



THE RUSSIA-IRAN NUCLEAR CONNECTION AND U.S. POLICY OPTIONS

By Victor Mizin*

Russian involvement in Iran's nuclear program has long been one of the most controversial aspects of Moscow's Middle East policy. This article evaluates the nature of this cooperation, especially in regard to its effect on U.S.-Russian relations and options for having an effective non-proliferation strategy on this front.

On October 21, 2003, as part of a deal brokered by Britain, France, and Germany, Iran finally yielded to intense international pressure and agreed to sign the Additional Protocol to the Non-Proliferation Treaty (NPT), which will allow the International Atomic Energy Agency (IAEA) short-notice access to its nuclear facilities. Tehran also consented to provide an account of all its nuclear-related activities and to suspend its highly controversial uranium enrichment program.

However, it remains to be seen whether this accord, finally signed after intense diplomatic pressure last December, will actually result in Iran foregoing its drive for a nuclear fuel cycle program. To prevent the appearance of another nuclear weapon 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 U.S. 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 almost a total fiasco for American nonproliferation strategy.

The dramatic outcome of the 2003 Gulf War, despite the ongoing pandemonium of the post-war restoration period, has been

changing approaches to key foreign policy issues, such as traditional arms control and nonproliferation. The immediate consequences will also influence the Middle Eastern political landscape and in particular Iran. There remains a major unanswered question of what will happen with the two other members of the "axis of evil?" Are Iran and North Korea now "off the hook" due to the embarrassing turmoil in Iraq, which revealed the hazards of regime change? Will the nuclear programs 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?

At the same time, U.S.-Russian bilateral relations have progressed remarkably well in the wake of September 11. While Moscow has been written off as a substantial military threat to the United States, the concerns about the potential spillover of critical WMD technologies from Russia are still bedeviling the minds of Western strategic planners and nonproliferation experts. These American anxieties are intensified by the tumultuous and still unstable character of bilateral U.S.-Russian relations that continue to be challenged by Moscow's periodic efforts to demonstrate its independence and global

clout, as the developments around the Iraqi operation demonstrated. Domestically, the much-hyped Moscow's "campaign against unruly oligarchs" on a par with the general Soviet-style "stabilization" alignment of the Russian society has led many Western observers to question the democratic nature and core values of the emerging regime.(1)

Though generally inclined to promoting 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 United States, a purported strategic partner.

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 Russians 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 nonproliferation 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 current U.S. unilateralism and strengthen its position as the leading global player. 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 U.S.-Russian bilateral dialogue. This is especially true regarding the nuclear issue there, an area where Moscow has historically tried to appear as the leading protagonist,(2) though it has often bent existing international norms.(3)

HARD CHOICES FOR WASHINGTON

Of course, Moscow must take into account possible U.S. counter-moves on the Iranian and other issues. There are several different options for U.S. policies regarding the Iranian nuclear question:

--Desperate for a practical solution, the United States might ultimately turn to the idea of a limited Osirak-type strike or larger-scale military operation to knock out the major Iranian nuclear facilities.

This seems to be, at least for the time being, an improbable scenario. It is obvious that such an operation would produce great opposition in Europe and the Middle East, as well as unforeseeable consequences in terms of Iran's response. Iran has also scattered its facilities in an attempt to avoid such a development. Given the deep involvement in Iraq, the United States also lacks the resources to take such an extreme action. Moreover, the immediate threat does not seem so great as to foster such a desperate response.

--Another option would be to continue the current sanctions against the regime while helping Iranian indigenous opposition forces. This is an easy strategy and might yield long-run benefits but would not produce an immediate dramatic change regarding Iran's nuclear capacity.(4) There could also be efforts to increase the isolation of Tehran's rulers through economic and political sanctions on an international level. Considering previous experience--for instance, Cuba

and Iraq--such efforts need to be all-encompassing to be meaningful. They would have to affect the interaction between Iran and countries like Russia, North Korea, Pakistan and China. This regime's attrition might be impossible, even for the current American administration.(5)

--Finally, there is the more conventional diplomatic track of rallying the international community through channels of multilateral diplomacy, the International Atomic Energy Agency, and perhaps the United Nations. While many arms control experts and academics hope that the difficulties the U.S. is experiencing in Iraq will push Washington to better coordinate its future arms control efforts, this route might also let Tehran maneuver in a way that allows it to continue its nuclear weapons development at no political or economic cost.

