

# Iran's Nuclear Policy: Russia's Perspective

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**Abstract:** Despite Iran's claim that its nuclear intentions are based strictly on developing the technology for peaceful purposes, the regime is constantly criticised – notably by the US and EU – and has come under immense pressure, resulting in debilitating international sanctions to prod the regime to be more transparent in its nuclear activities. Despite this, Russia continues to support Iran's nuclear goals. This work sheds some light on how Russia views Iran's nuclear ambitions and provides an in-depth exploration of how far Iran has moved to becoming the world's next nuclear power.

**Keywords:** Irano-Russian relations, nuclear proliferation, Bushehr, Natanz, Arak

## Introduction

As the Iranian drive for nuclear power has shifted into fifth-gear, the international political debate concerning nuclear proliferation and appropriate means of stemming it has also gathered momentum. The Iranian public views its country's joining of the nuclear club as a means of modernising and diversifying the country's energy resources and nearly all political personalities are unified on the point that Iran should continue to develop its self-proclaimed peaceful nuclear industry. On the other hand, Western governments (particularly the US and EU) are certain that Iran's nuclear programme is meant to cover the Islamic Republic's true intensions; the production of nuclear weapons. Indeed, the international community at large has begun to view Iran's nuclear programme with suspicion. This has been confirmed by recent Iranian actions which make it impossible to conduct adequate inspections that would ensure that the technology is not being diverted for weapons manufacturing.

Under these circumstances, Russia's support for Iran's nuclear programme, or its inability to prevent Iran's nuclear drive, has emerged as an important and highly symbolic cog in Moscow's Middle East and foreign policy. At the same time, the US, together with its European allies, have expended considerable

energies in protesting Russia's nuclear and missile technologies' exports including the US application of economic sanctions against Russian firms and research institutes suspected of transferring sensitive technology to Tehran. Amid criticism Russia continues to support Iran's nuclear programme. Putin's¹ 2007 visit to Tehran intensified such criticism. However, Russia pays little heed to such criticism and insists that it has the legitimate right to establish relationships with any country maintaining its international obligations. On reflection, Russia's behaviour may be induced by its continuous quest for hydrocarbon sources, to gain a stable partner to promote Russian conventional arm exports or to construct its own alliance network to strengthen its regional and international position. Whatever the reason, Russia's support has been immeasurably valuable for Iran and therefore deserves considerable exploration. This article is devoted to doing just that and examines the genesis of Russo-Iranian relations within the framework of Iran's ensuing nuclear programme.

# **Background to Iran's Nuclear Programme**

Iran's nuclear ambitions date back to the mid-1960s, under the leadership of Shah Mohammed Reza Pahlavi,<sup>2</sup> who acquired the country's first, albeit modest, nuclear capabilities from the US in the form of a small, 5-megawatt-thermal research reactor for the Amirabad Technical College in Tehran. To its credit, Iran agreed to sign the Nuclear Non-Proliferation Treaty (NPT)<sup>3</sup> in 1968 (ratified in 1970) and, in 1974, completed a comprehensive safeguards agreement with the International Atomic Energy Agency (IAEA).<sup>4</sup> Geopolitical developments in the early 1970s (i.e. the 1973 Arab-Israeli war and the subsequent oil crisis)

<sup>(</sup>Then) President of the Russian Federation, Vladimir Putin visited Tehran on 16 October 2007 to attend the 2<sup>nd</sup> Caspian Sea Summit along with the presidents of the other four countries bordering the Caspian Sea, Iran, Azerbaijan, Kazakhstan, and Turkmenistan. Putin is the first Kremlin chief to visit Iran since Soviet dictator Josef Stalin went there in 1943.

The early history of Iran's Nuclear programme draws heavily from Mark D. Skootsky, 'U.S. Nuclear Policy towards Iran,' Non-Proliferation Analysis, 1:1 (July 1995).

The Treaty on the Non-Proliferation of Nuclear Weapons, also Nuclear Non-Proliferation Treaty (NPT or NNPT) is an international treaty to limit the spread of nuclear weapons, opened for signature on 01 July 1968. There are currently 189 countries party to the treaty, five of which have nuclear weapons: the United States, the United Kingdom, France, Russia, and the People's Republic of China. Only four nations are not signatories: India, Israel, Pakistan and North Korea.

The International Atomic Energy Agency (IAEA) seeks to promote the peaceful use of nuclear energy and to inhibit its use for military purposes. The media often refers to the IAEA as 'the UN's Nuclear Watchdog.' While this describes one of the Agency's roles, it is by no means the only one. The IAEA is headquartered in Vienna, Austria. It was established as an autonomous organisation on 29 July 1957. In 1953, (then) US President Dwight D. Eisenhower envisioned the creation of this international body to control and develop the use of atomic energy, in his 'Atoms for Peace' speech before the UN General Assembly. The organisation and its Director General, Mohamed El Baradei, were jointly awarded the Nobel Peace Prize announced on 07 October 2005.

impelled the Shah's government to accelerate its nuclear programme. The Atomic Energy Organisation of Iran (AEOI), founded in 1974, announced an ambitious plan to build 23 nuclear power plants to generate some 23,000 MW of nuclear energy within 20 years. 5 US authorities and the Ford Administration, together with French and German companies, were actively engaged in Iran's nuclear programme and supplied Iran with different components needed for the nuclear fuel cycle and even trained Iranian nuclear scientists. Considerable progress was achieved in constructing two nuclear reactors in Bushehr.<sup>6</sup> While the US. France and Germany sought to assist Iran develop nuclear energy rather than nuclear weapons, the Shah was clearly interested in procuring the later. Speaking in September 1974, the Shah remarked that the 'present world is confronted with a problem of some countries possessing nuclear weapons and some not. We are among those who do not posses nuclear weapons, so the friendship of a country such as the US with it's arsenal of nuclear weapons ... is absolutely vital.'7

Although Iran received development assistance from the USSR and occasionally threatened to accept Soviet military assistance to force greater concessions from Washington, Tehran remained a strong US ally. As part of its obligations as a member of the Central Treaty Organisation (CENTO),8 the Iranian programme was, at least partly, geared toward preventing Soviet intervention in the Middle East. At the time Iran shared a long northern border with the Soviet Union and feared Soviet invasion of its oilfields. In fact, following the Soviet invasion of Afghanistan in 1979, the Carter Administration feared just such a move into Iran. When a Soviet invasion appeared likely

To illustrate, a typical 1,000 MW reactor can provide enough electricity for a modern city of close to one million people. Iran's population is now almost 70 million, considerably up from the approximately 30 million in the mid-1970s.

Būshehr, a city in south-western Iran, is located on the Persian Gulf. In 1975 the Iranian government began building a nuclear power plant at Būshehr. This facility was only partially completed when it was bombed by Iraq during the Iran-Iraq War (1980-1988). When Germany, the initial backer of the plant, declined to complete it after the war, in 1995, however, Russia signed an agreement to finish the plant.

