizing the regime even mildly. Additionally, the regime is making it harder for Iranians to get news from sources the government does not control, such as satellite TV or the internet. The Ministry of Islamic Culture and Guidance has outlawed the giving of interviews or sponsoring of advertisements on any Persian-language satellite channel by any Iranians, and the Communications and Information Technology Ministry has set up a central internet filtering site to block access to unauthorized websites and keep a record of the sites that internet users visit.

In this environment, getting information to the Iranian people about developments in their own country and the world becomes all the more important. The Bush administration has proposed a substantial increase in resources for such information activities, but it has not articulated as clearly as desirable the underlying strategy guiding its resource allocations. Several basic principles should apply.

First, encourage a wide array of broadcasting options, including satellite television programs and internet news, as well as AM and FM broadcasting, for getting information to Iran. The same principle of using all available means applies to the formats used; the pro-reform message can be well served by popular music programs as well as cultural shows aimed at the intellectual elite, not just by news broadcasts.[18] No one medium reaches everyone in Iran. For instance, a recent Zogby International poll of Iranians found 52 percent of the respondents use the internet whereas 15 percent watch satellite television stations, and their views differ. For example, when asked, "If the United Nations imposed economic sanctions on Iran for its nuclear program, who do you think is most to blame?" 27 percent of the internet users said the United States but only 12 percent of the satellite television viewers gave the same answer.[19] The U.S. interest is best served by having high-quality information available on all electronic outlets.

Second, Washington should coordinate with others rather than attempt to do everything itself. The U.S. government lacks the resources—partly financial, but mostly human—to be the leader in providing information through all available electronic outlets. The BBC has a well-established reputation for radio aimed at an

Mujahedin-e Khalq group, but the committee's description of other groups is not strongly colored by this fact.

17. Bill Sami, "Tehran Tightens Clamps on Press"; "State Media Controls Extend to Provinces, Airwaves"; and "State Control of Internet Strengthened," all in *RFE/RL Iran Report* 9, no. 36 (October 3, 2006); available online (www.rferl.org/reports/iran-report/2006/10/36-031006.asp).
18. Radio Farda, the U.S.-funded station playing popular music, has been criticized for its lowbrow approach but defends itself for getting across a pro-democratic message without lengthy news programs; see, for example, David Finkel, "U.S. Station Seeks Ear of Iran's Youths," *Washington Post*, June 5, 2006, p. A13. The more-appropriate criticism would be that Washington should fund both popular and elite broadcasting, taking advantage of the unique opportunities presented in the Iranian market: Iranian youth hunger for Persian popular music, which state radio does not play, and Iranian intellectuals are open to news and cultural shows that treat America with respect (that is, anti-Americanism is not rife among the elite).
19. Zobgy International, Poll of Iran May/June 2006, question 9. Available online (www.iranvajahan.net/english/pdf/iranpollresults.pdf).

elite audience, which it does an excellent job of serving. In contrast, the U.S.-funded Radio Farda has carved out an important niche with popular radio, and Voice of America (VOA) does well with its television programs. A certain division of labor is appropriate; no reason exists for VOA to use its scarce resources to compete with the BBC in targeting elites if that is an area where the BBC is more successful. Much better would be for the United States to encourage Britain and the European Union to more generously fund BBC broadcasts.[20] The BBC has for decades been a respected news source for Iranians, but its Persian service now faces serious challenges because of turnover in personnel. In addition, Washington needs to find ways to work with NGOs broadcasting to Iran, such as the new radio station being funded largely by the Dutch government.

Third, strict standards should be maintained for all broadcasts. Because listeners are going to think that whatever is said on any U.S.-supported media outlet is an official U.S. government position, Washington has a strong interest in ensuring the accuracy and completeness of news and the appropriateness of other shows. This issue particularly applies to U.S. government–run stations, where the agenda of local staff may not be the same as that of the U.S. funders. For instance, Radio Farda has often been rather slow to cover stories that are important from a U.S. perspective; it has not done a particularly good job countering the Iranian media's incessant claims that only the United States objects to Iran's nuclear activities. But the problem of content standards is even greater if the U.S. government provides partial funding for a broadcast medium, for instance, by funding shows that are broadcast on private stations. Considerable human resources will have to be devoted to monitoring the other, non-U.S.-government funded shows on such stations to make sure that they are generally appropriate. The U.S. government does not want to be associated even tangentially with wild, unsubstantiated claims and extremist positions, which characterize many of the private Persian-language broadcast outlets.

