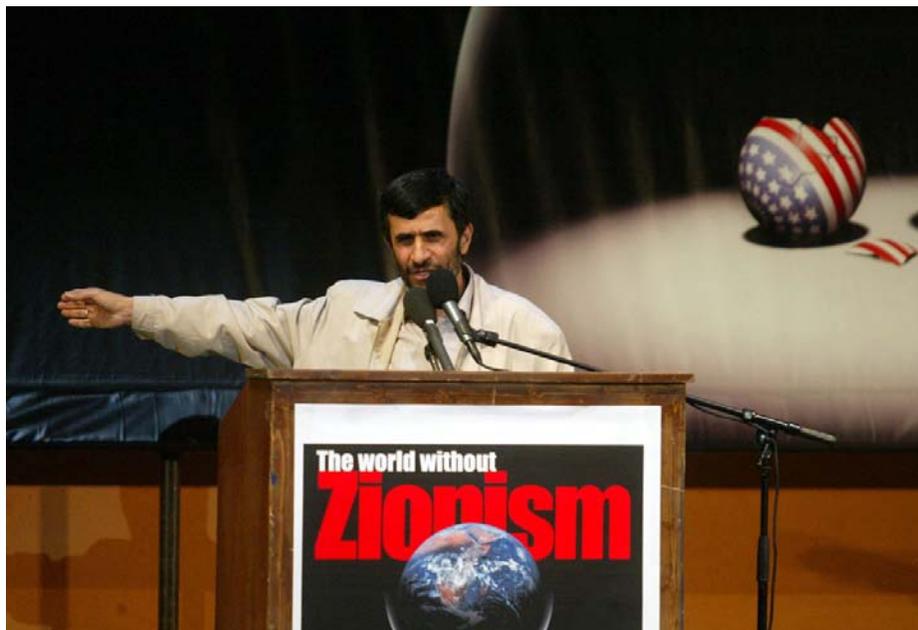


Recognizing Iran as a Strategic Threat: An Intelligence Challenge for the United States



(AP Photo)

**Staff Report of the
House Permanent Select Committee on Intelligence
Subcommittee on Intelligence Policy
August 23, 2006**

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U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE

H-405, THE CAPITOL
WASHINGTON, DC 20515
(202) 225-4121

MICHAEL MEERMANS
MAJORITY STAFF DIRECTOR

DAVID BUCKLEY
MINORITY STAFF DIRECTOR

August 18, 2006

The Honorable Peter Hoekstra
Chairman
House Permanent Select Committee
on Intelligence
H-405 The Capitol
Washington, DC 20510

The Honorable Jane Harman
Ranking Member
House Permanent Select Committee
on Intelligence
H-405 The Capitol
Washington, DC 20510

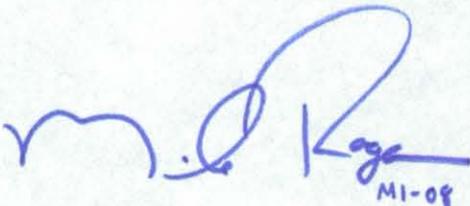
Dear Mr. Chairman:

We are pleased to send to the full committee the attached staff report, *Recognizing Iran as a Strategic Threat: An Intelligence Challenge for the United States*. This report is in response to your request for subcommittee reports that illustrate the wide variety of serious threats that face our nation in the post-9/11 world and describe why we need robust and competent intelligence support to deal with these threats.

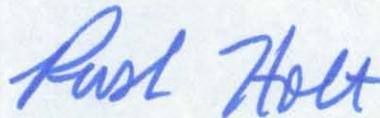
Recognizing Iran as a Strategic Threat: An Intelligence Challenge for the United States provides an unclassified assessment, based on open source materials, of the kinds of threats Iran poses to the United States. It also discusses the need for better intelligence on Iran and some areas where this intelligence should be improved. The authors could not discuss in an unclassified document the specifics of the significant gaps in our knowledge and understanding of the various areas of concern about Iran, and so we will be sending a classified annex to this report with additional material for its consideration.

This report was written by Committee staff, who reviewed classified and unclassified material and consulted with experts both in the United States and abroad. As a courtesy, we invited the U.S. Intelligence Community to provide its input on the report. We have carefully reviewed this report and believe that consideration of it can help us in our oversight role. We believe the American people, Members of Congress, and the U.S. Intelligence Community will also benefit from this report.

Sincerely,

Handwritten signature of Mike Rogers in blue ink, with the initials "MI-08" written below it.

Mike Rogers
Chairman
Subcommittee on Intelligence Policy

Handwritten signature of Rush Holt in blue ink.

Rush Holt
Ranking Member
Subcommittee on Intelligence Policy

cc: Members, House Permanent Committee on Intelligence

“The annihilation of the Zionist regime will come... Israel must be wiped off the map... And God willing, with the force of God behind it, we shall soon experience a world without the United States and Zionism”¹

“They have invented a myth that Jews were massacred and place this above God, religions and the prophets.”²

“I officially announce that Iran has joined countries with nuclear technology.”³

Iranian President Mahmoud Ahmadinejad

Summary

Threats against the United States and Israel by Iranian President Ahmadinejad – coupled with advances in the Iranian nuclear weapons program, support for terror, and resistance to international negotiations on its nuclear program – demonstrate that Iran is a security threat to our nation that requires high caliber intelligence support. The seriousness of the Iranian threat has been amplified by the recent rocket attacks against Israel by the Iranian-backed Lebanese terrorist group Hezbollah, which, according to press accounts, has received as many as 10,000 rockets from Iran.⁴

Director of National Intelligence John Negroponte provided his assessment in his 2006 Annual Threat Report that Iran is seeking nuclear weapons.⁵ America's intelligence agencies have also assessed the following about the Iranian threat:

- Iran has conducted a clandestine uranium enrichment program for nearly two decades in violation of its International Atomic Energy Agency (IAEA) safeguards agreement, and despite its claims to the contrary, Iran is seeking nuclear weapons. The U.S. Intelligence Community believes that Tehran probably has not yet produced or acquired the fissile material (weapons-grade nuclear fuel) needed to produce a nuclear weapon; Director of National Intelligence John Negroponte has stated that Iran will not be “in a position to have a nuclear weapon” until “sometime between the beginning of the next decade and the middle of the next decade”.⁶
- Iran likely has an offensive chemical weapons research and development capability.⁷
- Iran probably has an offensive biological weapons program.⁸
- Iran has the largest inventory of ballistic missiles in the Middle East. The U.S. Intelligence Community has raised the concern that Tehran may integrate nuclear weapons into its ballistic missiles.⁹
- Iran provides funding, training, weapons, rockets, and other material support to terrorist groups in Lebanon, the Palestinian Territories, and elsewhere.
- Elements of the Iranian national security apparatus are actively supporting the insurgency in Iraq.

Iran's August 22, 2006 letter expressing its willingness to enter into "serious negotiations" on its nuclear program presents significant challenges for U.S. policymakers who must assess Iranian intentions, the likelihood that it would abide by a new diplomatic agreement, and whether Iran would exploit a new agreement to advance its nuclear weapons program. The U.S. Intelligence Community will play an important role in helping policymakers evaluate these questions. U.S. intelligence agencies will have to devote resources to verify adherence to whatever result negotiations might produce – Iran's compliance with any agreement that may be reached, or the international community's compliance with any new trade sanctions the international community may place on Iran should efforts to use negotiations to resolve the crisis fail.

INTELLIGENCE GAPS AND WHY THEY ARE CRITICAL

Accurate and comprehensive intelligence is critical for the development of good policy. There is a great deal about Iran that we do not know. It would be irresponsible to list the specific intelligence gaps in an unclassified paper, as identifying our specific shortcomings would provide critical insights to the Iranian government. Suffice it to say, however, that the United States lacks critical information needed for analysts to make many of their judgments with confidence about Iran and there are many significant information gaps. A special concern is major gaps in our knowledge of Iranian nuclear, biological, and chemical programs. US policymakers and intelligence officials believe, without exception, that the United States must collect more and better intelligence on a wide range of Iranian issues –its political dynamics, economic health, support for terrorism, the nature of its involvement in Iraq, the status of its nuclear, biological, and chemical weapons efforts, and many more topics of interest. The national security community must dedicate the personnel and resources necessary to better assess Iran's plans, capabilities and intentions, and the Director of National Intelligence (DNI) must identify, establish, and report on intelligence goals and performance metrics to measure progress on critical fronts.

This report provides an unclassified assessment of the Iran question to help the American public understand the seriousness of the Iranian threat and to discuss ways U.S. intelligence collection and analysis against Iran must be improved.