WHITHER TRADITIONAL NONPROLIFERATION?

As many experts concur, the current international arrangements demonstrate their glaring inefficacy to halt attempts of the most dangerous, destabilizing and proliferation-prone regimes to obtain nuclear technologies, assets and know-how. The major drawback of the Non-Proliferation Treaty (NPT), a product of the Cold War era, is that it basically permits any state to accomplish its nuclear weapons program short of finally assembling a nuclear explosive device itself. The NPT does not observe any distinction between well-behaved members of the international community such as say Denmark and aggressive or failed quasi-states like war-ridden Liberia, totalitarian North Korea or Saddam-era Iraq.(6) Moreover, these are the type of regimes that frequently dominate various UN-run agendas.

The basic question is do dangerous states merit nuclear technology handouts, as stipulated in the NPT's Article IV

support for peaceful use of nuclear energy? Such efforts could instead augment nuclear expertise potentially aiding research on nuclear weapons. The challenge is in reconciling the legitimate right of any Third World country's access to nuclear energy for 'peaceful purposes,' the ideological cornerstone of the NPT, with the recognition of the danger that such transfers could create the material and intellectual prerequisites for potential proliferators determined to produce an indigenous nuclear weapon capability. The current, even enhanced, outreach of NPT inspections prove to be incapable of exposing such furtive programs.

The nonproliferation regimes in their present forms are an important pillar of the international legal system of arms control and a valuable way to track the spillover of critical technologies. But they have also failed to block the transgressions of rogue states such as Saddam's Iraq, North Korea or Iran.

Implied, however, is the question of whether those legal regimes are in truth binding only for respectable, law-abiding members of the world community, meaning that they serve as cover for unrestrained proliferators from the Third World who use the enforcement effort as a pretext to extort more aid and concessions from donors. If so, they are irrelevant or even harmful to nonproliferation efforts.

The presumption of innocence given by NPT membership to the potential seekers of nuclear weapons status, in the opinion of the leading Russian security experts, should not lead to the scrapping of this important document. Rather, it should be drastically adapted to the changed realities of the post-September 11 era, where meaningless diplomatic formalities would make way for effective nonproliferation efforts.(7)

THE RUSSIAN NONPROLIFERATION GAMBLE

Unfortunately, for the time being the United States and Russia differ on which countries qualify as rogue states that must be contained or confronted. Like North Korea or China, Russia--the soothing or indignant pronouncements of its leaders notwithstanding--according to many experts and officials in the area, remains the world's leading source of WMD-related items and expertise proliferation.(8)

Despite assertions that the two states share a common basic approach toward nonproliferation issues, the United States and Russia basically stick to opposite views on all major entanglements in the current nonproliferation debates.(9)

With that in mind, the manner in which this Iranian nuclear conundrum unfolds will shape the future of nonproliferation. So far, Russian-Iranian connections, especially in the area of nuclear and missile arms sales, continue to be a major irritant in U.S.-Russian relations, specifically with regard to bilateral deliberations over nonproliferation issues. The current status of this dialogue at any given moment can be viewed as a good indicator of the situation in U.S.-Russian affairs.(10)

While recognizing that Iran is an important geopolitical ally, Russian politicians tend to weigh carefully the costs of any moves regarding ties with Tehran.(11) 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.(12) 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.'"(13)

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 nonproliferation regimes 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 realized that these build-ups are oriented against regional rivals and the U.S. military presence. This is partly explained by the fact that, similar to other client states of the former USSR--like 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.(14)

Especially due to the worldwide decline in demand on the world armaments' markets and the ongoing decline of the Russian military-industrial complex, Moscow feels compelled to develop relations with such current or prospective buyers of cost-effective Russian weapons as Iran, China, India, or Syria. In other words, while Russia has become the largest exporter of conventional arms since 2001 (responsible for 36 percent of all global arms transfers in 2002),(15) 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 Russian defense 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.

Finally, from a diplomatic perspective, Iran is still viewed in Moscow as the major eventual supporter of Russia's role in the region. Iran's importance as the prospective recipient of the newest Russian arms and dual-use technologies will only grow with vigorous U.S. military-political activity in the Middle East and Persian Gulf.

RUSSIA'S IRANIAN CONNECTION

Still, Russia's relations with Iran are inconsistent and characterized by discord within Moscow's political and military circles. There is a compact pro-Western group, who think that cooperation with the major industrial states, primarily the United States, could benefit Russia much more than murky dealings with questionable partners like China, Iran, Iraq, or Libya. The recent friction with Iran regarding regional problems in the Caspian Sea basin strengthened this position.