The trickiest case will be the private U.S.-based satellite television networks.[21] Many of the more than twenty such networks are highly partisan and offer news programs with low technical and journalistic standards; the apolitical ones generally run primarily light entertainment shows. For the U.S. government to directly fund any of these stations would be inappropriate, given that the station's political agenda would then be ascribed to the U.S. government. Ignoring the opportunity these stations present for getting better information to the Iranian people also would be a mistake, however. The U.S. government should fund specific, high-quality television programs that are then available in the public domain for anyone to broadcast. Rather than the U.S. State Department's trying to create its own expertise for administering such funding, it should fund organizations, such as PBS or firms with well-established reputations, to identify and fund quality Persian-language productions. Preference should be given to productions that raise funds from a variety of sources, not just the U.S. government; such productions are more likely to be accepted by the audience as credible. These productions should not be confined to news programs or documentaries only; a wide variety of entertainment shows would be useful. For instance, a vast audience exists in Iran for the Los Angeles–based Iranian pop music singers, including some young singers who left Iran recently and who sing about themes forbidden in Iran (e.g., treating women as equal partners); music videos by such singers would be sought after. Just as quality films in Europe often have partial funding from several governments, Persian-language production companies should be given encouragement through generous funding from U.S.-government financing, channeled through organizations well versed in broadcast production, such as the Corporation for Public Broadcasting.

20. In his March 13, 2006, address at the International Institute of Strategic Studies, British foreign secretary Jack Straw said, "We in Europe need to communicate better with the Iranian people... We in the United Kingdom and throughout Europe need to think about whether there is more we can do to ensure that reliable and trusted news services are able to broadcast in all media, in Persian, to Iranians." Available online (www.iiss.org/index.asp?pgid=11149).
21. A detailed listing of all Persian-language broadcasting, both governmental and private, is available in *BBC Monitoring: Iran Media Guide—June 2006.*

To conclude, the effort to support reform should be undertaken for its own sake, rather than as a means of advancing the U.S. nuclear-nonproliferation agenda vis-à-vis Iran. The two are on a different timeline. Supporting reform is in some ways a more immediate task, with many steps that can be taken now even while nuclear diplomacy moves slowly along. At the same time, when support of reform will bear fruit is entirely unknowable. The regime's grip looks solid so long as it retains a core of supporters willing to kill to stay in power. Nonetheless, the regime is profoundly unpopular with a people who want a free society more open to the outside world, and this pressure makes the regime's hold fragile. Recall that when President Ronald Reagan called in mid-1986 for the dismantling of the Berlin Wall, he was widely derided as out of touch with reality, but in less than five years, that wall and, indeed, the entire Soviet empire were gone. In contrast, many analysts in the mid-1990s expected the North Korean regime to disappear—arguably, that was the assumption on which the "Agreed Framework" nuclear deal was based—but that regime looks as solid as ever. The lesson is that the collapse of regimes is very difficult to foretell. Therefore U.S. policy should be designed to live with a hostile regime that persists, while working to lay the groundwork for change and preparing to take advantage of such an opportunity if it occurs.

Next Steps

ELECTED U.S. OFFICIALS across the political spectrum have said that a nuclear-armed Iran is unacceptable.[1] If Iran's nuclear program continues unabated, within a few years Iran will have capabilities preventing certain knowledge of whether Iran has "the bomb."[2] The key moment comes not when Iran explodes a nuclear weapon, but when Iran's neighbors—indeed, the entire world—treat Iran as if it has one. Such a situation would be a grave setback to U.S. interests.

Stopping Iran before it achieves an ambiguous nuclear-weapons status requires immediate action. In particular, this action means preventing Iran from completing the conversion and enrichment of uranium as well as a heavy-water reactor it is building. A wise Iranian strategy would be to stall international diplomacy while racing ahead with these facilities. The best countermove by the United States is, along with those willing to act in concert with the U.S., to pressure Iran on the many fronts described in this report, such as imposing de facto economic sanctions, reinforcing controls to prevent Iran from getting dangerous nuclear technology, and stepping up measures to deter or defend against potential Iranian aggression.