The Nature of the Threat

Iran poses a threat to the United States and its allies due to its sponsorship of terror, probable pursuit of weapons of mass destruction, and support for the insurgency in Iraq. The profile of the Iranian threat has increased over the last year due to the election of President Mahmoud Ahmadinejad, who has made public threats against the United States and Israel, the continuation of Iranian nuclear weapons research, and the recent attacks by Hezbollah, an Iranian terrorist proxy, against Israel. Iran has provided Hezbollah with financial support and weapons, including the thousands of rockets Hezbollah fired against Israel in July and August 2006. Iran thus bears significant responsibility for the recent violence in Israel and Lebanon.

Iran's efforts since December 2005 to resume enrichment of uranium, in defiance of the international community, Tehran's willingness to endure international condemnation, isolation, and economic disruptions in order to carry out nuclear activities covertly indicates Iran is developing nuclear weapons. It is worth noting, however, that some outside experts hold another view and believe that senior Iranian leaders are divided on whether to proceed with a nuclear weapons program, and contend that some Iranian officials argue that Iran should pursue nuclear research within the guidelines of the Nuclear Non-Proliferation Treaty (NPT) so Iran can maintain international trade links.¹⁰ These outside experts hold that until the leadership's intentions and decisions are known, it is difficult to assert with confidence that Iran is actually pursuing nuclear weapons.

A nuclear-armed Iran would pose a serious strategic threat to the United States and its allies because:

- A nuclear-armed Iran would likely embolden the leadership in Tehran to advance its aggressive ambitions in and outside of the region, both directly and through the terrorists it supports – ambitions that gravely threaten stability and the security of U.S. friends and allies.
- An Iranian leadership which believes a nuclear arsenal protects it from retaliation may be more likely to use force against U.S. forces and allies in the region, the greater Middle East, Europe, and Asia. Nuclear weapons could thus lower the threshold for Iran's use of conventional force.
- A nuclear-armed Iran would likely exacerbate regional tensions. Israel would find it hard to live with a nuclear armed Iran and could take military action against Iranian nuclear facilities. A deliberate or miscalculated attack by one state on the other could result in retaliation, regional unrest, and an increase in terrorist attacks.

Iran's Nuclear Weapons Program

Two decades ago, Iran embarked on a secret program to acquire the capability to produce weapons-grade nuclear material. Iran has developed an extensive infrastructure, from laboratories to industrial facilities, to support its research for nuclear weapons. Producing fissile material is a complicated process and Tehran faces several key obstacles to acquiring a nuclear capability: its inability to produce or purchase fissile material, the challenges of marrying a nuclear warhead to a missile, and the difficulty of adjusting its existing missiles to carry a nuclear payload.

Since 2002, the IAEA has issued a series of reports detailing how Iran has covertly engaged in dozens of nuclear-related activities that violate its treaty obligations to openly cooperate with the IAEA. These activities included false statements to IAEA inspectors, carrying out certain nuclear activities and experiments without notifying the IAEA, and numerous steps to deceive and mislead the IAEA.¹¹

The principal method Iran is pursuing at this time to produce fissile material for nuclear weapons is a process known as uranium enrichment. This method involves spinning gaseous uranium hexafluoride (UF₆) in large numbers of centrifuge machines to increase the fraction of uranium-235 (U-235), the uranium isotope that can be used as weapons fuel. Naturally occurring uranium contains only a very small fraction of this isotope (0.71%), thus the need for enrichment process. Weapons-grade uranium contains about 90% U-235.

The IAEA has also uncovered evidence that Iran has pursued another route for nuclear weapons by producing plutonium. Plutonium can be separated from irradiated nuclear material such as "spent" fuel rods from a nuclear power reactor. North Korea is believed to have produced plutonium for nuclear weapons by separating plutonium from spent fuel rods.

RECENT DIPLOMATIC DEVELOPMENTS

From late 2003 until early 2006, the United Kingdom, France, and Germany (the "EU-3") attempted to find a diplomatic solution to the Iranian nuclear program that addressed unanswered questions about Tehran's nuclear activities and its lack of cooperation with the IAEA. Despite some signs of progress in 2004 and 2005, a major turning point occurred on September 24, 2005 when the IAEA Board of Governors passed a resolution concluding that Iran's "many failures and breaches" to comply with its obligations under the Nuclear Nonproliferation Treaty constituted noncompliance with the IAEA statute.¹² The resolution also expressed an "absence of confidence that Iran's nuclear program is exclusively for peaceful purposes" and called for Iran to reestablish a full and sustained suspension of uranium enrichment and reprocessing. The EU-3 effort collapsed in early 2006 when Iran defied the September 2005 IAEA resolution by announcing it would break IAEA seals placed on uranium enrichment facilities and end its moratorium on enriching uranium. As a result, on February 4, 2006, the IAEA Board of Governors reported Iran's failure to allay concerns about the nature of its nuclear program to the United Nations Security Council.¹³ The Security Council met to discuss the Iranian nuclear program in March 2006 but was only able to pass a mild statement urging Iran to abide by its IAEA obligations due to opposition to tougher action by China and Russia.¹⁴

On June 6, 2006, Iran was presented with an incentives package backed by the United States, Russia, UK, France, and China to convince it to suspend its uranium enrichment program and begin negotiations with the EU-3 and the United States. After Iran refused to provide a clear answer as to whether or when it would respond to the offer, the UN Security Council passed Resolution 1696 on July 31, 2006 giving Iran until August 31, 2006 to fully implement a suspension of its uranium enrichment program as mandated by the IAEA Board of Governors resolution of February 4, 2006. If Iran does not comply by this date, Resolution 1696 states the Security Council's intention to take "additional measures" to compel Iran to comply. The United States is prepared to propose trade sanctions against Iran as the "additional measures."¹⁵ Iranian President Ahmadinejad rejected Resolution 1696 on August 1, 2006, indicating that his country would not be pressured into stopping its nuclear program and stating "if some think they can still speak with threatening language to the Iranian nation, they must know that they are badly mistaken." Iran responded to the incentives package on August 22, 2006, claiming it had provided a "new formula" to resolve the dispute and was ready to enter into "serious negotiations." The details of this response were not available when this report went to press.

The recent attempt by the United States, the United Kingdom, France, and Germany to begin a new round of negotiations with Iran on ending its nuclear weapons program raise a number of difficult issues. U.S. policymakers must carefully evaluate Iran's August 22, 2006 response to the incentives package, Iranian intentions, and past behavior to make a judgment as to whether Tehran would abide by a new agreement curtailing its nuclear weapons program or would attempt to exploit a new agreement to advance its weapons program, such as by harvesting plutonium from new light water reactors an agreement might provide to Iran or continuing nuclear weapons research using the small uranium enrichment capability that EU-3 states are proposing to permit Iran to retain as part of an agreement. This evaluation will determine our participation in any negotiations and whether America could ultimately agree to be a party to a diplomatic agreement with Iran. A determination also needs to be made as to whether Iran's August 22, 2006 response addresses the requirements of UN Security Council Resolution 1696 – which requires Iran to suspend its uranium enrichment program – and whether additional action by the Council, such as trade sanctions against Iran, are warranted. We expect the U.S. Intelligence Community would play an important role in assisting U.S. policymakers with these questions – including whether Iran can be trusted to abide by a diplomatic agreement – and to assess the effectiveness and implementation of trade sanctions against Iran that could be employed if diplomatic efforts fail.

EVIDENCE FOR AN IRANIAN NUCLEAR WEAPONS PROGRAM

The WMD Commission (officially known as the Commission on the Intelligence of the United States Regarding Weapons of Mass Destruction) concluded in its March 2005 unclassified report that “across the board, the Intelligence Community knows disturbingly little about the nuclear programs of many of the world’s most dangerous actors.”¹⁶ American intelligence agencies do not know nearly enough about Iran’s nuclear weapons program. However, based on what is known about Iranian behavior and Iranian deception efforts, the U.S. Intelligence Community assesses that Iran is intent on developing a nuclear weapons capability. Publicly available information also leads to the conclusion that Iran has a nuclear weapons program, especially taking into account the following facts:

- Iran has covertly pursued two parallel enrichment programs – a laser process based on Russian technology and a centrifuge process. The Russian government terminated cooperation with Iran on laser enrichment in 2001, following extensive consultations with the United States, and it appears to be no longer active.¹⁷
- In February 2004, Iran admitted to obtaining uranium centrifuge technology on the black market shortly after Dr. A.Q. Khan, the father of Pakistan’s nuclear weapons program, confessed to secretly providing this technology to Iran, Libya, and North Korea.¹⁸ Khan also sold nuclear bomb plans to Libya.¹⁹ It is not known whether Khan sold nuclear weapon plans to Iran.