There is also another powerful group consisting of the representatives of the floundering Russian Defense Industrial Complex (OPK) and the special services. This group promotes 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 in the global arena. It attempts 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 defense enterprises (and

for their personal enrichment), but they are also driven by an inbred animosity toward America. This group sees the United States as Russia's main adversary from the Cold War era and an alleged impediment to Russia's great power revival. The defense industry, secret services, and the disgruntled military's mistrust of the goals of current U.S. foreign and military policy--perceived as being ultimately anti-Russian--leads them to predictably 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 CIS.

Third, there is the usual midway faction represented mostly by OPK officials and managers who change their positions depending on the context. Today, by winning an occasional large-scale contract, say, from Lockheed Martin, they can actively lobby for the expansion of Russian-American cooperation in space, but tomorrow--as money peters out--they would turn to buyers from rogue regimes or other suspicious clients. Thus, the particular instability of the Russian economy seems to provide the basic reason for the duality and inconsistency of Russian policy concerning the dangers of WMD-related technology transfers, specifically to Iran.(16)

Proponents of special ties with preferred clients in the Third World have actively pushed for a continuation of arms deals with Iran. They were particularly resolute in their advocating for the annulment of the Chernomyrdin commitment--a deal made in June 1995 between U.S. Vice President Al Gore and former Russian Premier Viktor Chernomyrdin to stop military cooperation with Iran in 2000 after the completion of previous contracts. This faction finally prevailed in 2000 after the disclosure of the secret deal by The New York Times on October 13, 2000, which

according to The Washington Times, Gore had agreed not to make the public to any third parties, including the U.S. Congress.(17)

At the same time, persistent calls by Washington to terminate Russian exports to Iran were portrayed by these circles in Moscow as being motivated by the desire of American corporations to save future opportunities in the Iranian market for themselves. To prove this, they cited the recent 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.(18)

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 nonproliferation regimes. President Putin remarked that Western companies, not Russian entities, had furnished Iran with missile and nuclear technology. As Putin pointed out wryly, "the United States has taken on the obligation of building a nuclear power station identical to the one in Bushehr in North Korea."(19) At the same time, he has suggested pressuring Iran to allow further and more extensive international inspections of the Russian-built nuclear reactor there.(20) The issue of enticing Iran into accepting further IAEA inspection commitments to their nuclear facilities was reiterated at the St. Petersburg 2003 festivities, and more recently in June and July when Iranian nuclear officials visited Moscow to discuss their cooperation on nuclear power.(21) Moscow continues to deny vehemently all direct U.S. accusations

of government-sponsored nuclear and missile technology transfers to Iran that would be in violation of its international nonproliferation 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.(22) The vigorously 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 kilometer range and relatively poor accuracy (Circle of Error Probable 1-3km), implies that it is most likely meant to carry a strictly WMD payload.(23) 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, the Russians refuse to be shut out of the lucrative market of missile technologies.(24)

Regarding Russia's nuclear cooperation with Iran, Putin is, perhaps, quite correct when he underscores that "as far as energy is concerned, it focuses exclusively on economic issues."(25) Russia expects to reap up to \$10 billion 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 demonized states in America's "axis of evil" if no sound substitute is provided by the United States.

One can only agree with Richard Perle, an influential conservative member of the Defense Policy Board, who considers that this problem can be solved in a "business-like manner," and suggests, "If you want to

get this solved, don't send a diplomat. Send a banker to discuss it."(26) A U.S.-Russia working group was formed before the 2003 summit to resolve the problem. It is difficult, however, to imagine what Washington could actually propose to the cash-strapped enterprises in the Russian military industrial complex as an offset to the lucrative Iranian deals, short of buying out the most thriving of them. The most that could be achieved is to place as many stringent controls and checks on the Iranian nuclear cooperation with Russia as possible.(27)

IS THERE SUFFICIENT U.S. LEVERAGE TO BUDGE MOSCOW ON IRAN?

There is, however, much more than just comprehensible commercial reasons for Moscow's clinging to its Iranian connection. Similar to the Russian opposition to American policy regarding Iraq in 2002 and 2003, this Iranian imbroglio demonstrates that the Russian regime is anxious to show it is nobody's pawn and must be seriously reckoned with as a major international player, if not a re-emerging superpower.

