

**JENNIFER PACKER TELECONFERENCE WITH
THE ISRAEL PROJECT
ON THURSDAY, JULY 3, 2008
AT 8:00 A.M. CENTRAL TIME**

OPERATOR: The following teleconference is for The Israel Project on Thursday, July 3, 2008 beginning at 8:00 a.m. Central Time.

Excuse me everyone, we now have our speakers in conference. Please be aware that each of your lines is in a listen only mode. At the conclusion of the presentation, we will open the floor for questions. At that time, instructions will be given if you would like to ask a question. I would now like to turn the conference over to Jennifer Mizrahi. Ms. Mizrahi, you may begin

JENNIFER MIZRAHI: Hello and welcome. My name is Jennifer Laszlo Mizrahi as you heard and I'm the Founder and President of The Israel Project. On behalf of our entire team I'm very pleased that hundreds of journalists, leaders, and activists from around the world are joining us today by phone to hear from Michael Eisenstadt, who has offered a groundbreaking new report on Iran.

Now, for those of you who don't know, The Israel Project is an international, non-profit organization dedicated to providing journalists accurate information about Israel and the Middle East. The Israel Project is not related to any government or government agency. We have offices in Washington, Jerusalem, Sirota, the Southern Israeli town that's been on the brunt of thousands of rockets fired by Iran backed terrorist groups in Gaza. Our team of 28 experts and former journalists are always ready to help you get the facts you need to cover the Middle East. So, please do not hesitate to contact us if we can help you in any way.

Now, without further ado, I would like to introduce you to our speaker today. Michael Eisenstadt is a Senior Fellow and Director of the Military and Securities Studies Program at the Washington Institute for Near East Policy. He is a specialist in Persian Gulf and Arab Israeli Security Affairs and has written numerous articles about Iran's military and security strategy, as well as about non-conventional proliferation in the near east and Southwest Asia.

Prior to joining the institute, Mr. Eisenstadt worked as a civilian military analyst with the US Army and he is currently a reserve officer in the Army serving on active duty in 2001, 2002 at US Central Command Headquarters and on the Joint Staff during Operation Enduring Freedom and the planning for Operation Iraqi Freedom.

He holds a master's degree in Arab studies from Georgetown University and has traveled widely in the Middle East. He also helped write two other recent institute papers deterring the lotola's complications in implying cold war strategy to Iran and forcing hard choices on Tehran (sp?) raising the cost of Iran's nuclear programs.

His latest report, which he wrote along with Washington Institute's Patrick Clawson is called as you know *The Last Resort: Consequences of Preventive Military Action against Iran*. We had sent you a link to that report in the e-mail invitation that all of you should have gotten so that you can read it in full after this presentation. But in it, the authors examine a variety of issues surrounding the potential consequences of preventive military action against the Iranian Nuclear Program.

You can, as I mentioned, you can read the port in the e-mail that we sent to us or by going to the Washington Institute.org. Michael, we are just delighted and honored to have you with us here today. Thank you for joining us as we approach the holiday weekend.

MICHAEL EISENSTADT: Thank you to you and to The Israel Project for inviting me to be here. I guess I'm going to start my talk with two just preparatory (sp?) comments. First, just speaking as an analyst, assessing the risks and challenges of preventive military action against Iran's Nuclear Program is probably the most difficult analytical challenge I've had to contend with in my professional career due to the risks, uncertainties, the political, military and military technical challenges involved in assessing the preventive action and the stakes involved.

Now, with regard to the report and our bottom lines, I think, you know, it's important to state that we felt that diplomacy is still right now the best option for dealing with the challenges posed by Iran's nuclear problem as long as – Iran's Nuclear Program. As long as there's still a modest chance of success, although I'm somewhat of a pessimist on the process for success, but I think as long as there's a chance for success and there is time before Iran has enough (inaudible) for a breakout, we should continue with the diplomatic process.

Although we also felt that there might become a point where either the United States or Israel concludes that diplomacy has run its course and at that time the United States or Israel might have to examine their options for dealing with a nuclear ready Iran, which are basically prevention or deterrence.

Let me also just say that the report really focuses mainly on US issues relating to US military prevention. I believe that Israel has a different set of considerations and we can perhaps discuss that during the discussion of the Q&A. I think it's also important to note that we really didn't rule out prevention despite the daunting challenges it entails and which we'll discuss in a moment. Of course we believe it needs to be on the table as a credible option in order to bolster diplomacy and because as a result of events in the region it may at one point become necessary.

