

Backgrounder:

What to know about the upcoming P5+1-Iran summit

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The Iranian nuclear program is one of the most polarizing issues facing the international community since its public disclosure in 2002. Over the past decade, the program has significantly expanded and tensions over it have continually increased. Both Israel and the United States have declared that Iran will not be permitted to produce a nuclear weapon and that “all options are on the table” to prevent it from doing so.

Israeli Prime Minister Benjamin Netanyahu has warned the world that Israel’s “window of opportunity” for successful military action against the Iranian nuclear program is slowly closing. Mr. Netanyahu views the Iranian nuclear program as an existential threat to the State of Israel and believes that the current sanctions regime, while painful, has yet to affect the program.¹

President Obama has sought to dissuade Israel from attacking Iran before diplomacy has been attempted and as a result, sanctions have been tightened. Mr. Obama told the American Israel Public Affairs Committee at their most recent meeting that, “For the sake of Israel’s security, America’s security, and the peace and security of the world, now is not the time for bluster.”² The President believes that Israeli military action may destabilize the region and such actions would embolden the current Iranian regime.

Increased tensions stemming from a November 2011 IAEA report, which detail Iranian work on nuclear weapons research, and fears of military action has driven up oil prices; from roughly \$80 a barrel before the report to a height of \$110 a barrel last month.³ Heightened tensions and the start of spring and summer driving seasons has increased the national average price of gasoline to \$3.93 a gallon, nearing the mythical \$4.00 a gallon mark.⁴

As the rhetoric continues, sanctions levied against Iran are widening and their impact is greater than ever. Headlined by the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) and the more recent Section 1245 of the 2012 National Defense Authorization Act (NDAA), sanctions have been exceptionally effective at reducing Iran’s oil exports and isolating it from the international banking system.⁵

SWIFT, a global banking communications firm, recently cut off 30 Iranian banks from its system, making international monetary transfers increasingly difficult.⁶ This will complicate Iran’s repatriation of billions of dollars in international oil sales and other financial dealings,

and has put further pressure on Iran's currency value and foreign currency reserves.⁷

Due to these and other international sanctions, Iran's crude oil production has been declining faster than previous estimates as European and Japanese refineries drastically cut their Iranian oil imports. JPMorgan estimates that Iranian crude production could fall 1 million bpd (barrels per day) to 2.5 million bpd by the end of June compared to the pre-sanctions rate of 3.55 million bpd at the end of 2011.^{8,9}

On January 26th, Iranian President Mahmoud Ahmadinejad offered to restart negotiations over Iran's nuclear program that had been stalled for more than a year. It is hard to determine how much the current sanctions regime has persuaded the Iranian government to restart negotiations.

The international community quickly responded to the offer and on March 6th, the P5+1 agreed to face-to-face negotiations with the Iranians.¹⁰ However, some worry that Iran is simply buying time to allow continued Uranium enrichment and construct of its Fordow enrichment site.

Both sides moved forward with the talks by agreeing to meet in Istanbul on April 13th. However on April 5th, two Iranian officials, Alaeddin Boroujerdi, the head of the Parliamentary Committee for National Security and Foreign Policy, and Mohsen Rezayee, the secretary of the Iranian Expediency Council expressed concerns over the choice of Istanbul as the location for upcoming talks.^{11,12}

Mr. Boroujerdi declared that "Iranian officials are not interested in Turkey as the host," due to Turkey's escalating pressure on Syria, a key Iranian ally. Mr. Rezayee suggested the talks should be moved the more "neutral" cities of Baghdad, Damascus, Beirut, or an unnamed city in China instead of Istanbul.

On April 6th Iranian lawmaker Gholamreza Mesbahi Moghadam, stated that Iran has the scientific capacity to produce a nuclear weapon, but will never do so.¹³ This is the first time that such a prominent Iranian figure has declared Iran's nuclear weapons capability.

Fortunately, on April 8th, the Islamic Republic agreed to hold talks in Turkey, ending a war of words between Iran and Turkish Prime Minister Recep Tayyip Erdoğan.¹⁴

United States' Position and Possible Demands

The United States' aims for the talks are straightforward. President Obama wants to de-fang the Iranian nuclear program by dismantling facilities and removing Iran's stockpile of 20% enriched Uranium. The Obama Administration has also publicly committed to preventing Iran from producing a nuclear weapon.

Administration officials recently released its demands for the conference, starting with the complete closing and dismantling of the Fordo enrichment facility located under a mountain near the city of Qom.

Fordo began operations in January of 2012 and estimated to hold approximately 3,000 centrifuges enriching Uranium up to 20%. The Fordo facility's location in a hardened mountainside tunnel makes it difficult to destroy by aerial bombardment.