Iran is currently enriching uranium to weapons grade using a 164-machine centrifuge cascade at this facility in Natanz. Iran claims it will have 3,000 centrifuges at this site by next spring. (IKONOS satellite image by GeoEye)

- The IAEA reported on February 27, 2006 that Iran has produced approximately 85 tons of uranium hexafluoride (UF₆).²⁰ If enriched through centrifuges to weapons-grade material – a capability Iran is working hard to master – this would be enough for 12 nuclear bombs.²¹
- To produce plutonium, Iran has built a heavy water production plant and is constructing a large, heavy water-moderated reactor whose technical characteristics are well-suited for the production of weapons-grade plutonium. In support of this effort, Iran admitted in October 2003 to secretly producing small quantities of plutonium without notifying the IAEA, a violation of its treaty obligations.²²
- The IAEA has discovered documentation in Iran for casting and machining enriched uranium hemispheres, which are directly relevant to production of nuclear weapons components.²³ The IAEA is also pursuing information on nuclear-related high-explosive

tests²⁴ and the design of a delivery system,²⁵ both of which point to a military rather than peaceful purpose of the Iranian nuclear program.

- The IAEA discovered evidence in September 2003 that Iran had covertly produced the short-lived radioactive element polonium 210 (Po-210), a substance with two known uses: a neutron source for a nuclear weapon and satellite batteries. Iran told the IAEA that the polonium 210 was produced for satellite batteries but could not produce evidence for this explanation.²⁶ The IAEA found Iran's explanation about its polonium experiments difficult to believe, stating in a September 2004 report that "it remains, however, somewhat uncertain regarding the plausibility of the stated purpose of the experiments given the very limited applications of short lived Po-210 sources."²⁷

TIMELINE TO AN IRANIAN NUCLEAR BOMB

The U.S. Intelligence Community believes Iran could have a nuclear weapon sometime in the beginning to the middle of the next decade. The timetable for an Iranian program depends on a wide range of factors – such as the acquisition of key components and materials, successful testing, outside assistance (if any), and the impact of domestic and international political pressures. It also depends on the assumption that Iran will overcome technical hurdles to master the technology at some point and that its leaders will not be deterred from developing nuclear weapons in the interim.

Increasing its number of centrifuges will dramatically decrease the time required for Iran to produce sufficient fissile material for a nuclear weapon. Former Iranian President Rafsanjani said on April 11, 2006 that Iran was producing enriched uranium in a small, 164-centrifuge cascade using “P-1” centrifuge technology, a basic Pakistani centrifuge design. Iran announced in April 2006 that it plans to build a 3,000-centrifuge cascade by early 2007 and ultimately plans to construct a 54,000 centrifuge cascade.²⁸

- Theoretically, 3,000 "P-1" centrifuges could produce enough fissile material for one nuclear weapon in about a year using unenriched UF₆. Diverting low-enriched uranium fuel, such as light water reactor fuel,²⁹ for enrichment in a 3,000 "P-1" centrifuge cascade could produce enough fissile fuel for one nuclear bomb in less than two months.³⁰
- P-2 centrifuges. “P-2” centrifuges could produce fissile fuel four times faster than “P-1” centrifuges. Iranian President Ahmadinejad announced on April 13, 2006 that Iran “presently is conducting research” on P-2 centrifuges, a more advanced Pakistani technology. Iran admitted in January 2004 that it obtained plans for P-2 centrifuges from “a foreign intermediary” in 1994, but denied it had constructed any P-2 machines.³¹ Since that time, Iran has resisted providing details of its P-2 program to IAEA inspectors, who have only been allowed to observe the more basic P-1 centrifuges.³² A.Q. Khan provided P-2 centrifuges to the Libyan nuclear weapons program and could have provided this technology to Iran.
- Spent fuel from light water reactors. Extracting plutonium from a light water reactor's (LWR) spent fuel rods would produce weapons-grade fuel in less time than spinning

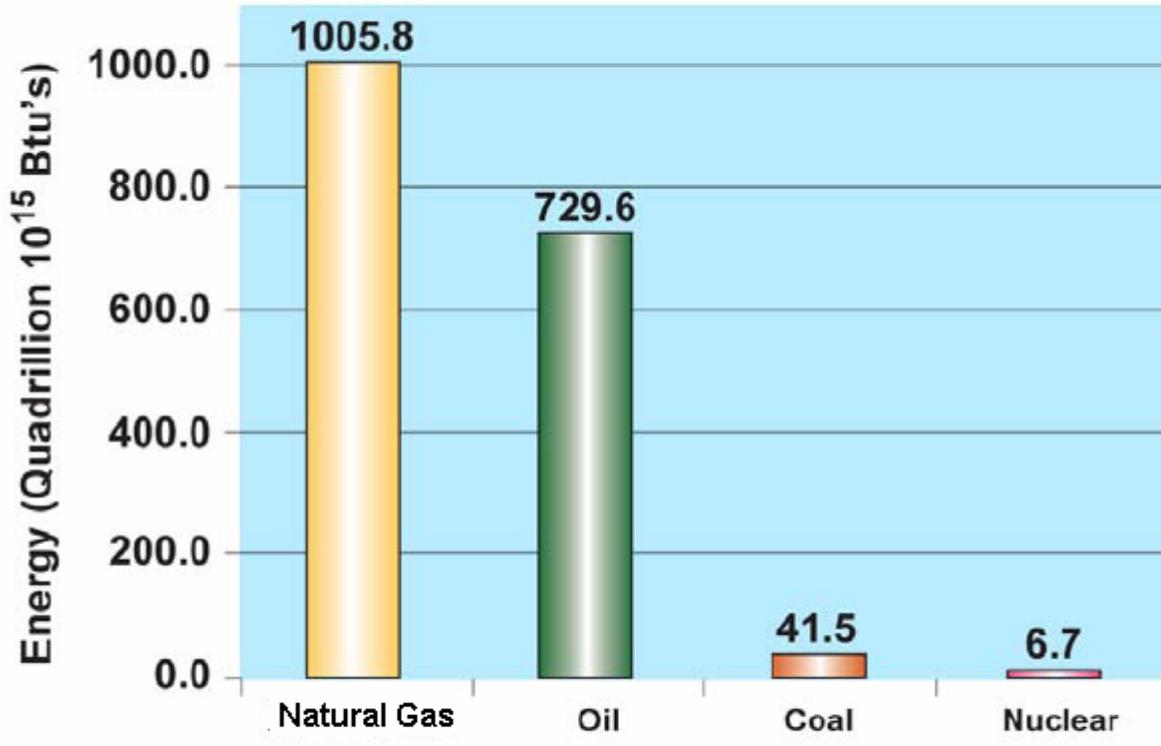
unenriched UF₆ in centrifuges. Spent fuel from the LWR Russia is building for Iran in the city of Bushehr could produce enough weapons-grade plutonium for 30 weapons per year if the fuel rods were diverted and reprocessed.³³ Spent fuel from the LWRs that EU-3 states are proposing to give Iran as part of a new diplomatic agreement probably could be used to produce a similar amount of plutonium. While Russia has agreed to take back spent fuel from the Bushehr plant and store them in Russia, and although the fuel for reactors proposed by the Europeans should be placed under very strong international safeguards, Iran's record of non-cooperation with the IAEA and its years of secret nuclear experiments raise questions as to whether Iran can be trusted to honor an agreement on the disposition of spent fuel rods.

DUBIOUS CLAIMS AND EXPLANATIONS FOR IRAN'S NUCLEAR ACTIVITIES

Iran has engaged in an extensive campaign to conceal from the IAEA and the world the true nature of its nuclear program.

- Iran claims that its nuclear program is peaceful and for civilian electricity. While there are differences among some experts as to whether Iran may have an interest in a civilian nuclear program in addition to a weapons program, recent findings by the Department of Energy make a convincing case that the Iranian nuclear program is inconsistent with the Iranian Government's stated purpose of developing civil nuclear power in order to achieve energy independence.³⁴ Iran's claims that its nuclear program is peaceful also is belied by its record of non-cooperation with the IAEA, its decision to pursue nuclear technology covertly, and the fact that Iran does not have enough indigenous uranium resources to fuel even one power-generating reactor over its lifetime,³⁵ although it does have enough uranium to make several nuclear bombs.
- Aside from Iran's lack of uranium deposits, Iran's claim that its nuclear program is for electricity production appears doubtful in light of its large oil and natural gas reserves. Iran's natural gas reserves are the second largest in the world and the energy industry estimates that Iran flares enough natural gas annually to generate electricity equivalent to the output of four Bushehr reactors. Iran's energy reserves are compared in Figure One.