As quoted in Alvin J. Cottrell and James E. Dougherty, 'Iran's Quest for security: U.S. Arms Transfers and the Nuclear Option,' Institute for Foreign Policy Analysis, Foreign Policy, May 1977. p. 3.

The Central Treaty Organisation (CENTO), was a collective defence and security organisation that functioned between 1959 and 1979. It evolved from the earlier Middle East Treaty Organisation (METO), which in turn had succeeded the Baghdad Pact of 1955. The purpose of the organisation was to provide joint defence against possible aggressors and to encourage the economic and scientific development of the member state: Iran, Pakistan, Turkey, and the United Kingdom. The name CENTO was adopted in 1959 after Iraq withdrew from the Baghdad Pact; CENTO referred to a central area between regions included in the North Atlantic Treaty Organisation, to which Turkey belongs, and the now defunct Southeast Asia Treaty Organisation, of which Pakistan was a member. Its headquarters, originally established in Baghdād, was moved to Ankara, Turkey, after the pro-Western Iraqi government was overthrown in 1958.

in August 1980, the US allegedly considered using tactical nuclear weapons in response.<sup>9</sup>

These nuclear activities were halted and all assistance from the West was effectively halted during and after the political turmoil in Iran in the late 1970s, which resulted in the overthrow of the Shah's regime. The new Islamic regime, led by Supreme Leader Ayatollah Ruhollah Khomeini showed little interest in their predecessors' nuclear power aspirations and many of Iran's top nuclear scientists had fled the country. As a result of the war with Iraq, which began in 1980, the constructions at Bushehr were bombed and destroyed while Israel's 1981 bombing of Iraq's Osirak nuclear facility, may have also provided disincentives for Tehran to develop its nuclear programme further.

In 1983, Iran declared a recommencement of its nuclear programme with the help of India and China. The weapons research side of Iran's nuclear activities seems to have continued uninterrupted by the revolution. Tehran developed long-term cooperation agreements with Pakistan (in 1987; in mid-1990s, Iran also acquired components of P-1 centrifuges and blueprints of more advanced P-2 centrifuges from the A. Q. Kahn network) and China (several agreements between 1990 and 1992). China provided Iran with small research reactors, laser enrichment equipment, conversion technologies, and even shipped more than a tonne of natural uranium to Iran. China also reportedly trained Iranian nuclear technicians and engineers. In 1992, Beijing was persuaded by Washington to suspend its assistance to Iran.

The newfound Islamic Republic had ended the Shah's alliance with the US and actively sought to redefine its national character and international roles in opposition to the former state of affairs, declaring the US to be an enemy of Islam and Iran. This occurred at roughly the same time as Ayatollah Khomeini deemed Islam to be incompatible with communist ideals. Thus, despite Tehran's shift away from the US, it did not turn toward the USSR for international support. As a result, the possibility of superpower intervention in Iran – most likely to secure access to its oil supplies – increased significantly as both sides in the Cold War now viewed Tehran as a hostile regime. Fear of such an invasion provided ammunition to supporters of an Iranian nuclear deterrent.

During the Iran-Iraq war, the USSR supplied Saddam with conventional weapons, increasing the ability of Iraq to prolong its military efforts and increasing suspicion in Iran of the USSR's intentions. During the war Iran made repeated attacks against Iraq's Osirak reactor while Iraq struck the Iranian

<sup>9 &#</sup>x27;U.S. Officials Discussed Using Tactical Nuclear Weapons,' The Associated Press, 26 August 1986, and 'Powell Says Carter Discussed Using Low-Yield Nuclear Weapons,' The Associated Press, 28 August 1986.

<sup>&#</sup>x27;Massive Investment planned to Spur Self-Sufficiency,' Middle East Executive Reports, Volume 6, Number 3, March 1983. p. 17.

nuclear reactor at Bushehar some seven times between 1984 and 1988. 11 None of these attacks were severe enough to actually halt Iran's attempts to develop nuclear weapons, and only served to delay them.

Following the Iran-Iraq war (1988), Tehran begun a massive military restructuring and rearmament programme. Continuing fears of Israeli and Iraqi nuclear programmes pushed Iran to seek nuclear related technology from different countries

In the early 1990s, two significant international events affected Iranian national security. The first was the fall of the USSR that pushed the former superpower back from Iran's border and reduced the chances of an invasion into Iran. Ironically, the end of the Soviet threat increased the threat from the US since Washington would not be deterred intervening in Iran since its superpower rival's presence had faded from the region. Secondly, the Iraqi invasion of Kuwait (1990) and the subsequent Operation Desert Storm (1991), altered Iranian international perceptions. These events contributed to the new dimension of Iran's nuclear policy as well as Tehran-Moscow relations.

# Russia's Perspective on Iran's **Nuclear Programme**

With the fall of the USSR, Tehran-Moscow relations experienced a sudden boost in diplomatic and commercial activities, and Iran soon began purchasing weaponry from Russia. By the mid-1990s, Russia had agreed to continue working on developing Iran's nuclear programme and designed to assist Iran in acquiring full nuclear fuel cycle capabilities. This is ironic since Moscow was one of the principal threats against which Iran began its nuclear weapon programme in the first place. From the beginning of the 1990s, Russia formed a joint research organisation with Iran called *Persepolis* which provided Iran with Russian nuclear experts and technical information. Iran in turn, a selfproclaimed advocate of Muslim national rights (such as in Lebanon and the Palestinian Territories) was largely silent while Russia waged two wars against Muslim Chechnya. In January 1995, Iran and Russia signed a contract to jointly construct the first unit at Bushehar to be delivered by the end of 2002. The reactor was meant to become operational in 2004.<sup>12</sup>

<sup>&</sup>lt;sup>11</sup> Barry R. Schneider, 'Radical Responses to Radical Regimes: Evaluating Preemptive Counter-Proliferation,' Institute for National Strategic Studies, National Defence University, McNair Paper 41, May 1995, p. 15.

<sup>12 &#</sup>x27;First Unit of Bushehar Nuclear Power Plant to be Delivered Next Weak,' The Tehran Times, 15 November 2002.