The Administration is also calling for the halt in the production of 20% enriched Uranium and the removal of Iran's 20% stockpile.¹⁵ Iran currently holds 100 kg of 20% enriched Uranium and has announced plans to

increase its production in coming months.

While the administration in concert with the other members of the P5+1 are prepared to allow Iran to possess a nuclear power program for civilian power generation and medical isotope production, Iran must first prove that it does not have a nuclear weapons program. To do so, administration representatives have stated Iran must allow IAEA inspectors to visit all Iranian nuclear sites.

Unlike previous talks that have fell apart on the precondition that Iran halt all enrichment activities, the United States and the other members of the P5+1 have not established any preconditions. By not instituting such preconditions the United States is attempting to determine the credibility of the Iranian offer for negotiations.

But the meetings, in the words of Secretary of State Clinton, will not be “an open-ended session,” which allows the Iranians to stall for time while building their nuclear program.¹⁶ Most experts agree that the meeting will not bring a swift conclusion to the issue but will hopefully set a framework for further negotiations to take place down the road.

Possible Future U.S. Initiatives:

- An agreement to suspend enrichment up to 20% in return for some sanction reduction.
- Restart the 2010 fuel swap agreement in which Iran would send enriched Uranium to Turkey and would retain the right to import 20% enriched Uranium from Russia.
- Expand the Russia-Iranian fuel swap agreement to include 20% enriched Uranium in which the material would be processed by Russia and used in Iran’s medical isotope reactor and the Tehran Research Reactor.¹⁷
- Increased Iranian transparency and IAEA inspection of all Iranian nuclear sites in return for sanction reductions and security guarantees.

Iran’s Position and Possible Demands

The Iranian nuclear program serves two purposes. One is to continue Supreme Leader Khamenei’s “vision of an Iran that is self-sufficient enough to be economically independent and economically independent enough to be politically independent.” Nuclear power will reduce Iran’s reliance on oil and natural gas for electricity production, and allow more oil and natural gas exports.

Two, the capability to produce a nuclear weapon will increase Iran’s national security in a region surrounded by threats from Saudi Arabia, Israel, and the United States. A nuclear weapons capability is a more efficient and cost-effective defense against attack than building up a conventional military. The nuclear program or weapons capability may also increase the internal stability of the Iranian government by improving its internal prestige and defense capability.

Recently, the Chief of the Atomic Energy Organization of Iran, Fereidoun Abbasi Davan has publicly acknowledged that the country would consider limiting its Uranium enrichment to 3.5% and halting enrichment to 20%.¹⁸

However, Mr. Abbasi stated that the cessation of 20% enrichment will only begin once Iran has produced enough enriched Uranium. Thereafter, the country will reduce its enrichment to only 3.5%. Countering one of the United States' demands, Mr. Abbasi also snubbed the idea that Iran would transfer its stockpile of 20% enriched Uranium out of the country.¹⁹

Iran's aim for the talks is to walk a fine line between the complete removal of its nuclear program and the possibility of U.S. or Israeli military action. Supreme Leader Khamenei will not accept any settlement with the United States where there isn't a significant quid pro quo on the American side. Iran is unwilling to completely abandon their enrichment program even if that entails a nuclear fuel swap agreement.

Iran's demands in this conference will be similar to previous negotiations, the acknowledgement of Iran's right to enrichment and its right to a nuclear program under the Nuclear Non-Proliferation Treaty. It will also seek security guarantees from the United States and the termination of American-supported covert operations or support of Iranian militant groups. Lastly, Iran will demand the removal of all sanctions, U.S. or otherwise, instituted against the Government of Iran or any other Iranian entity.²⁰

Iran and Supreme Leader Khamenei are not opposed to diplomacy with the West, but the United States must appreciate Iran's domestic politics and security concerns as much as Iran must understand the United States' domestic politics and security concerns. Hopefully both sides are ready to make progress, if not, it appears that it is only a matter of time before bombs begin to fall.

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Footnotes:

1. <http://www.csmonitor.com/World/Backchannels/2012/0404/Netanyahu-says-Iran-sanctions-aren-t-working.-His-UN-ambassador-dis-agrees>
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18. <http://www.nytimes.com/2012/04/10/world/middleeast/iran-hints-at-shift-in-advance-of-nuclear-talks.html>
19. <http://bostonglobe.com/news/world/2012/04/09/iran-offers-possible-nuclear-compromise/BapXVZCI157kEjqQz5PCsO/story.html>
20. <http://www.newyorker.com/online/blogs/newsdesk/2012/04/mek.html>

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