Figure One: Iranian Energy Reserves by Type
U.S. Department of Energy Chart, April 2006³⁵



Energy equivalence used = 1070 Btu/ft³ natural gas, 5.8e6 Btu/barrel oil, 11,000 Btu/lb. coal, 4.41e11 Btu/mton U-235. Source Nuclear Engineering: Theory and Technology of Commercial Nuclear Power—Knief. Energy data from March 2005 U.S. EIA Iran Country Analysis Brief.

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- Furthermore, there is no rational reason for Iran to pursue a peaceful nuclear program in secret and risk international sanctions when the International Atomic Energy Agency encourages and assists peaceful nuclear programs. If Iran sincerely wanted a peaceful nuclear program, the IAEA would have helped it develop one provided that Tehran agreed to IAEA supervision and monitoring.

In an October 1, 2003 agreement with the EU-3, Iran pledged "to engage in full cooperation with the IAEA to address and resolve through full transparency all requirements and outstanding issues of the Agency." In spite of this, Iran has admitted to conducting certain nuclear activities to IAEA inspectors only after the IAEA presented it with clear evidence or asked Tehran to correct prior explanations that were inaccurate, implausible, or fraught with contradictions. Iran's admissions have been grudging and piecemeal, and its cooperation with IAEA inspectors has been accompanied by protests, accusations, and threats. Iran's recalcitrant behavior toward IAEA inspections drove IAEA Director Mohammed ElBaradei to declare in a November 2003 report:

"The recent disclosures by Iran about its nuclear program clearly show that, in the past, Iran had concealed many aspects of its nuclear activities, with resultant breaches of its obligation to comply with the provisions of the Safeguards Agreement. Iran's policy of concealment

continued until last month, with co-operation being limited and reactive, and information being slow in coming, changing and contradictory."³⁷

Although it is likely that Iran is pursuing nuclear weapons, there is the possibility that Iran could be engaged in a denial and deception campaign to exaggerate progress on its nuclear program such as Saddam Hussein apparently did concerning his WMD programs. U.S. leaders need more definitive intelligence to judge the status of the Iranian nuclear program and whether there have been any related deception efforts.

While not an instance of Iranian perfidy, the spring 2006 decision by IAEA Director General ElBaradei to remove Mr. Christopher Charlier, the chief IAEA Iran inspector, for allegedly raising concerns about Iranian deception regarding its nuclear program and concluding that the purpose of Iran's nuclear program is to construct weapons, should give U.S. policymakers great pause. The United States has entrusted the IAEA with providing a truly objective assessment of Iran's nuclear program. IAEA officials should not hesitate to conclude that the purpose of Iranian nuclear program is to produce weapons if that is where the evidence leads. If Mr. Charlier was removed for not adhering to an unstated IAEA policy barring IAEA officials from telling the whole truth about the Iranian nuclear program, the United States and the international community have a serious problem on their hands.³⁸

The Question of Chemical and Biological Weapons

Intelligence regarding potential Iranian chemical weapons (CW) and biological weapons (BW) programs is neither voluminous nor conclusive. Nevertheless, U.S. intelligence agencies have determined based on the evidence available that Iran likely is pursuing CW and BW weapons. Such weapons probably would be of limited military value but could nevertheless change the nature of a conflict, as DNI Negroponte indicated in February 2006: "We are also concerned about the threat from biological agents – or even chemical agents, which would have psychological and possibly political effects far greater than their actual magnitude."³⁹

CHEMICAL WEAPONS

Although it does not have unequivocal evidence, the U.S. Intelligence Community believes Iran has an offensive chemical weapons research and development capability.⁴⁰ The Intelligence Community reported in its November 2004 unclassified *Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions*, also known as the *721 Report*, that Iran

“...continued to seek production technology, training, and expertise from foreign entities that could further Tehran's efforts to achieve an indigenous capability to produce nerve agents. Iran may have already stockpiled blister, blood, choking, and possibly nerve agents- and the bombs and artillery shells to deliver them-which it previously had manufactured.”⁴¹

The Department of State drew similar conclusions in its *2005 Report on Adherence and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements and Commitments*, a report that was cleared by all policy and intelligence agencies:

"We continue to believe that Iran has not acknowledged the full extent of its chemical weapons program, that it has indigenously produced several first-generation CW agents (blood, blister, and choking agents), and that it has the capability to produce traditional nerve agents. However, the size and composition of any Iranian stockpile is not known."

"The United States judges that Iran is in violation of its Chemical Weapons Convention obligations because Iran is acting to retain and modernize key elements of its CW infrastructure to include an offensive CW R&D capability and dispersed mobilization facilities."⁴²

BIOLOGICAL WEAPONS

The U.S. Intelligence Community believes Iran probably has an offensive biological weapons program but lacks clear intelligence proving that this is the case. The U.S. Intelligence Community stated in its November 2004 *721 Report*:

"Tehran probably maintains an offensive BW program. Iran continued to seek dual-use biotechnical materials, equipment, and expertise. While such materials had legitimate uses, Iran's biological warfare program also could have benefited from them. It is likely that Iran has capabilities to produce small quantities of BW agents, but has a limited ability to weaponize them."⁴³

This finding was echoed in the Department of State's *2005 Report on Adherence and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements and Commitments*:

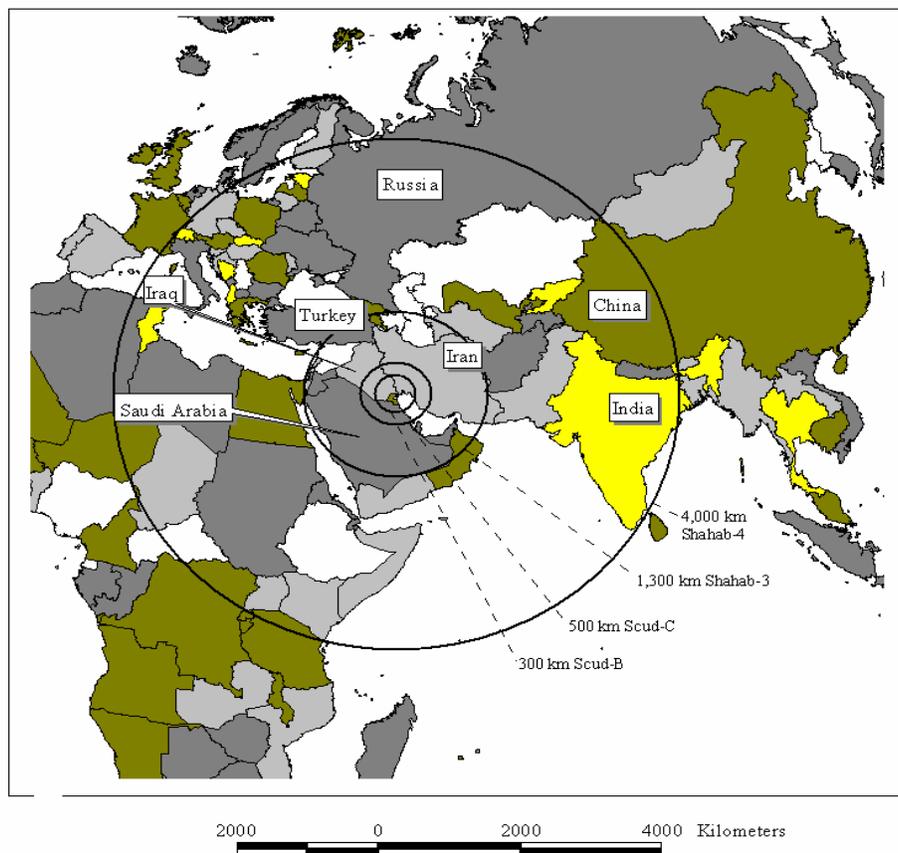
"The Iranian BW program has been embedded within Iran's extensive biotechnology and pharmaceutical industries so as to obscure its activities. The Iranian military has used medical, education, and scientific research organizations for many aspects of BW-related agent procurement, research, and development. Iran has also failed to submit the data declarations called for in the Biological Weapons Convention Confidence Building Measures."