Table 1: Russian Nuclear Exports to Iran<sup>13</sup> (before 1999)

Category	Status	Export	Manufacturer	Exporter	Recipient
Reactors	Ongoing	one VVER-1000 light-water power reactor	Zarubez- hatomenergo- stroy	Minatom	Bushehr Nuclear Power Plant
	Under Negotiation	three additional power reactors	Zarubez- hatomenergo- stroy	Minatom	Bushehr Nuclear Power Plant
	Under Negotiation	one 30-50 MW research reactor	Zarubez- hatomenergo- stroy	Minatom	Atomic Energy Agency of Iran
	Under Negotiation	one 40 MW heavy-water research reactor	Probably Zaru- bezhatomener- gostroy	Scientific Reseach and Design Institute of Energy Technologies (NIKIET)	Unknown
	Unknown	one APWS-40 desalinisation plant	Experimental- Machine Building Design Bureau (OKBM)	Minatom	Unknown
Enrichment, mining, and milling	Under negotiation	uranium conversion facility	unknown	NIKIET and Mendeleev University of Chemical Technology	unknown
	Cancelled	gas centrifuge plant	unknown	Minatom	Atomic Energy Agency of Iran
	Unknown	assistance to mining and milling operations	unknown	unknown	alleged facilities in Yazd province

<sup>&</sup>lt;sup>13</sup> Fred Wehling, 'Russian Nuclear and Missile Exports to Iran,' *The Nonproliferation Review*, winter 1999, Vol. 6:2. p. 135.

Nuclear Materials	Planned	LEU fuel rods for VVER-1000 reactor	Novosibirsk Chemical Concentrate Plant	Minatom	Bushehr Nuclear Power Plant
	Unknown	2,000 tons of natural uranium	unknown	Minatom	unknown
Training and know-how	Ongoing	training for physicists and technicians	n/a	Kurchatov Institute and Novovoron- ezh Nuclear Power Plant	Bushehr Nuclear Power Plant

Regarding it's nuclear policy, as part of a deal brokered by Britain, France, and Germany, Iran finally yielded on 21 October 2003, to intense international pressure and agreed to sign the Additional Protocol to NPT, which allows the IAEA short-notice access to its nuclear power facilities. Tehran also consented to providing an account of all its nuclear-related activities and to suspend its highly controversial uranium enrichment programme. However, this accord, signed after intense diplomatic pressure, hardly affected Iran's drive for a nuclear fuel cycle programme. To prevent the appearance of another nuclear weapons state, it is critically important that the international community seal the external channels that provide nuclear technologies which enhance Iran's capability to acquire nuclear weapons. This requires effective policies toward Tehran's most active suppliers. In dealing with the most prominent of these, Russia, the dialogue over this issue has so far been a near fiasco for the international non-proliferation strategy.

The dramatic outcome of Operation Iraqi Freedom (2003),14 despite continuing post-war reconstruction and reconciliation, altered approaches to key foreign policy issues, such as traditional arms control and non-proliferation. The immediate consequences also influenced the Middle Eastern political landscape due to 'New Middle East doctrine' and in particular Iran.

Even though Bush has since been replaced by Obama, the question of what will happen to the other members of the 'axis of evil?' Are Iran and North Korea technically 'off the hook' due to the embarrassing turmoil in Iraq, which

<sup>&</sup>lt;sup>14</sup> In March 2003, US-led forces invaded Iraq with the goals of removing Saddam Hussein from power and destroying the country's alleged stockpiles of illicit weapons. When Baghdad fell to US forces in April, Hussein's regime crumbled and he went into hiding. Following the US invasion, no weapons of mass destruction were found. US intelligence officials concluded that Iraq had dismantled its biological, chemical, and nuclear weapons programmes.

<sup>&#</sup>x27;Axis of evil' was a term used by (then) US President George W. Bush in his State of the Union Address on 29 January 2002 to describe governments he accused of sponsoring terrorism and seeking weapons of mass destruction. Bush named Iraq, Iran, and North Korea in his speech.

revealed the hazards of regime change? Will the nuclear programmes of these states continue and will there be major international consequences for them? And how will these issues affect Russia, whose nuclear assets and expertise might be available to such countries?

After 9/11, US-Russian bilateral relations progressed remarkably well. Even though Moscow is no longer seen as a significant military threat to the US, concerns about the potential spill-over of critical weapons of mass destruction (WMD) and related technologies from Russia are still bedevilling the minds of Western strategic planners and non-proliferation experts. American anxieties are intensified in times of instability in US-Russian relations that continue to be challenged by Moscow's periodic efforts to demonstrate independence and global clout. Though generally inclined to promote good relations with the West, which is vital for its economic well-being and development, Russia still has yet to shirk off its Soviet-era policy of external arms and technology transfers and aid to rogue states and countries of proliferation concern. This policy continues despite the fact that these traditional clients are declared enemies of the US, a purported strategic partner.

It is notable that the USSR had established agreements with Western nations to limit armaments, and Russia inherited both the START I,16 (1991), and the Conventional Forces in Europe (CFE) agreements. The START II treaty – an additional agreement between the US and Russia to significantly reduce nuclear arms - was signed in 1993 but was never ratified by Russia. In 2002 the two countries agreed to a new arms-reduction treaty requiring both to reduce their nuclear-weapons arsenals by two-thirds over a period of ten years. In the early and mid-1990s there was significant decline in the export of Russian arms and military advisers to developing countries, but arms exports had begun to rise by the late 1990s. The increase reflected a desire for commercial gain, however, rather than a strategy to gain political influence in support of a global struggle against the US, as had been the case during the Soviet era. Russia's inability to secure larger investments from the West is influenced by the country's internal problems; rampant corruption, bureaucratic mismanagement, and crumbling socio-economic infrastructure which lie behind the facade of steady growth. The economic shortfall here then provides an additional incentive for Russia to argue that they need to sell sophisticated weaponry and dual-use items to states like China, India, Syria, and Iran as legitimate trade operations. There should be no problem in doing this, Russia claims, as it pledges strict observance of non-proliferation and export control treaties. In any case, these weapons systems and technology find few eager or legal customers in the West or Western-aligned countries.

The rationale for these connections is not solely economic. Moscow is promoting its own network of alliances, ostensibly to offset US unilateralism.

<sup>&</sup>lt;sup>16</sup> START refers to the Strategic Arms Reduction Treaty.

Indeed, Russia has regained much ground, even if it still falls short of the international role it enjoyed during the existence of the USSR. In this pattern, Iran is emerging as the exemplar for Russia's global positioning in the 21st century as well as in the US-Russian bilateral dialogue. This is especially true with regards to the nuclear issue, an area where Moscow has historically tried to appear as the leading protagonist, though it has often bent existing international norms. 17 While recognising that Iran is an important geopolitical ally, Russian politicians tend to carefully weigh the costs of any moves regarding ties with Tehran. Moscow's nuclear cooperation with Iran, which Russian officials pledge is exclusively confined to civilian nuclear plant construction, has emerged as the most conspicuous issue in which the Russian leadership attempts to establish its own foreign and strategic policy. 18 During a 2002 visit to Iran, Russian First Deputy Foreign Minister Vyacheslav Trubnikov said, 'Russia does not accept President George W. Bush's view that Iran is part of 'an axis of evil." There are several key reasons for this approach. First, Russia, despite the statements of its experts and politicians, has never been seriously concerned with the military threat emanating from WMD development in the Third World, aside from China. Therefore, politically correct declarations from Moscow's dignitaries should be seen more as a tribute to the international consensus on promoting non-proliferation regimes rather than an expression of actual strategic awareness or sincere concern.