Even in the first major U.S.-Russian discussion of the Iran connection following the September 11, 2001 attacks, American diplomats acknowledged Moscow's special relationship with Tehran. However, the United States also argued "there are other fields for Russia to make economic gains than transferring weapons and nuclear technologies to Iran."(28) The United States has allegedly offered Russia different possible compensations in return for "reconsidering" its Iran link. At the same time, it was pointed out that Iran was not a side issue. U.S.-Russian relations "cannot move forward while Russia is still closely involved with Iran and Iran is supporting terrorism and aspiring to

nuclear weapons," a U.S. diplomat stressed.(29)

However, U.S. emissaries did not make much progress on the Russia-Iran issue. According to a high-ranking U.S. diplomat directly involved in these talks, the Pentagon was ready to purchase a number of Russian-made armaments (specifically helicopters for use in Afghanistan by the Northern Alliance), but only after Moscow severed its ties with Tehran. As a powerful incentive, the United States contemplated agreeing to the Russian import of nuclear waste (processed NPP fuel) from Taiwan, South Korea or Japan. Washington was reportedly prepared, moreover, to order NASA to procure more services from the Russian aviation and space agency and to pay for some additional work on the International Space Station. The Iranian link, however, was the only obstacle to this.

Evidently, influential circles in Moscow considered American advances not enticing enough to sever the established relationship with Tehran. Arms sales and nuclear transfers are, by and large, completely opaque, especially if notorious rogue regimes are the recipients. This is what differentiates these kinds of deals from the proposed contracts with the Pentagon or NASA that were supposed to remain under the oversight of Congress and relevant U.S. agencies, thus making any kind of payoffs to Russian officials or entities almost impossible.

Therefore, Iranian dealings with the Russian defense and nuclear lobbies continue, as the United States is unable to offset them with any meaningful policy or wide-range financial bailout of the Russian entities. In the words of a Russian diplomat, the United States "never understood that unless Minatom is offered an alternative way to make money" it would not stop doing business with Iran.(30) However, probably taking Putin's regime too much

for granted, the United States did not seriously pursue the avenue of buying out Moscow from its "Iranian connection," instead limiting its efforts only to the habitual tug-of-war of bilateral diplomatic squabbles and verbal admonition.

HISTORY OF RUSSIAN INTRANSIGENCE

In defiance of U.S. pressure, Russia declared in July 2002 that it will finish construction of the \$840 million nuclear reactor in Bushehr, and that it plans to build five more reactors over the next decade (another in Bushehr and four in Ahvaz, 40 miles from Tehran), for an additional \$10 billion.(31)

U.S. concerns focus not on the mishandling of nuclear material from the 1,000-megawatt Bushehr light-water reactor--Russia promises to import it as waste fuel--but on the possibility that Russian know-how and expertise will create a core cadre of Iranian nuclear experts who could then apply their acquired knowledge to a weapons program. Moscow has in the past denied such an eventuality. It underscores the fact that it declined Iranian demands in 1990 to build a more powerful heavy-water reactor and turned down Tehran's request for gas centrifuges (though Moscow was under serious pressure from Washington).(32)

Additionally, the Yeltsin government also reportedly rejected a proposal to help the Iranians with their uranium mining project. Similarly, the plans to sell Russian laser--based isotope separation enrichment technology were scuttled under U.S. pressure in 2000.(33)

However, one can not fully exclude some intangible exchanges between leading Russian laser technology research centers and the Laser Research Center (RCLA) in Tehran that continuously works for the AEOI (Iran's Atomic Energy Organization) on both the molecular laser

isotope separation (MLIS) and atomic laser isotope separation (AVLIS).

Some Russian experts predict, though clearly without any plausible basis, that if no compromise over Bushehr is found in the coming months, the United States may use its new strategy of preemptive counterproliferation and bomb the Russian-built reactor even if Russian technicians are still there.(34) In addition to the possibility of American action, some Israeli cabinet figures have mentioned that they are contemplating taking pre-emptive action (similar to the 1981 bombing of the Iraqi Osiraq reactor) in order to remove the growing nuclear threat to its own survival.(35) The Russians seem to be running out of time to demonstrate a concerted effort to halt nuclear cooperation with Iran hoping, similar to the case in Iraq, that the international community would prevent the United States from radical actions.