"The United States judges that, based on available information, Iran has an offensive biological weapons program in violation of the BWC. Iran is technically capable of producing at least rudimentary biological warheads for a variety of delivery systems, including missiles."⁴⁴

The Threat from the Iranian Ballistic Missile Program

One of the most disturbing aspects of the Iranian WMD program is its determined effort to construct ballistic missiles that will enable Tehran to deliver conventional or, potentially, chemical, biological, or nuclear warheads against its neighbors in the region and beyond. Iran claimed last fall that its Shahab-3 missile can currently strike targets at distances up to 2,000 km (1,200 miles), including Israel, Egypt, Turkey, Saudi Arabia, Afghanistan, India, Pakistan, and southeastern Europe.⁴⁵ It is believed that Iran's Shahab-4 will have a range of 4,000 km (2,400 miles), enabling Iran to strike Germany, Italy, and Moscow. The below map by the Congressional Research Service⁴⁶ illustrates the estimated ranges of the ballistic missiles Iran is developing:

Ranges of Iran's Missiles



The U.S. Intelligence Community concluded in its November 2004 *721 Report*:

"Iran's ballistic missile inventory is among the largest in the Middle East and includes some 1,300-km-range Shahab-3 medium-range ballistic missiles (MRBMs) and a few hundred short-range ballistic missiles (SRBMs)-including the Shahab-1 (Scud-B), Shahab-2 (Scud C), and Tondar-69 (CSS-8)-as well as a variety of large unguided rockets. Already producing Scud SRBMs, Iran announced that it had begun production of the Shahab-3

MRBM and a new solid-propellant SRBM, the Fateh-110. In addition, Iran publicly acknowledged the development of follow-on versions of the Shahab-3. It originally said that another version, the Shahab-4, was a more capable ballistic missile than its predecessor but later characterized it as solely a space launch vehicle with no military applications. Iran is also pursuing longer-range ballistic missiles."⁴⁷

DNI Negroponte stated a similar finding in February 2006, adding his concern that Iran may weaponize missiles to deliver nuclear warheads:

"...the danger that it [Iran] will acquire a nuclear weapon and the ability to integrate it with the ballistic missiles Iran already possesses is a reason for immediate concern. Iran already has the largest inventory of ballistic missiles in the Middle East, and Tehran views its ballistic missiles as an integral part of its strategy to deter -- and if necessary retaliate against -- forces in the region, including US forces."⁴⁸

IAEA Director General ElBaradei also raised the specter of Iran adapting its missiles to transport nuclear warheads when he wrote in a February 2006 report that the IAEA had asked Iran to meet to discuss "tests related to high explosives and the design of a missile re-entry vehicle, all of which could involve nuclear material." ElBaradei reported that Iran refused to discuss its alleged missile re-entry vehicle with the IAEA.⁴⁹ These and other recent reported developments about Iran's ballistic missile program are alarming and pose a serious threat to America's allies, especially in the Middle East.

IRAN'S WMD AND MISSILE PROGRAMS: WHAT POLICYMAKERS NEED FROM U.S. INTELLIGENCE AGENCIES

Although Iran, being a denied area with active denial and deception efforts, is a difficult target for intelligence analysis and collection, it is imperative that the U.S. Intelligence Community devote significant resources against this vital threat. Detection and prevention are the two most important intelligence challenges concerning Iran's WMD and ballistic missile programs.

The U.S. Intelligence Community needs to improve its analysis and collection on the problem of detecting and characterizing Iran's WMD programs. This is particularly important regarding Iran's nuclear program, where U.S. efforts to reach a diplomatic agreement are at a critical and sensitive point. The IC's ability to provide accurate and timely intelligence on a number of facets of Iran's program will be equally critical whether there is a negotiated solution to the current nuclear impasse or if sanctions are imposed.

Improving intelligence collection and analysis to better understand and counter Iranian influence and intentions is vital to our national security. The Intelligence Community lacks the ability to acquire essential information necessary to make judgments on these essential topics, which have been recognized as essential to U.S. national security for many, many years.

An important dimension of the detection of Iran's WMD program is how intelligence analysts use intelligence to characterize these programs in their analysis. Intelligence Community managers and

analysts must provide their best analytic judgments about Iranian WMD programs and not shy away from provocative conclusions or bury disagreements in consensus assessments.

It is vital that the Intelligence Community also provide intelligence the United States can use to prevent Iran from acquiring WMD technology and materials. This is a global challenge and the U.S. Intelligence Community must be prepared to play an important role as the Administration seeks the cooperation of like-minded government officials in efforts to prevent Iran from acquiring WMD or discouraging the Iranian regime and people from continuing to pursue such programs.

How Iran is Destabilizing Iraq

Iranian involvement in Iraq is extensive, and poses a serious threat to U.S. national interests and U.S. troops. It is enabling Shia militant groups to attack Coalition forces and is actively interfering in Iraqi politics. General John Abizaid told the Senate Armed Service Committee on March 14, 2006:

"Iran is pursuing a multi-track policy in Iraq, consisting of overtly supporting the formation of a stable, Shia Islamist-led central government while covertly working to diminish popular and military support for U.S. and Coalition operations there. Additionally, sophisticated bomb making material from Iran has been found in improvised explosive devices (IEDs) in Iraq."⁵⁰

DNI Negroponte stated in February 2006 that Iran has demonstrated a degree of restraint in its support of violent attacks against Coalition forces in Iraq:

"Tehran's intentions to inflict pain on the United States in Iraq has been constrained by its caution to avoid giving Washington an excuse to attack it, the clerical leadership's general satisfaction with trends in Iraq, and Iran's desire to avoid chaos on its borders."⁵¹

Some Iranian assistance to Iraqi insurgents already has been provided. However, through its terrorist proxies, intelligence service, Revolutionary Guard Corps (IRGC), and other tools of power projection and influence, Iran could at any time significantly ramp up its sponsorship of violent attacks against U.S. forces in Iraq and elsewhere in the Middle East if it believed doing so would keep the United States distracted or would otherwise be in Iran's national interest. Iran's support of the June 25, 1996 truck bombing of the Khobar Towers in Saudi Arabia, a terrorist act that killed 19 U.S. Servicemen and wounded 500, demonstrated that Tehran is willing to organize attacks on U.S. personnel.⁵²

IRANIAN INVOLVEMENT IN IRAQ'S POLITICAL PROCESS

In February 2005, then-Defense Intelligence Agency (DIA) Director Lowell E. ("Jake") Jacoby testified to the Senate Select Committee on Intelligence that Iran seeks a "weakened and Shia-dominated Iraq that is incapable of posing a threat to Iran."⁵³ Iran has long supported Iraqi Shia political parties, both in Iraq and in exile, and it continues to work through these groups to affect the political process. Non-government observers believe that Tehran consciously works to gain leverage with multiple political leaders, parties and organizations in the current Iraqi political

system -- even those who are no fans of Iran, such as Shia cleric and Mahdi Army leader Muqtada al-Sadr -- to ensure it has options for influencing events no matter which group gains prominence in the Iraqi polity.⁵⁴

On March 16, 2006, Ali Larijani, Secretary of Iran's Supreme National Security Council, indicated Iran was prepared to begin direct talks with the U.S. on Iraq, stating that, "the important thing for us is an established government in Iraq and that security is restored." Larijani was responding to Secretary of State Condoleezza Rice's authorization for U.S. Ambassador to Iraq Zalmay Khalilzad to hold bilateral talks limited to the situation in Iraq. Secretary Rice responded on March 24th that such talks would place "at the appropriate time." National Security Adviser Hadley expressed skepticism about the sincerity of Iran's offer to engage in talks with the U.S., noting that "Iran waited months to agree to a U.S. proposal to take up the issue, and did so only after its atomic program was referred to the UN Security Council for possible sanctions."⁵⁵

Some have raised concerns about opening a dialogue with Iran while it is backing death squads in Iraq and insurgent attacks on U.S. forces. Ambassador Khalilzad said during a March 23, 2006 *Washington Post* interview that he believed Iran was publicly professing its support for Iraq's stalemated political process while its military and intelligence services back outlawed militias and insurgent groups. The *Washington Post* quoted Khalilzad stating that

"Our judgment is that training and supplying, direct or indirect, takes place, and that there is also provision of financial resources to people, to militias, and that there is presence of people associated with Revolutionary Guard and with MOIS [Ministry of Intelligence and Security]"⁵⁶

IRANIAN SUPPORT TO IRAQI MILITIAS

The U.S. Intelligence Community, the Department of State, and the Department of Defense have reported that Iran provides training, funds, and weapons to a variety of Shia militias in Iraq which have been linked to assassinations, human rights abuses, and the planting of improvised explosive devices (IEDs) designed to maim and kill U.S. troops.⁵⁷ The full extent of Iranian support to these militias is unknown, but three groups in particular have received Iranian support.