The Russian military, though wary of any nascent nuclear/missile potential in contiguous countries, has realised that these build-ups are oriented against regional rivals, and the US military presence (including in Afghanistan and Iraq). This is partly explained by the fact that, similar to other client states of the former USSR such as: North Korea, Libya, Syria and Iraq, Tehran has been pragmatically regarded in Moscow as an important regional counterpart, if not potential ally, and a vast market for Russian military-related technologies. Especially due to the worldwide decline in demand on the world armaments' markets and the decline of Russia's military-industrial complex, Moscow feels compelled to develop relations with such current or prospective buyers of costeffective Russian weapons such as Iran, China, India and Syria. Accordingly, Russia has become the largest exporter of conventional arms since 2001, responsible for some 36 percent of all global arms transfers in 2009. Most of the armaments exported are, technologically speaking, relatively unsophisticated. Thus while other countries can compete well on the open market, Russia's strategy has been to sell lower quality weapons at considerably lower prices. and to do so means selling to poorer client states, some of whom are inevitably going to be rogue regimes. Thus, the overall proliferation-prone forays of the

<sup>&</sup>lt;sup>17</sup> Stephen Blank, 'Russia: Proliferation Personified,' *Asia Times*, April 17, 2003.

<sup>&</sup>lt;sup>18</sup> Ivan Safranchuk, 'The Nuclear and Missile Programs of Iran and Russian Security,' Scientific Papers, No. 8, PIR Center, May 1999.

<sup>&</sup>lt;sup>19</sup> 'Russia, EU Oppose Inclusion of Iran on 'Axis of Evil List,' *Tehran Times*, July 21, 2002.

Russian defence and high-tech enterprises are ultimately the result of the poor state of the Russian manufacturing industry, which still lags far behind the country's booming oil and gas-pumping sector on which the national economy basically survives.

Russia, under Putin's leadership, promoted a different course of developing traditional strategic and economic ties with China and India or such former Moscow clients as Iran, Syria, and North Korea, while maintaining only conditional token cooperation with Washington. It attempted to lobby its position through a 'class-friendly' faction of KGB veterans in Putin's entourage. It seems that the members of this faction are driven not only by the desire to ensure purely economic benefits for the survival and expansion of the ailing Russian defence enterprises, but they are also driven by an inbred animosity towards the US. This group sees the US as Russia's main adversary from the Cold War era and an alleged impediment to Russia's great power revival. The defence industry, secret services, and the disgruntled military's mistrust of the goals of US foreign and military policy – perceived as being ultimately anti-Russian – leads them to conclude that Washington is attempting to impose arbitrary restraints on Russian exports of high technologies in order to stymie their country as a competitor for influence in the Commonwealth of Independent States (CIS).<sup>20</sup> Moreover, persistent calls by Washington to terminate Russian exports to Iran were portrayed by these circles as motivated by the desire of US corporations to save future opportunities in the Iranian market for themselves. To prove this, they cited the writings of such foreign policy gurus as Henry Kissinger, Zbigniew Brzezinski, and Brent Scowcroft that advocated closer ties with the putatively reformist Iranian political elite.<sup>21</sup>

Russian cooperation with Iran in developing its nuclear technology, as well as its suspected aid in developing Iranian missiles, led to one of the rare difficult moments during the Moscow-St. Petersburg summit in May 2002. Russia resolutely denied any wrongdoing and pledged that its cooperation with Iran was strictly within the limits of its international obligations and in compliance with international law to control the proliferation of both nuclear weapons and ballistic missiles.<sup>22</sup> Putin remarked that Western companies, not Russian entities, had furnished Iran with missile and nuclear technology. As Putin rightly pointed out, 'The United States has taken on the obligation of building a nuclear power station identical to the one in Bushehr in North Korea.'<sup>23</sup> At the same time, he has suggested pressuring Iran to allow further and more extensive

<sup>&</sup>lt;sup>20</sup> CIS generally refers to Commonwealth of Independent States.

<sup>&</sup>lt;sup>21</sup> Brent Scowcroft, 'An Opening to Iran,' Washington Post, 11 May 2001.

See, for example, *Interfax*, 26 September 1997, in 'Yeltsin Rejects US Nuclear, Missile Iran Transfer Charge,' *FBIS-SOV-97-269*; Mikhail Kirillin, *Rossiyskaya gazeta*, 20 May 1998; and the statement by Foreign Ministry spokesman ,Vladimir Rakhmanin, *Interfax*, 02 December 1998

<sup>&</sup>lt;sup>23</sup> Ron Hutcheson, 'Putin Offers Inspectors in Iran,' *Philadelphia Inquirer*, 27 May 2002.

international inspections of the Russian-built nuclear reactor there. The issue of enticing Iran into accepting further IAEA inspection commitments to their nuclear facilities was reiterated at the St. Petersburg 2003 festivities.<sup>24</sup> Moscow continued to vehemently deny all direct US accusations of government sponsored nuclear and missile technology transfers to Iran that would be in violation of its international non-proliferation obligations. These assurances by Russia have, however, been repeatedly questioned. Further arguments appeared when reports surfaced in early 1998 that the Russian FSB was in fact coordinating clandestine missile technology transfers to the Iranians; allegations denied by Russian officials. The well-developed missile industry of Iran is supposed, along with Russian-supplied aircraft to provide reliable carriers for potential nuclear warheads. Furthermore, the mere existence of the Shihab-3 missile program, with its 1300 kilometre range and relatively poor accuracy (Circle of Error Probable 1-3km), implies that it is most likely meant to carry a strictly WMD payload. Moscow has always declared that no infringements of the MTCR have been committed, but did admit the existence of 'individual contacts' between Iranian and Russian entities. Through it all, Russia refuse to be shut out of the lucrative market of missile technologies.

Regarding Russia's nuclear cooperation with Iran, Putin is, perhaps, quite correct when he underscored that 'As far as energy is concerned, it focuses exclusively on economic issues.<sup>25</sup> Russia generated up to \$10 billion (USD) from its Bushehr deal and arms sales to Iran, even if it is currently building the reactor on credit to be paid by Iran only after the completion of the project. Sanctions and admonitions will not change Russia's relationship with one of the most demonised states in the US's 'axis of evil' if no substitute is provided by the US.