These measures should be pursued simultaneously with the slow process of forging great-power consensus for actions through the UN. The present U.S. approach still relies too much on that UN process and not enough on complementary steps that offer a better prospect of early implementation. Some have suggested that the United States and its allies first try the UN route and only if that fails, then turn to actions outside the UN. Forging forward with a variety of measures taken in conjunction with willing allies, while slowly building the consensus at the UN needed to bring along Russia, China, and other reluctant partners, would be a better strategy.

If Iran's nuclear program continues unabated, the United States will face major challenges in managing the resulting uncertainty and instability. Enhancing the military capabilities of regional allies threatened by Iran, deepening bilateral cooperation with these countries, encouraging multilateral cooperation in the areas of air- and missile-defense and maritime security, and creating a multilayered sensor network to provide early warning of an Iranian attempt to deliver a nuclear device or weapon may help, however, on the three key fronts: dissuading Iran from proceeding with its program, deterring Iran from intimidating its neighbors, and preventing an arms race—potentially a race to acquire dangerous nuclear capabilities—in a region of vital interest to the international community.

Even in the event of a durable diplomatic agreement with Iran about its nuclear program, the United States and the rest of the international community will need to be vigilant about the possibility that Iran will retain a covert program. One of the best ways to constrain a covert program is intrusive inspections that force Iran to keep the program deeply hidden. Now is the time to secure a robust and broad international agreement that any accord with Iran must include provisions for international inspections that go beyond those called for under the IAEA's mandatory safeguards agreement and 1997 voluntary Additional Protocol. Any such agreement will have little meaning unless it is backed by agreement on what will happen if Iran impedes such inspections, much less is caught with a covert program. Iran has already probed how far it can go in violating its mandatory Safeguards Agreement before the international community reacts; the principle needs to be

1. Sen. Hillary Clinton said, "U.S. policy must be clear and unequivocal. We cannot and should not—must not—permit Iran to build or acquire nuclear weapons," January 19, 2006. Available online (http://clinton.senate.gov/news/statements/details.cfm?id=250529). Sen. John McCain said, "I also said that there's only one thing worse than using the option of military action, and that is the Iranians acquiring nuclear weapons," April 2, 2006. Available online (http://rss.msnbc.msn.com/id/12067487/page/3/).
2. This status can be described as "nuclear ready"; see, for example, Henry Sokolski and Patrick Clawson, eds., *Getting Ready for a Nuclear-Ready Iran* (Carlisle, Penn.: Strategic Studies Institute, 2005), pp. 1–10.

established that deliberate violations, even if small, will bring a swift response.[3] Pressure needs to be maintained on resolving the long list of outstanding violations by Iran of its NPT obligations in failing to provide a satisfactory account for its past activities—an effort that would also likely reveal whether Iran has continued to engage in these activities.[4]

As long as the current government remains in power, Iran is likely to pursue a full nuclear fuel cycle that will provide it with the means to produce nuclear weapons. The best that can be achieved in the short term is, through pressure, to persuade Iran's leaders to agree to a temporary freeze. The *New York Times* has editorialized, "The best hope for avoiding a nuclear-armed Iran lies in encouraging political evolution there over the next decade."[5] The hope is that a government that respects the human rights of the Iranian people and wants to live in peace with its neighbors will abandon its nuclear aspirations for these very reasons, as well as to facilitate its integration into the international community.

3. IAEA, "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran," August 31, 2006, paragraph 23. The IAEA reported that starting at the end of July 2006, "Iran declined to provide one-year multiple entry visas to designated Agency inspectors as agreed to by Iran in the Subsidiary Arrangements to its Safeguards Agreement." This action degraded the quality of IAEA inspections by delaying them while visas were being processed and by exercising a veto on who could be on the inspection teams (the normal procedure is that Iran has the right to refuse inspectors, but once the one-year visa is granted, an inspector is free to come unless Iran lodges a complaint, as it did in March 2006 against Chief IAEA inspector Christopher Charlier. After complaints, Iran promised to fulfill its obligations under the Safeguards Agreement.
4. A detailed list of the issues at stake and their significance is in Jacqueline Shire and David Albright, "Iran's NPT Violations—Numerous and Possibly On-Going?," Institute for Science and International Security, September 29, 2006. Available online (www.isis-online.org/publications/iran/irannptviolations.pdf).
5. Editorial, "Military Fantasies on Iran," *New York Times*, April 11, 2006, p. A20.

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