- **Badr Brigade:** The 20,000 strong Badr Brigade (recently renamed the Badr Organization to symbolize a transformation to a political organization) is widely believed by experts inside and outside of the US Government to be controlled by the Iranian-supported Supreme Council for the Islamic Revolution in Iraq (SCIRI). It has been accused of running "death squads" that kidnap, torture, and kill Sunnis, including the 173 Sunnis found in a secret prison in a Ministry of Interior building in Jadriyah in November 2005.⁵⁸ General George Casey, the U.S. military commander in Iraq, said on December 12, 2005 that the Badr Brigade openly placed its personnel in security units in the Iraqi internal security forces, and that the loyalty of these forces remains primarily to the militia, not the national security forces.⁵⁹ Given the degree of Iranian influence over the group, the Badr Organization is widely seen as a means through which Iran has "taken over many of the Iraqi Interior Ministry's intelligence activities and infiltrated its elite commando units," to the point that "the Interior Ministry had become what amounted to an Iranian fifth column inside the U.S.-

backed Iraqi government.”⁶⁰ The organization is also believed to help Iran move agents, weapons, and materiel into Iraq.⁶¹ If Iran indeed has such influence inside the Ministry of Interior, it will have great insights into the Iraqi police force’s strategies, plans and possibly even operations, thus giving Iran opportunities to defeat Iraqi efforts to undermine Shia extremists in Iraq.

- Wolf Brigade: The 2,000-member “Wolf Brigade,” a Badr offshoot, is led by SCIRI member Abu Walid and reported to be under the control of Iranian-influenced officials at the Interior Ministry.⁶² It is reputed to have targeted Iraqi Sunnis for kidnapping, torture, and murder.⁶³

IRANIAN INVOLVEMENT IN ATTACKS ON U.S. AND COALITION FORCES

Evidence has mounted that Iran has facilitated IED attacks on U.S. forces. In a March 13 speech, President Bush stated that “coalition forces have seized IEDs and components that were clearly produced in Iran” and that “some of the most powerful IED's we're seeing in Iraq today include components that came from Iran.”⁶⁴ DNI Negroponte echoed the president’s remarks when he told Congress in February 2006 that:

"Iran provides guidance and training to select Iraqi Shia political groups and weapons and training to Shia militant groups to enable anti-Coalition attacks. Tehran has been responsible for at least some of the increasing lethality of anti-Coalition attacks by providing Shia militants with the capability to build IEDs with explosively formed projectiles similar to those developed by Iran and Lebanese Hizballah."⁶⁵

While there appears to be clear evidence that Iraqi insurgent groups receive assistance from entities in Iran, however, Joint Chiefs Chairman General Peter Pace asserted that he has seen no evidence Iran's *government* is the driving force behind such activity.⁶⁶ Better intelligence collection and analysis is needed to determine the nature and extent of Iranian ties to Iraqi insurgent groups.

IRAN'S ROLE IN IRAQ: WHAT POLICYMAKERS NEED FROM U.S. INTELLIGENCE AGENCIES

The United States needs a range of information to adequately assess Iran’s intentions and activities in Iraq. The U.S. needs to understand better Tehran's ongoing support to Shia militants conducting lethal attacks in Iraq in order to save Coalition lives and ensure the future of a stable, democratic Iraqi government. Insights into Tehran's efforts to exert long-term influence over Iraqi institutions will be important as well.

Iranian Support for Terrorism Outside Iraq

The July 2006 Hezbollah attacks on Israel likely is the latest use of terrorism by Iran to advance its regional policy goals. Iran has used terrorism over the years as a means of projecting power, mostly against Israel but also against internal dissidents and other adversaries in Europe. The State

Department's annual *Country Reports on Terrorism 2004* (issued April 2005) calls Iran "the most active state sponsor of terrorism," stating that the MOIS and the IRGC both "provided Lebanese Hezbollah and Palestinian terrorist groups -- notably HAMAS, the Palestinian Islamic Jihad, the al-Aqsa Martyrs' Brigade, and the Popular Front for the Liberation of Palestine-General Command -- with funding, safe haven, training and weapons."⁶⁷ Secretary of State Condoleezza Rice has referred to Iran as the "central banker for terrorism."⁶⁸

Iran's links are strongest to Lebanese Hezbollah and Palestinian rejectionist groups, both of which have been designated by the United States as foreign terrorist organizations. Tehran is reported to have links to al-Qaeda, though U.S. intelligence information is insufficient to make a conclusive judgment on this relationship.

HEZBOLLAH

Iran's influence over Hezbollah gives it a role in the Israeli-Palestinian peace process, making Tehran a player on an issue of global importance. Its ties to Hezbollah also provide Iran with a power projection tool -- "an extension of their state," according to State Department Counterterrorism Coordinator Henry Crumpton -- allowing it to authorize (or prevent) terror attacks as a way to exercise influence in the region or beyond.⁶⁹ Iran also employs the threat of stepped-up terror attacks as a deterrent against hostile powers; the possibility that Iran might unleash its terrorist proxies against the United States and its allies undoubtedly gives pause to those who might call for aggressive action against Iran.

The extent to which Iran directed the July/August 2006 Hezbollah attacks against Israel is unknown, as are possible Iranian objectives for provoking hostilities with Israel at this point in time. Certainly, Iran could benefit if the international community's attention was diverted away from Iran's nuclear program. It is urgent that the U.S. Intelligence Community redouble its efforts to uncover any Iranian agenda behind the attacks and learn how Iran may be directing them.

Iranian assistance to Hezbollah consists of funds, training, equipment, and intelligence.⁷⁰ Hezbollah leader Hassan Nasarallah stated in a May 2005 speech that Hezbollah had more than 12,000 rockets with ranges of 25-45 miles.⁷¹ The IRGC reportedly has a strong presence in Lebanon to coordinate aid to Hezbollah, including Stinger surface-to-air missiles, Katyusha rockets, mortars, and other weaponry.⁷² The State Department *Country Reports on Terrorism* stated that Iran provided Hezbollah an unmanned aerial vehicle that it flew in November 2004 into Israeli airspace, providing target reconnaissance regarding northern Israeli cities.⁷³ There were several unconfirmed news accounts in August 2006 of Hezbollah UAVs crashing or being shot down by Israeli forces. The press accounts claimed the UAVs may have been packed with explosives.⁷⁴

Hezbollah has also served as a conduit for Iranian provision of weapons to Palestinian groups inside Israel. The ship *Karine-A*, seized by Israel in the Red Sea in January 2002, was filled with weapons destined for the Palestinian Authority; Hezbollah reportedly provided the funds for purchasing the weapons and hiring the ship, which was loaded in Iran.⁷⁵

PALESTINIAN GROUPS

The State Department *2004 Country Reports on Terrorism* stated that "Iran provided Palestinian terrorist groups -- notably HAMAS, the Palestinian Islamic Jihad, the al-Aqsa Martyrs Brigades,

and the Popular Front for the Liberation of Palestine-General Command -- with funding, safe haven, training, and weapons.”⁷⁶

- HAMAS: While Iran has provided funding to HAMAS in the past, Tehran has increased its promise of support since the beginning of 2006. After HAMAS won Palestinian legislative elections in January, leading Western governments to cut off aid to the PA government, Iran has pledged to provide \$250 million in financial support and urged other Muslim countries to do so as well.⁷⁷ It is not clear, however, whether Iran (or other countries) will actually provide such funding.
- Palestinian Islamic Jihad (PIJ): As early as 1993, PIJ founder Fathi Shiqaqi publicly acknowledged receiving funding from Iran, which it then provided to operatives in the West Bank and Gaza.⁷⁸ Israeli intelligence agencies assert that Iran continues to influence the group and that Tehran has urged PIJ to launch attacks ahead of the March 2006 Knesset elections.⁷⁹
- Popular Front for the Liberation of Palestine-General Command (PFLP-GC): The PFLP-GC was the first Palestinian group to receive funding from Iran, in 1989. Its guerrillas launched numerous attacks against Israel in the 1980s and 1990s and has served in recent years as a leading conduit through which Iran provided weapons and materiel to HAMAS and PIJ.

AL-QAEDA

It is unclear whether and to what extent Iran may have ties to al-Qaeda. The primarily Sunni Arab terrorist group is an unlikely partner for the overwhelmingly Shia Persian nation; its leader, Osama bin Laden, recently referred to Shia in Iraq as "rejectionist," "traitors" and "agents of the Americans.”⁸⁰ Bin Laden's primary lieutenant in Iraq, the recently killed Abu Musab al-Zarqawi, declared a Sunni jihad against Iraqi Shia, targeting the community that hosts Iran's primary allies and proxies in Iraq.