In the meantime, Moscow and Tehran have worked hard in recent months to successfully resolve their squabble over the construction schedule of the Bushehr nuclear power plant. The first consignment of nuclear fuel for Bushehr from Russia under the IAEA safeguards arrived in Tehran on 17 December 2007 (re: it was meant to go online in 2004). So, no doubt the door was open for deeper Russian involvement in Iran's ambitious programme for civil nuclear energy. But nuclear energy is not the be-all and end-all of Russo-Iranian cooperation. Iran is a crucially important interlocutor for Russia in the field of energy. The Bushehr settlement was a necessary prerequisite for the trust and mutual confidence essential for fuller Russo-Iranian cooperation was to become a reality. Evidently, Moscow is hastily positioning itself for an important event on the energy scene in the coming years; Iran's entry as a gas-exporting country. In this context, Moscow was expected to make robust efforts to coordinate with Iran

<sup>&</sup>lt;sup>24</sup> Sabrina Tavernise, 'Russia Presses Iran to Accept Scrutiny on Nuclear Sites,' New York Times, 30 June 2003.

<sup>&</sup>lt;sup>25</sup> Ron Hutcheson, 'Putin Offers Inspectors in Iran,' *Philadelphia Inquirer*, May 27, 2002.

over its oil and gas output and exports. Hence, Putin's historic visit to Tehran – the first-ever bilateral visit by a Russian leader – Tsarist or Bolshevik – falls into perspective as a landmark event in the geopolitics of energy.

# **Iran's Current Nuclear Capacities**

Iran has progressed remarkably quickly in achieving nuclear power and most likely will be the world's next nuclear state. Iran does not currently have nuclear weapons, and would appear to be about two years away from acquiring them. The current nuclear programme is headed by the president, the commander of the Iranian Revolutionary Guard Corps (IRGC), the head of the Defence Industries Organisation, and the head of Iran's Atomic Energy Organisation (IAEO). These leaders continue the pursuit of WMD's and support Chemical, Biological, and Nuclear programmes against all pressures from the US and its allies. By some accounts by 2006, Iran may have been producing fissile material for atomic bombs using both uranium enriched at Natanz and plutonium produced at Arak. The Natanz facility might produce enough uranium for about five bombs every year, and the Arak facility might produce enough plutonium for as many as three bombs every year. Iran's first nuclear power plant, Bushehr 1, was inaugurated on 25 February 2009 was attended by Iranian and Russian nuclear officials, including the head of Moscow's nuclear agency, Sergei Kiriyenko. Russia insists that the Bushehr plant is purely civilian and cannot be used to make bombs. The 1000-megawatt reactor is not expected to come into proper operation until later this year (2010).

There are no current plans to complete the Bushehr II reactor, although the construction of 19 nuclear power plants is envisaged. Currently, the Iranian nuclear power plants are scattered at 16 locations throughout the country. These are: Arak, Anarak, Ardakan, Bonab, Bushehr, Chalus, Darkhovin, Isfahan, Karaj, Lashkar Abad, Lavizan, Natanz, Parchin, Savand, Tehran, and Yazd. Iran has announced that it is working on a new 360 MW nuclear power plant to be located in Darkhovin. Iran has also indicated it that it will seek more medium-sized nuclear power plants and uranium mines for the future. Iran is continuing work on a fuel manufacturing plant that, when complete, is to produce fuel for the Arak and Darkhovin reactors. The plant has produced fuel rods and appears to be nearly complete.

<sup>&</sup>lt;sup>26</sup> 'Iran Plans 19 Nuclear Power Plants,' FOX News, 24 December 2007.

<sup>27 &#</sup>x27;Aqazadeh: Iran Heralds Peaceful Nuclear Program,' Islamic Republic News Agency, 08 April 2008.

<sup>&</sup>lt;sup>28</sup> Implementation of the NPT Safeguards Agreement and Relevant Provisions of Security Council Resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1835 (2008) in the Islamic Republic of Iran, Report by the Director General, GOV/2009/35, June 5, 2009.

#### **Uranium Enrichment**

Iran has a pilot centrifuge facility and a larger commercial facility, both located at Natanz. The latter is eventually to hold more than 47,000 centrifuges.<sup>29</sup> Former Vice President Gholamreza Aghazadeh, who also headed IAEO until July 2009, explained in February 2009 that Iran's goal is to install all of them by 2015.30 Iran began enriching uranium in the facility after mid-April 2007; as of 30 October 2009. Tehran had produced an estimated total of 1.763 kilograms of low-enriched uranium hexafluoride containing less than 5% uranium-235.31 This quantity of LEU, if further enriched, could theoretically produce enough HEU for a nuclear weapon.<sup>32</sup> However, an Iranian attempt to enrich this LEU would likely be detected by the IAEA. According to El Baradei's November 2009 report, Iran was, as of 02 November, feeding uranium hexafluoride into 24 cascades (3.936 centrifuges) of first generation (IR-1) centrifuges and is operating at least another 12 cascades (1.968 centrifuges) without feedstock. Tehran is also installing and testing additional IR-1 centrifuges in the facility.<sup>33</sup>

The head of IAEO, Ali Akbar Salehi, suggested during a 22 September 2009, press conference that Iran would slow down its installation of centrifuges at Natanz and 'focus on research and development dimension in order to improve the quality of our productions.'34 Iran is testing two other types of more advanced centrifuges in a pilot facility, which could increase the commercial facility's enrichment capacity.<sup>35</sup> In addition to its centrifuge work, Iran produced approximately 541 metric tons of uranium hexafluoride between March 2004 and 10 August 2009.<sup>36</sup> Prior to 2009, Tehran apparently improved its ability to produce centrifuge feedstock of sufficient purity for light-water

<sup>&</sup>lt;sup>29</sup> GOV/2008/15. According to this report, Iran is planning to install 16 cascade units, each containing 18 164- centrifuge cascades. Tehran has previously told the agency that it intends to install over 50,000 centrifuges. See: Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran, Report by the Director-General, GOV/2004/83. Gholamreza Aghazadeh, who headed Iran's Atomic Energy Organisation, also said in February 2009 that Iran would install 50,000 centrifuges ('Iran to Follow Nuclear Timetable Regardless of IAEA Reports - Official,' Islamic Republic of Iran News Network, 25 February 2009).

<sup>&</sup>lt;sup>30</sup> Islamic Republic of Iran News Network, 25 February 2009.

<sup>31</sup> GOV/2009/74.

<sup>32</sup> The IAEA term for this amount of uranium is 'significant quantity,' defined as the 'approximate amount of nuclear material for which the possibility of manufacturing a nuclear explosive device cannot be excluded.' That amount is 25 kilograms of uranium-235. Some types of weapons could be developed using less uranium-235.

<sup>33</sup> GOV/2009/74.

<sup>&</sup>lt;sup>34</sup> 'Iran Scientists Build New Generation of Centrifuges - Nuclear Official,' Islamic Republic News Agency, 22 September 2009.

<sup>35</sup> GOV/2009/74. A June 2009 report from El Baradei stated that Iran was testing four other more-advanced centrifuges.