RADICAL STRATEGIES TO HEAD OFF IRAN'S NUCLEAR STRIVE

U.S. officials are concerned that Iran could evade the IAEA safeguards it pledged to heed, citing Iraq's ability to conceal an extensive nuclear weapons program that international experts were unable to uncover. CIA experts estimate that Iran is now only 2 years away from having a nuclear bomb.(36) In any case, now that IAEA safeguards have been strengthened based on the Iraqi experience, Iranian power plants and nuclear activities must remain under stringent oversight by the agency. Russian authorities persist in assuring the "business-as-usual" nature of Moscow's nuclear cooperation with Tehran, hinting the entire affair is artificially inflated by the United States.(37)

Naturally, even if Tehran finally caved in to U.S. pressure for IAEA inspections along the lines of the Agency's Additional

Protocol (as recent events indicate), nothing prevents the regime, if bent on nuclear weapons status, from stringing along the international overseers while continuing the clandestine research at undisclosed and dispersed facilities. Nothing in the internationally imposed arrangements, even possible UN Security Council sanctions, could stop a country from deceiving the world community, as the North Korean and Iraqi examples demonstrated.(38)

Recent revelations of extensive Iranian nuclear program facilities point to Tehran's strong efforts toward the appropriation of a full-fledged nuclear cycle program that could allow the indigenous manufacturing of nuclear weapons, in contravention of Russian allegations to the contrary. According to the U.S. position, these enrichment facilities and the full-cycle are unjustified for Iranian needs. Additionally, the known resources of indigenous uranium in Iran are limited and cannot provide enough fuel for the projected NPP program.(39) While Iran and Russia claim to be following international agreements on their nuclear activities, much of Iran's current revelations are even in contravention with its original agreement with Moscow on the handling of spent fuel.(40)

Constant U.S. tracking and diplomatic pressure have thwarted such potentially dangerous transfers of Russian technology as laser enrichment from Yefremov Scientific Research Institute (NIIEFA).(41) Iran's initial deal with Russia in 1995 included a centrifuge plant that would have provided Iran with fissile material. The plant deal was then canceled (as was the laser deal and a uranium mining project) under American insistence. At the same time, recent U.S.-Russian bilateral contacts over the matter as well as Tehran's ostensibly new openness on its nuclear program toward the IAEA could indicate

that Moscow will finally secure this important Iranian deal.

ENTER PUTIN

Similar to its position on Iraq, Russia is playing a complex game regarding its cooperation with Iran. Putin's stunning gesture at the Evian G-8 meeting allegedly promising to forego the Iranian nuclear deal was correctly regarded by the Western commentators as another KGB-style trick in attempt to demonstrate Russia's good will and new spirit of cooperation in the aftermath of the Iraq fiasco. (42) It arguably intended to create a certain confusion in the West on real Russian intentions and even prompted Russian assurances to Iran that all those mixed signals did not mean Moscow is practicing double-standards with regards to its nuclear ties with Iran.(43) Russian officials later scurried to explained that Putin actually meant the precondition of making Iran sign the bilateral protocol on the return of the processed nuclear fuel from Bushehr to Russia, and not the IAEA Additional protocols on the enhanced inspections of Tehran's nuclear facilities.(44)

However, the mighty Minatom, the Russian Leviathan of nuclear energy ministry, soon overruled the president himself.(45) Minatom made it clear, after some vague pronouncements of Russian mid-level officials, that Moscow will continue its nuclear dealings with Tehran. Russia is contemplating a proposal to increase Iran's nuclear capacity by 6000 megawatts by 2020.(46) The Russian Ministry of Foreign Affairs has confirmed that Moscow will supply Iran with fuel for the Bushehr reactor even if it does not sign the IAEA Additional protocols.(47) While President Putin has assured the world that Iran is bound to demonstrate full NPT compliance before the Russian nuclear transfers occur, the Russian Foreign Ministry has stated that the IAEA's failure

to condemn Iran has opened the door for Russia to help build future reactors in that country.(48) The real question will be whether Russia will supply any fuel to Iran if it appears that Tehran will not return it and how Tehran's possible machinations with it can be controlled.

ANY SOLUTIONS IN SIGHT?

U.S.-Russian sparring over Iran could hardly be easily resolved. However, both sides are aware of the need for a compromise and are seemingly interested in smoothing over remaining contradictions on this issue. Some vague hints on possible Russian flexibility on the issue were aired, but so far Russia has given no official commitment to abandon nuclear assistance to Iran.(49) By the same token, the U.S. administration has not, perhaps, used all of the tools of persuasion in its arsenal.(50) An innovative approach in American diplomacy regarding Iran is needed for any possible breakthrough to occur.