That said, some observers believe that Iran is actively supporting al-Qaeda operatives; others suggest that Iran may passively tolerate the group's activities in the country. In November 2005, Under Secretary of State for Political Affairs R. Nicholas Burns said the U.S. believed "that some Al Qaeda members and those from like-minded extremist groups continue to use Iran as a safe haven and as a hub to facilitate their operations," without stating whether the Iranian government is actively complicit in these activities.⁸¹ Similarly, without claiming that the Iranian regime actively provides assistance, Secretary of Defense Rumsfeld stated as early as April 2002 that "there is no question but that al-Qaeda have moved into and found sanctuary in Iran. And there is no question but that al-Qaeda has moved into Iran and out of Iran to the south and dispersed to some other countries.”⁸²

Iran has had a number of senior al-Qaeda operatives in custody since 2003, and the United States has repeatedly called for Iran to bring these individuals to justice. The Iranian government appears to have little willingness to do so, though it is not clear whether its reasons stem from sympathy for al-Qaeda's shared hostility toward the United States or simply a desire to use the terrorists as a

future bargaining chip with Washington.⁸³ The nature of Iran's relationship with al-Qaeda, if any, is unclear, and U.S. intelligence must enhance its insights into this critical dynamic. .⁸⁴

WMD TERRORISM

The Department of State provided a persuasive assessment of Iran and WMD terrorism in its *2005 Country Reports on Terrorism*:

"State sponsors of terrorism pose a grave WMD threat. A WMD program in a state sponsor of terrorism could enable a terrorist organization to acquire a sophisticated WMD. State sponsors of terrorism and nations that fail to live up to their international obligations deserve special attention as potential facilitators of WMD terrorism. Iran presents a particular concern, given its active sponsorship of terrorism and continued development of a nuclear program. Iran is also capable of producing biological and chemical agents or weapons. Like other state sponsors of terrorism with WMD programs, Iran could support terrorist organizations seeking to acquire WMD."⁸⁵

Several outside experts have asserted that while it is possible Iran could give WMD to terrorists, they believe this is highly unlikely. For example, Anthony Cordesman and Khalid Al-Radhan believe that, "plausible deniability is doubtful, and an opponent simply may not care if it can prove Iran is responsible."⁸⁶ Middle East expert Kenneth Pollack put it more bluntly: "The use of proxies or cutouts would not shield Iran from retaliation," and neither the United States nor any other victim would hesitate to respond with full force."⁸⁷

IRAN'S SUPPORT OF TERRORISM: WHAT POLICYMAKERS NEED FROM U.S. INTELLIGENCE AGENCIES

The United States needs a range of information to adequately assess Iran's sponsorship of terror. Current events in Lebanon highlight the danger Iranian support for terrorist proxies, such as Hezbollah, poses for peace in the region and underscores the need for timely and accurate intelligence on a wide range of issues related to Iran, Hezbollah, and other groups that enjoy Iranian support. Iran's relationship with its proxies give it a global reach, which would be even more alarming should Tehran divert WMD to these groups.

Conclusion: Iran is a Serious Security Threat on Which the United States Needs Better Intelligence

This report attempts to explain to the American people that, although intelligence is inadequate to develop a thorough understanding of the threat posed by Iranian activities, there is sufficient information available to conclude that Iran poses a serious threat to U.S. national security and to the security of our friends and allies. Based only on unclassified material, it is reasonable to assume that Iran has a program to produce nuclear weapons. The United States needs better intelligence to assess the status of Iran's nuclear program and how soon it will have an operational nuclear weapon.

Iran's misleading reports to the IAEA about its nuclear research activities, many of which violate its treaty agreements, suggest hostile intentions. Iran's missile programs provide Tehran with the ability to strike targets far beyond its borders, as do its support of terrorism and meddling in Iraq. Moreover, the IAEA's belief that the Iranians may be testing missile reentry vehicles with nuclear applications poses the real possibility that Iran could spark a major regional war.

The July/August 2006 Hezbollah attacks against Israel sparked an outbreak of violence with major ramifications for peace in the Middle East. These attacks may be fully backed by Tehran and could mark the beginning of a new and more dangerous policy by Iran to use a terrorist proxy to inflict pain on Israel and the West. The U.S. Intelligence Community will play an important role in assisting American policymakers in ascertaining the extent and objectives of any Iranian role in the Hezbollah attacks.

The worst-case scenario is that Iran is run by a government into which we have little insight, and that this government is determined to acquire nuclear, chemical and biological weapons, support terrorism, and undermine political stability in Iraq. However, before we can conclude that this worst-case scenario is the reality faced by the United States, the Intelligence Community must provide policymakers with better insights into developments inside Iran.

The U.S. Intelligence Community will play a pivotal role before, during, and after any negotiations with Iran. Iran's August 22, 2006 response to the nuclear incentives package will need a thorough and complete evaluation. Policymakers will need high quality intelligence to assess Iranian intentions to prepare for any new round of negotiations on its nuclear program and for possible future discussions about the situation in Iraq. U.S. negotiators will need as complete an understanding as possible about the Iranian nuclear program, including its research facilities and its leaders' intentions. U.S. intelligence agencies will need to assess the likelihood of activities at undeclared nuclear facilities and how to verify Iranian compliance with a possible agreement on its nuclear program. If negotiations with Iran fail and a new set of trade sanctions are placed on Iran, the Intelligence Community will need to provide analysis and collection to verify international compliance with the sanctions. These and many other tasks will require a substantial commitment of collection and analytical resources by U.S. intelligence agencies.

Recommendations for the Intelligence Community

U.S. intelligence agencies need to take a wide range of steps to fill intelligence gaps and improve their collection and analysis of information on Iran, including:

1. Improve analysis. The IC's analysis on vital national security issues like Iran must be thorough and timely. Analysts must evaluate all contingencies and consider out-of-the box assessments that challenge conventional wisdom. Iran WMD analysis could improve once the DNI Iran and Counterproliferation mission managers integrate analysts more thoroughly with collectors and with their colleagues in other agencies. Iran analysts must also make greater use of open source intelligence on Iran, the availability of which is augmented by Iran's prolific (if persecuted) press.
2. Improve coordination on Iran-specific issues. To make effective use of the full range of tools and capabilities at its disposal, the Intelligence Community must ensure that each agency's efforts are fully coordinated and deconflicted. On the recommendation of the WMD Commission, the Director of National Intelligence established a Mission Manager for Iran to develop and implement a coordinated IC-wide strategy for Iran. This function, while still new, needs committed leadership and interagency cooperation to succeed. At a more operational level, individual agencies must ensure that their staffs – operators, analysts, targeters, and others – share information with each other and with their counterparts in other agencies to ensure that resources are allocated effectively and efforts are not duplicated by multiple agencies. The Mission Manager must focus in particular on filling the many intelligence gaps that prevent a thorough understanding and assessment of critical issues.
3. Improve coordination on counterproliferation issues: The DNI has directed that the National Counterproliferation Center (NCPC), created by the Intelligence Reform and Terrorism Prevention Act of 2004, serve as the IC's Mission Manager for Counterproliferation. The NCPC can potentially play an important advisory role in improving proliferation analysis and collection. The NCPC and Iran Mission Manager must coordinate closely to ensure that they pursue consistent and complementary strategies on issues related to Iran's potential WMD programs. Furthermore, all IC experts should be called upon to bring their knowledge to bear on the problem. WMD experts at the Department of Energy National Labs, for example, should be more thoroughly integrated into the debates that take place inside the Beltway so others in the Intelligence Community can benefit from their in-depth expertise.
4. Enhance HUMINT capabilities. The DNI has recognized that the Intelligence Community needs to improve its human intelligence (HUMINT) capabilities writ large, both on foreign intelligence and counterintelligence matters. Certainly, the nature of the Iranian target poses unique HUMINT challenges; since American officials have so little physical access to Iran, it is difficult to collect information there.
5. Augment linguistic capabilities. Without question, the IC needs more staff who speak Farsi at a native or professionally proficient level.⁸⁸ HUMINT collectors need such language skills to operate effectively in Iranian communities around the world; signals intelligence

(SIGINT) analysts need language fluency to understand intercepted communications; and analysts need language skills to read original documents and develop a feel for Iran's political system and culture. The Intelligence Community and the Defense Department should devote more resources to Farsi language training, but they should also work with other parts of the U.S. government to promote the teaching of Farsi and other critical foreign languages in civilian schools and universities. The country needs more high school and college graduates with critical language skills than the U.S. Government alone can train.