<sup>36</sup> Based on data from GOV/2009/74.

reactor fuel.<sup>37</sup> However, Iran's ability to operate its centrifuges appears to have improved, although, as of June 2009, its IR-1 centrifuges continued to run below design capacity.<sup>38</sup> A report to Congress submitted by the Deputy Director for National Intelligence described the amount of LEU that Iran produced in 2008 as a 'significant improvement' over the amount it had produced in 2007.<sup>39</sup>

Moreover, a June 2009 ISIS report points out that, based on data from El Baradei's report issued that month, Iran has improved its daily rate of LEU production by 20%. 40 It is also worth noting that Iran's ability to produce additional feedstock for centrifuges may be hindered by its dwindling supply of uranium oxide; Tehran is apparently running out of foreign supplied uranium oxide and, although Iran is producing more of the material from indigenously mined uranium, 41 it had not yet transferred any indigenously produced uranium oxide to its uranium conversion facility as of June 2009. 42 The 2007 NIE Stated that 'centrifuge enrichment is how Iran probably could first produce enough fissile material for a weapon, the earliest possible date Iran would be technically capable of producing enough HEU for a weapon is late 2009. '43 This date, however, 'is very unlikely,' the estimate says, adding that 'Iran probably would be technically capable of producing enough HEU for a weapon sometime during the 2010-2015 timeframe.' Some independent experts have published estimates for the amount of time necessary for the Natanz facility to produce enough HEU for a weapon.<sup>44</sup> However, the 2007 NIE states that Iran 'probably would

<sup>&</sup>lt;sup>37</sup> IISS Strategic Comments, 'Nuclear Iran: How Close Is It?,' September 2007, available at <a href="http://www.iiss.org/">http://www.iiss.org/</a> publications/strategic-comments/past-issues/volume-13-2007/volume-13-issue-7 / nuclear-iran/>; Paul Kerr, 'Iran Continues Security Council Defiance,' Arms Control Today, June 2007; analyst interview with State Department official 28 October 2008.

Analyst interview with US official, 25 June 2009.

Junclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, Covering 1 January to 31 December 2008. Available at <a href="http://www.dni.gov/reports/Unclassified%20Report%20to%20Congress%20WMD%20Covering%201January%20to%2031%20December%202008.pdf">http://www.dni.gov/reports/Unclassified%20Report%20to%20to%2031%20December%202008.pdf</a>.

David Albright and Jacqueline Shire, IAEA Report on Iran: Centrifuge and LEU Increases; Access To Arak Reactor Denied; No Progress on Outstanding Issues, June 5, 2009. Available at: <a href="http://isis-online.org/publications/iran/Iran">http://isis-online.org/publications/iran/Iran</a> IAEA Report Analysis 5June 2009.pdf>.

<sup>&</sup>lt;sup>41</sup> David Albright, Jacqueline Shire and Paul Brannan, 'Is Iran Running Out of Yellowcake?' *Institute for Science and International Security*, 11 February 2009, available at: <a href="http://isis-online.org/publications/iran/Iran\_Yellowcake.pdf">http://isis-online.org/publications/iran/Iran\_Yellowcake.pdf</a>; Barak Ravid, 'Israel Slams Clinton Statement on Nuclear Iran,' *Haaretz*, 22 July 2009; Mark Fitzpatrick, Statement before the Senate Committee on Foreign Relations, 03 March 2009.

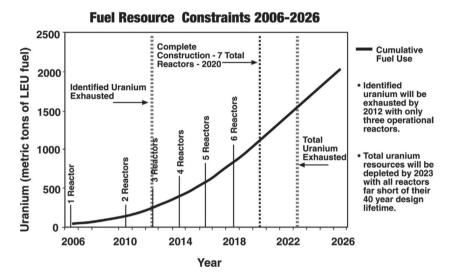
<sup>&</sup>lt;sup>42</sup> Analyst interview with US official, 25 June 2009.

<sup>43</sup> This time-frame describes the point at which Iran could have enough HEU for a weapon, rather than when Iran could start producing HEU.

<sup>&</sup>lt;sup>44</sup> See, for example, R. Scott Kemp and Alexander Glaser, 'Statement on Iran's Ability to Make a Nuclear Weapon and the Significance of the 19 February 2009 IAEA Report on Iran's Uranium-Enrichment Program,' March 2, 2009, available at: <a href="http://www.princeton.edu/~rskemp/can-iran-make-a-bomb.pdf">http://www.princeton.edu/~rskemp/can-iran-make-a-bomb.pdf</a>; R. Scott Kemp, 'Update On Iran's Ability to Make a Nuclear Weapon and the Significance of the 5 June 2009 IAEA Report on Iran's

use covert facilities – rather than its declared nuclear sites – for the production of highly enriched uranium for a weapon.' Indeed, it is very difficult to divert without detection significant amounts of nuclear material from centrifuge facilities under IAEA safeguards. Although Tehran could end its cooperation with the IAEA and use its declared centrifuge facilities to develop fissile material. such an action would be virtually unprecedented.45

Figure 1: Iran's Planned Reactor Construction and Uranium Resource Constraints46



#### **Plutonium**

In 2003, Iran acknowledged to the IAEA that it had conducted plutoniumseparation experiments – an admission which aroused suspicions that Iran could have a programme to produce plutonium for nuclear weapons. The IAEA, however, continued to investigate the matter, and El Baradei reported in August 2007 that the agency has resolved its questions about Iran's plutonium

Uranium-Enrichment Program,' 17 June 2009; Albright and Shire, 05 June 2009; and David Albright, Paul Brannan, and Jacqueline Shire, Nuclear Weapon Breakout Scenarios: Correcting the Record, 18 March 2009, available at: <a href="http://www.isisnucleariran.org/assets/pdf/">http://www.isisnucleariran.org/assets/pdf/</a> Correcting the Record.pdf>.

<sup>&</sup>lt;sup>45</sup> No state in good standing with the IAEA has ever used this tactic. North Korea restarted its nuclear weapons programme after announcing its withdrawal from the NPT in 2003, but the IAEA has never completed an assessment of that country's nuclear activities.

<sup>&</sup>lt;sup>46</sup> Thomas W. Wood, Matthew D. Milazzo, Barbara A. Reichmuth, and Jeffrey Bedell, 'The Economics of Energy Independence for Iran,' The Nonproliferation Review, 14:1, March 2007. p. 95.

activities.<sup>47</sup> The 2007 NIE stated that 'Iran will not be technically capable of producing and reprocessing enough plutonium for a weapon before about 2015.' But, as noted above, Iran says that it does not plan to engage in reprocessing, and reports from El Baradei have noted that the IAEA has found no evidence that Iran is engaging in any such activities.