It is clear that the United States is not able to provide enough sources of revenue to equal Moscow's profits from its dealings with Iran in nuclear and arms sales, which Russia considers to be absolutely legitimate, while compensating for the political loss of face.(51)

The most that could realistically be achieved here is making Russia adhere to its commitments that it would provide only defensive weapons to Tehran, also pressing Moscow to restrict the volume of such shipments.(52) The arms dealers in Moscow, however, are ready to turn Iran into Russia's third most important client after China and India.(53) The United States could start discussing with Russia the possibility of launching a new initiative, building on the 1991 Arms Control and Regional Security (ACRS) in the Middle East.

Russia could also be made to continue proceeding with utmost care in its further

nuclear cooperation with Iran, doing everything possible to provide for verification of transactions, which would exclude any military spin-offs, even though they have begun to air concerns (agreeing with the United States) that Iran is becoming a nuclear threat.(54) Ideally, Russia could be cajoled into building just one reactor at Bushehr.

Further, the United States could award Moscow with commercial contracts and politically support its accession to the WTO, which could completely compensate for the loss of nuclear cooperation with Iran. However, it is possible that Russia would balk at this deal, because for Moscow to relinquish its stance could be seen as a softening its image as an unbendable, independent player in international relations.(55) Despite diplomatic overtures, there are no signs of Moscow's actual desire to close the deal, thus signaling a kind of diplomatic victory for Moscow's relations with Washington. On the contrary, all indications point to the Kremlin's desire to upgrade its nuclear connection, if not to persuade Washington of the benign and legitimate nature of Tehran's nuclear aspirations, in an attempt to portray itself as a sort of honest broker in the region.(56)

Tehran has declared its theoretical readiness to sign an additional IAEA protocol if relevant clarifications are given and other countries would in return assist Iran in developing a broader peaceful nuclear power program.(57) However, it is difficult to determine if this is a sincere overture by the Iranians to put a halt to their nuclear ambitions or only a tactical move designed to assuage the immediate pressure of the international community while gaining additional time to create the infrastructure for its nuclear weapons programs. Of course, in the end, much will depend on the domestic Iranian struggle between moderates and conservatives, the

resolution of which could have significant repercussions the country's ties with Moscow and Washington.

Thus far, the U.S.-Russian exchange regarding the Iranian conundrum could be termed as a dialogue of the deaf. Perhaps, Washington should start negotiations directly with Minatom and other nuclear enterprises that prosper from the nuclear contracts with Iran rather than with the Kremlin, which appears to have little say in the matter.⁽⁵⁸⁾ Moscow and Washington should definitely address ways to further patch the gaps in the current NPT enforcement. In this particular case, it could lead to a kind of ad hoc agreement to prevent Iran from uranium enrichment and plutonium manufacturing in return to certain concessions from Washington like a non-aggression pledge or the resumption of diplomatic relations. Even President Nixon, at the height of the war in Vietnam, sent Henry Kissinger to work out deals with Chinese, Vietnamese and Laotian adversaries. The nuclear conundrum provides a possible pretext for establishing, at a minimum, a representation office in Tehran, if the United States does not want to completely relegate the solution of this issue to its European allies.

Washington policy planners might wish to assess the entire Iranian tangle in a broader scope of the regional security issues while contemplating the motives behind Tehran's quest for nuclear status (the inferiority complex in confrontation with Iraq, the obsession with Israeli strategic plans, or the suspicion of U.S. power projection there). A shrewd move would be the initiation of a regional security conference under U.S.-Russian-French (EU) co-sponsorship. This not only would heal the wounded relationship with both Paris and Moscow, but also bridge the restoration of some kind of relation with the putatively 'democratizing' regime in

Tehran to assure American presence in the area.

CONCLUSIONS

While the U.S. and Iran's positions are clear, it is Russia who appears to have room for potential flexibility in the situation by once again serving as a useful middleman, if not an ally, of the United States.⁽⁵⁹⁾ Many of the recent revelations have begun to make some Russian experts worry about Iran's facilities and end goals.⁽⁶⁰⁾ 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. Nevertheless, this seems to be only a tribute to political correctness regarding nonproliferation as Minatom is pushing forward with the signature of the approved draft of the protocol on the return of the spent fuel to open the way to the deliveries of new fuel to the Iranian reactor.

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 benefiting stability in the Middle East.

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NOTES

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