The Intelligence Community must also employ creative means of working around the shortage of skilled linguists. The National Virtual Translation Center (NVTC), created by the Intelligence Authorization Act for Fiscal Year 2003, has the potential to fill many of the Community's language shortfalls. The NVTC's use of contract linguists, many of whom have security clearances, gives it the flexibility to respond immediately to urgent taskings, augment capabilities provided by full-time IC staff, and provide real-time support to intelligence missions around the world. It is a unique and invaluable asset. The Director of National Intelligence must ensure that the Center receives the personnel and funding it requires to serve its IC customers in the coming fiscal years

6. Strengthen counterintelligence efforts. We must assume that Iran attempts to collect intelligence on U.S. Government plans, strategies, and capabilities, as well as on sensitive technologies. The Intelligence Community must ensure that comprehensive counterintelligence training is given to professionals throughout the national security and scientific communities, both inside government and out, who are likely to be targeted by Iranian intelligence collectors.
7. Define goals and develop metrics. The DNI must clearly identify his goals for improving Iran-related collection and analysis so members of the Community know what they are supposed to achieve. He must also promulgate detailed performance metrics so Community managers can assess, on an ongoing basis, whether they are improving capabilities and making progress toward their critical intelligence objectives. The DNI should share these objectives and metrics with it so the legislative branch can conduct meaningful, continuous oversight of its activities regarding this critical national security challenge.

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- ¹ Remarks by Iranian President Mahmoud Ahmadinejad during a meeting with protesting students at the Iranian Interior Ministry, October 25, 2005.
- ² Iranian President Mahmoud Ahmadinejad in a speech given in southeastern Iran, December 14, 2005.
- ³ Comments by Iranian President Mahmoud Ahmadinejad during a nationally televised ceremony, April 11, 2006.
- ⁴ Neil MacFaquhar and Hassan Fattah, "At crossroads, Hezbollah goes on the attack," *International Herald Tribune*, July 16, 2006, <http://www.iht.com/articles/2006/07/16/africa/web.0717hezbollah.php>; Michael Gordon, "Militants Are Said to Amass Missiles in South Lebanon," *New York Times*, July 16, 2006, http://www.nytimes.com/2006/07/16/weekinreview/16isra.html?_r=1&oref=slogin&pagewanted=print
- ⁵ Director of National Intelligence John D. Negroponte, "Annual Threat Assessment of the Director of National Intelligence," Testimony to the Senate Select Committee on Intelligence, February 2, 2006.
- ⁶ Interview of Director of National Intelligence John D. Negroponte with James Naughtie of the BBC, 2 June 2006. Available at http://www.dni.gov/interviews/20060602_interview.htm.
- ⁷ U.S. Department of State, Adherence and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements, August 2005, pp. 55-56.
- ⁸ U.S. Department of State, Adherence and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements, August 2005, pp. 20-21.
- ⁹ Director of National Intelligence John D. Negroponte, "Annual Threat Assessment of the Director of National Intelligence," Testimony to the Senate Select Committee on Intelligence, February 2, 2006.
- ¹⁰ Cited in Ray Takeyh, testimony before the Senate Committee on Foreign Relations, 2 March 2006.
- ¹¹ A complete set of IAEA documentation on the Iranian nuclear program is available on the IAEA website at <http://www.iaea.org/NewsCenter/Focus/IaeaIran/index.shtml>.
- ¹² IAEA Board of Governors Resolution, September 24, 2005, GOV/2005/77, <http://www.iaea.org/Publications/Documents/Board/2005/gov2005-77.pdf>.
- ¹³ IAEA Board of Governors document GOV/2006/14, February 4, 2006.
- ¹⁴ UN Security Council Presidential Statement, March 29, 2006, S/PRST/2006/15.
- ¹⁵ "Iran Reported Ready for Serious Talks on Nuclear Program," CNN.com, August 22, 2006, <http://www.cnn.com/2006/WORLD/meast/08/22/iran.inspectors/>
- ¹⁶ Commission on the Intelligence Capabilities of the United States Regarding Weapons of Mass Destruction ("The WMD Commission"), *Report to the President of the United States*, 31 March 2005, page 4.
- ¹⁷ U.S. Department of State, Adherence and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements, August 2005, p.77.
- ¹⁸ "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran: Report by the Director General." International Atomic Energy Agency, Vienna, Austria, GOV/2004/11, February 24, 2004, p. 8; CNN.COM, March 10, 2005, <http://www.cnn.com/2005/WORLD/asiapcf/03/10/pakistan.iran/index.html>; CNN.COM, February 5, 2004, <http://www.cnn.com/2004/WORLD/asiapcf/02/05/pakistan.nuclear/index.html>.
- ¹⁹ Michael Laufer, "A.Q. Khan Chronology, Proliferation Brief, Volume 8, Number 8, Carnegie Endowment, 2006, <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=17420>.
- ²⁰ "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran: Report by the Director General." International Atomic Energy Agency, Vienna, Austria, GOV/2006/15, February 27, 2006, p. 15.
- ²¹ Reuters via DefenseNews.com, April 11, 2006, <http://www.defensenews.com/story.php?F=1681098&C=mideast>.
- ²² "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran: Report by the Director General." International Atomic Energy Agency, Vienna, Austria, GOV/2003/75, November 10, 2003, p. 5.
- ²³ "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran: Report by the Director General." International Atomic Energy Agency, Vienna, Austria, GOV/2005/87, November 18, 2005, p. 2.
- ²⁴ "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran: Report by the Director General." International Atomic Energy Agency, Vienna, Austria, GOV/2006/15, February 27, 2006, p. 8.
- ²⁵ Ibid.
- ²⁶ "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran: Report by the Director General." International Atomic Energy Agency, Vienna, Austria, GOV/2004/11, February 24, 2004, pp. 4-6;
- ²⁷ "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran: Report by the Director General." International Atomic Energy Agency, Vienna, Austria, GOV/2004/83, November 15, 2004, p. 19.
- ²⁸ Iranian Atomic Energy Organization deputy director Mohammad Saeedi, April 11, 2006, <http://www.guardian.co.uk/worldlatest/story/0,-5751093,00.html>.
- ²⁹ "Fresh" unused fuel rods for light water reactors contain low enriched uranium pellets. An enrichment process exploiting these pellets would be much less time consuming than using unenriched UF₆. The process would involve

fluoridating the pellets, which would turn them into a gas, and then introducing this gas into centrifuges to enrich to weapons grade.

³⁰ These estimates rely on experts consulted by committee staff and illustrate a reasonable theoretical timeline for producing sufficient fissile material for a nuclear weapon. Since the technical characteristics of Iran's nascent centrifuge program and its breakdown rate are unknown, the estimates for Iran's enrichment program could vary. Moreover, altering the numerous assumptions behind these calculations used could result in shorter or longer estimates.

³¹ "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran: Report by the Director General." International Atomic Energy Agency, Vienna, Austria, GOV/2004/11, February 24, 2004, p. 8.

³² "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran: Report by the Director General." International Atomic Energy Agency, Vienna, Austria, GOV/2006/15, February 27, 2006, p. 4.

³³ John R. Bolton, "Preventing Iran from Acquiring Nuclear Weapons." Remarks to the Hudson Institute, Washington, DC, August 17, 2004.

³⁴ Thomas Wood, Matthew Milazzo, Barbara Reichmuth, and Jeff Bewdell, *The Economics of Energy Independence for Iran*, Los Alamos National Laboratory and Pacific Northwest National Laboratory, U.S. Department of Energy, March 2006.

³⁵ Ibid.

³⁶ Ibid.

³⁷ "Implementation of the NPT Safeguards Agreement in the Islamic Republic of Iran: Report by the Director General." International Atomic Energy Agency, Vienna, Austria, GOV/2003/75, November 10, 2003, p. 10.

³⁸ Bruno Schirra, "Atomic Secrets: The Man Who Knew Too Much." *Die Welt*, July 8, 2006, <http://www.welt.de/data/2006/07/08/952138.html>; George Jahn, "Iran Asks IAEA to Remove Chief Inspector," *Washington Post*, July 9, 2006, <http://www.washingtonpost.com/wp-dyn/content/article/2006/07/09/AR2006070900192.html>

³⁹ Director of National Intelligence John D. Negroponte, "Annual Threat Assessment of the Director of National Intelligence," Testimony to the Senate Select Committee on Intelligence, February 2, 2006.

⁴⁰ U.S. Department of State, Adherence and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements, August 2005, pp.55-56.

⁴¹ Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 July Through 31 December 2003, November 2004.

⁴² U.S. Department of State, Adherence and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements, August 2005, pp.55-56.

⁴³ Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 July Through 31 December 2003, November 2004.

⁴⁴ U.S. Department of State, Adherence and Compliance with Arms Control, Nonproliferation, and Disarmament Agreements, August 2005, pp.20-21.

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