## The Qom Facility<sup>48</sup>

Despite the intelligence assessment, in September 2009, Iran revealed that it was constructing a new gas-centrifuge-based enrichment facility. Tehran provided some details about the facility to the IAEA in a 21 September 2009, letter. Four days after the IAEA received the letter officials from the US. Britain, and France revealed that they had previously developed intelligence on the facility and the three governments promptly provided a detailed intelligence briefing to the IAEA. According to the 25 September 2009. Obama Administration Talking Points, there was an accumulation of evidence earlier in 2009 that the facility was intended for enriching uranium. Some of this evidence apparently indicated that Iran was installing the infrastructure required for centrifuges earlier that year. US officials have not said exactly when Iran began work on the facility, which is 'located in an underground tunnel complex on the grounds of an Islamic Revolutionary Guard Corps' base near the Iranian city of Oom. 49 According to El Baradei's November 2009 report, Iran had informed the IAEA that construction on the site began in the second half of 2007. Iranian officials have said that the facility is for peaceful purposes and that Tehran has acted in accordance with its international obligations. The letter to the IAEA described the facility as a 'new pilot fuel enrichment plant' that would produce uranium enriched to no higher than 5% uranium-235.50 Tehran plans to install approximately 3,000 IR-1 centrifuges and is constructing support buildings at the facility. According to the US, Tehran will not be able to begin enriching uranium in the facility before 2011 which is confirmed by Iranian officials who told the IAEA that the plant 'is planned to be operational in 2011.'51 Iranian officials have denied that they have other undisclosed enrichment-related

<sup>&</sup>lt;sup>47</sup> Iran, Report by the Director General, GOV/2007/48, 30 August 2007.

<sup>&</sup>lt;sup>48</sup> Unless otherwise noted, this section is based on Iran's 21 September 2009 letter to the IAEA and 25 September background briefings from US officials, along with associated talking points

<sup>&</sup>lt;sup>49</sup> Despite its location, the US assesses that Iran's Atomic Energy Organisation is responsible for the facility's 'development.'

<sup>&</sup>lt;sup>50</sup> For more information, see: Paul K. Kerr, CRS Report R40094, *Iran's Nuclear Program: Tehran's Compliance with International Obligations*.

<sup>51</sup> GOV/2009/74.

facilities<sup>52</sup> and no British, French, or US officials have disclosed evidence of such Iranian facilities

#### The Arak Reactor

Iran says that its heavy-water reactor, which is under constructed at Arak, is intended for the production of medical isotopes. According to a 05 May 2008, presentation by Ambassador Ali Asghar Soltanieh, Iran's Permanent Representative to the IAEA, the reactor is to substitute for an 'outdated' LEU-fuelled research reactor in Tehran that has been in operation since 1967.<sup>53</sup> In addition, Iran will be able to operate the reactor with natural uranium, which means that it will not be dependent on supplies of enriched uranium. Salehi stated on 26 September 2009, that the reactor would be operational within the next three or four years. 54 Iran also has a plant for producing heavy water. According to El Baradei's June 2009 report, satellite imagery indicates that the plant has been 'operating intermittently' since February 2009. El Baradei's report from that month stated that the plant was 'in operational condition,' but his two more recent reports stated that the plant appears not to be operating. El Baradei's November 2009 report states that IAEA inspectors 'observed 600 50-litre drums said by Iran to contain heavy water.' The agency has asked Tehran to 'confirm the number of drums and their contents, and to provide information on the origin of the heavy water reactor at Arak.'

#### The Bushehr Reactor

Iran constructed a 1,000 MW nuclear power reactor moderated by light water near the city of Bushehr. The original German contractor, which began constructing the reactor in 1975, abandoned the project following Iran's 1979 revolution. Russia agreed in 1995 to complete the reactor, but the project has since encountered repeated delays. In February 2005, Moscow and Tehran concluded an agreement stating that Russia would supply fuel for the reactor for 10 years. Atomstrovexport sent the first shipment of LEU fuel to Iran on 16 December 2007, and the reactor received the last shipment near the end of January 2008. The fuel, which is under IAEA seal, will contain no more than

<sup>52</sup> See, for example, 'Press Conference with Manouchehr Mottaki, Minister for Foreign Affairs of The Islamic Republic of Iran,' Federal News Service, 01 October 2009.

<sup>53 &#</sup>x27;Iran's Exclusively Peaceful Nuclear Programs and Activities,' Briefing for NGOs, 05 May 2008, available at: <a href="http://www.reachingcriticalwill.org/legal/npt/prepcom08/WP/">http://www.reachingcriticalwill.org/legal/npt/prepcom08/WP/</a> iran briefing, pdf>. Despite this claim, Iranian officials stated in September 2009 that Iran needs to obtain more LEU fuel for the reactor. See 'Iran Scientists Build New Generation of Centrifuges,' 22 September 2009.

<sup>&</sup>lt;sup>54</sup> Vision of the Islamic Republic of Iran Network 2, 26 September 2009.

3.62% uranium-235, according to an Atomstroyexport spokesperson.<sup>55</sup> Iranian and Russian officials had said that the reactor would begin operating by the end of 2009,<sup>56</sup> but Russian Minister of Energy Sergei Shmatko stated on 16 November 2009, that the reactor would not start up this year.<sup>57</sup> It is widely believed that Moscow may be delaying the project in order to increase political pressure on Iran to comply with the Security Council resolutions, although both Russian and Iranian officials have attributed the current delay to technical issues.

The US had previously urged Moscow to end work on the project, citing that it could aid an Iranian nuclear weapons programme by providing the country with access to nuclear technology and expertise. Moscow also argues that the reactor will not pose a proliferation risk because it will operate under IAEA safeguards. It is worth noting that light-water reactors are generally regarded as more proliferation-resistant than other types of reactors. Although the UN Security Council resolutions restrict the supply of nuclear-related goods to Iran, Russia paid little heed to it.

# The Iranian Perspective

From the Iranian perspective, Iran's relationship to Russia is important in at least five ways:

- 1. Russia is willing to openly cooperate with Iran in the latter's nuclear programme. For all Iran's claims of self-sufficiency and indigenous know-how, Iran still depends on overt and covert foreign assistance. Tehran has expressed an interest in having Russia build more reactors.
- Russia serves as a counterbalance to the US which Iran regards as an enemy. Tehran depends on Moscow's vote in international forums like the UN Security Council and the International Atomic Energy Agency Board of Governors.
- 3. Tehran sees itself and Russia as the two major Caspian Sea powers.

<sup>55 &#</sup>x27;Atomstroyexport Completes Latest Shipment of Fuel to Bushehr Nuclear Plant,' *Interfax*, 28 December 2007.

<sup>56 &#</sup>x27;Envoy: Bushehr N. Plant to Go on Stream in Winter,' Fars News Agency, 21 July 2009; 'Russia Confirms Launch of Iranian Nuclear Reactor by Year End,' RIA Novosti, 22 July 2009.

<sup>&</sup>lt;sup>57</sup> 'Bushehr NPP Won't be Launched in 2009 – Energy Minister,' *Interfax*, 16 November 2009.

For example, (then) Deputy Assistant Secretary of Defence, Marshall Billingslea, testified before the Senate 29 July 2002, that the United States was 'concerned that the Bushehr nuclear power project is, in reality, a pretext for the creation of an infrastructure designed to help Tehran acquire atomic weapons.' Similar concerns are expressed in a 2005 State Department report 'Adherence to and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements and Commitments,' US Department of State, August 2005. p. 77. (Then) Undersecretary of State for International Security and Arms Control, John Bolton, told the House International Relations Committee in June 2003 that Iran could build 'over 80 nuclear weapons' if it had access to sufficient fuel, operated the reactor for five to six years, and chose to withdraw from the NPT. This estimate assumes that Iran possesses a reprocessing facility.

- 4. Russia is a vibrant market for Iranian goods and a reliable trading partner. This is particularly important for the Iranian military, which is equipped with Russia aircraft, submarines, and tanks (etc.). Russian firms are involved in the Iranian energy sector as well.
- 5. Russia is a source of expertise in other, more exotic areas, including Iran's satellite technologies. The two sides signed a \$132 million (USD) contract for the design, testing, and launch of the Zohreh satellite.

Tehran is finding itself further pushed into an alliance with Beijing and Moscow. And Iran, like Russia, views Turkey's regional ambitions and the possible spread of some form of pan-Turkic ideology with suspicion. In addition, Iran runs up near the Caucasus region, where Russia has had difficulties in the past decade maintaining control over the Muslim separatists of Chechnya. Nevertheless, 'the Chechen rebels are primarily Sunni while Iran is dominated by Shi'ites, so it is unlikely that Iran would threaten the balance, even if they were to develop nuclear weapons.'59

# **Concluding Remarks**

Based on the above discussion, it can be said that the Islamic government of Iran has embarked on an ambitious nuclear energy development programme. Even though Iran has seen radical changes to its leadership over the past three decades, its nuclear policy has remained relatively consistent, at least in general terms and for the same basic reasons:

- 1. To deter, and if deterrence fails, defeat regional adversaries;
- 2. To establish a regional leadership position in the Middle East; and
- 3. To deter the intervention of a global power in Iranian or Middle Eastern affairs.

The desire to deter regional adversaries has principally focused on Israel and Iraq. It has also been motivated by the desire of regional leadership with the claim of Islamic leadership. Related to the drive for a regional leadership role is the need to prevent the intervention of an outside power in Iranian and Middle Eastern affairs such as the US. It is important to remember that all three of these rationales are interrelated and each supports the other two. Therefore, it can be assumed that Iran will continue to pursue the acquisition of enrichment and fuel fabrication equipment in the future. Such equipment would allow Iran to exploit its reserves of natural uranium and thus secure a reliable source of fissile material unaffected by external political factors. Iran's future nuclear infrastructure would provide adequate cover for the acquisition of sensitive nuclear fuel cycle capabilities. It could also present a potential training ground for a nuclear weapons programme. Moreover, the development of an indigenous

<sup>&</sup>lt;sup>59</sup> Dan Wollrich, 'Russia-Iran Relations,' *International Affairs Journal*, 24 January 2006.

enrichment and fuel fabrication capability could enable Iran to produce its own weapons-grade fissile material.

Russian officials have repeatedly insisted that Russia is fulfilling its obligations under the Missile Technology Control Regime (MTCR) and NPT, and denied US allegations of supplying Iran with nuclear and missile components and technologies. The problem was that the Russians insisted that they were not doing anything improper, that the Bushehr deal was very important to them economically, that Iran was a signatory to the NPT, and so there was nothing wrong in working with Iran. Moreover, the deleterious effects of the continuing economic crisis on Russia's defence industry raise further concerns about the possibility of Russian government involvement at some level as well as about lax enforcement of export controls to Iran. Therefore, the Russians defied the US and continued to be involved in the nuclear programme of Iran.

What has not really come to light in any significant way is the fact that the Russians had officially followed secrecy in nuclear cooperation agreements with Iran. The reason for secrecy was because the Russians had full knowledge that they were assisting Iran in its military programmes, as well. Some of the issues negotiated secretly involved exactly how to make things appear differently than they really are. This demonstrates a very complex game between Russia and the US and between Russia and Iran. The result of years of extensive cooperation between Russia and Iran in the nuclear and missile domains is an Iran that is within a short distance of having a first-generation, nuclear military capability coupled with a delivery capability and Russia knowingly assisted this development. Many of the recent revelations have begun to make some Russian experts worry about Iran's facilities and end goals.<sup>61</sup> According to some sources, Russian diplomacy has been tirelessly engaged in persuading Tehran to accede to the IAEA demands demonstrating its good will and full compliance with the NPT.

In such a context, the Iranian nuclear connection to Moscow's ruling elite stands out as a telling symbol of a new Russian external policy. It would require a lot of inventiveness, vision and audacity from Washington to drastically change the course of events in what might become a symbolic shift of the two countries' dialogue and interaction on a global level while simultaneously enhancing stability in the Middle East.

It can be said, from a diplomatic view, that Iran is still considered in Moscow as the major eventual supporter of a revived Russian role in the region. Iran's

Mikhail Kirillin, Rossiyskaya gazeta, 20 May 1998. p. 7, in 'Dual-Purpose Exports to Iran Denied,' FBIS-TAC-98-140; 'Utverzhdeniya o peredache Rossiyei Iranu raket i raketnykh tekhnologiy ne imeyut dostatochnykh osnovaniy,' Voprosy bezopasnosti, no. 14, 20 September 1997; Interfax in 'Yeltsin Rejects US Nuclear, Missile Iran Transfer Charge.'

Oavid Holley, 'Iran Nuclear Threat Worries Russians,' Los Angeles Times, 27 February 2003; Rebecca Santana, 'Iran Deal Makes Russia Uneasy,' The Atlanta Journal-Constitution, 15 June 2003 available at: <a href="http://www.ajc.com/news/content/news/0603/15">http://www.ajc.com/news/content/news/0603/15</a> russiairan.html>.

importance as a prospective recipient of the newest Russian arms and dual-use technologies will only grow with vigorous US military-political activity in the Middle East and Persian Gulf areas.

Last but not the least; the Middle East once again seems to be reviving as an important strategic chessboard for the competing national security interests of the US and Russia. Russia seems to be in a better position by polishing up its image as 'Arab and Muslim Friendly.' With US influence waning in the Middle East, as a result of Iraq and Afghanistan, and perceptions that the US is an anti-Muslim power, the strategic influence of Russia is likely to grow in the region especially in Iran.