On the other hand, we didn't come out in favor of prevention either because a) as I mentioned a moment ago diplomacy still holds some promise of success because we don't know whether the US has the target intelligence required to succeed in undertaking prevention. And because prevention involves a sobering permittable risks and challenges. We did, however, want to provide planners and decision-makers with advice as to how to think about prevention, how to mitigate some of the risks that prevention would entail and how to maximize the prospects for a successful policy prevention should they offer this course of action in light of the perhaps even greater risks and challenges that a policy deterring a nuclear Iran would entail.

Now, first a lot of the public debates about Iran and about prevention with regard to Iran's Nuclear Program has tended to focus on the military technical challenges. In other words, do we have the intelligence required to strike Iran? Do we have the ability to damage or destroy hardened, buried facilities, facilities that are located underground and that have concrete above them to protect them from bombing, and what are the issues related to the timing.

Now, the only thing I'll just say about this because I think this is – these are important questions and in fact with regard to target intelligence really accurate target intelligence is the sinquanone (sp?) for effective prevention. If you don't have the intelligence required to provide you with a high degree of confidence that you can impose significant damage on the program there's no point in bombing.

It's simply, you know, if you don't have the intelligence, then prevention becomes all risk and no reward. So – and the bottom line is outside the government without access to the classified information, I don't know whether we have the targeting intelligence that is a prerequisite for prevention. But I think that has to be stated from the outset that even just on

the military technical grounds there are some very significant challenges and uncertainties involved.

And also because of the nature of Iran's nuclear infrastructure. Because different facilities are in different state of construction, probably you have to assume that the policy of prevention would require multiple strikes over time that hitting Iran's nuclear infrastructure just once isn't enough. Because some facilities are in their early stage of construction and bombing them now really wouldn't have much of an impact on the program and Iran would try to rebuild anyhow quite likely. And, therefore, you have to assume at least as a planning assumption that you have to hit multiple times.

But what this also, you know, I think a conclusion that you could draw from this is that really the amount of destruction imposed on the program, which is often, you know, kind of touted in public discussions as the metric of success is really not the most important consideration. That really the most important consideration is whether a policy prevention can succeed in convincing Iran not to rebuild its nuclear program after it has been destroyed if the US were to decide to go down this route.

And really seen in this light, prevention is, you know, therefore has to be seen not as a one-off deal, but by necessity any kind of preventive action would have to be seen as a prelude to further action. And then you have to ask yourself can you do prevention in such a way that it sets the conditions for either successful multilateral diplomacy to pressure Iran not to rebuild its nuclear infrastructure or to create the groundwork or to create the conditions whereby additional military strikes to prevent Iran in fully building are possible.

And I think the bottom line you have to acknowledge that under current circumstances during – given current domestic – American political conditions, the international environment, that really in some way kind of raises the bar for action. Because it's, you know, in order for prevention to be a sustainable policy, there has to be domestic

political support in the United States for this. And the use of force has to be seen as legitimate internationally.

Now, to a certain extent that will depend on Iranian action whether they take steps, which are seen as unreasonable and threatening to neighboring – threatening to neighboring states, unreasonable in that maybe they've rejected diplomatic offers by the permanent five plus one, which are the five permanent members of the Security Council plus Germany.

And, you know, I suspect Iran will, you know, will have that in mind and will attempt not to do anything, which puts them, you know, in a situation where they are seen as having provoked preventive military strike. So, in many ways this creates using this criterion in some ways. On the one hand I think it's necessary to use this criterion, you know, if you want to succeed. On the other hand, it makes for a very challenging set of criteria to meet in order to achieve your desired conditions for policy success.

Now, in order for prevention also to succeed we have to be able to, you know, consider ways to mitigate potential Iranian retaliation. And I won't go over the – all the things that Iran could do or would be likely to do in response to a military strike. But, you know, they range from Iran withholding their own oil exports, trying to disrupt regional oil exports, attacking allied or US assets in the Gulf whether they be, you know, petrochemical facilities in the Arab – in the Gulf Arab states, American, ramping up attacks on American troops in Iraq or attacking US Naval assets in the Persian Gulf.

There's also the possibility of the terrorism outside the region, Iran encouraging Hezbollah to attack Israel through Lebanon, launching a retaliatory attack at the Israeli nuclear reactor at DeMona (sp?). So, the bottom line is there are a very wide range of possible responses by Iran. US probably could mitigate some of these responses, but could only partly mitigate some of them. So, prevention entails, you know, I think the likelihood of

an escalation of the low level kind of conflict that has been going on – ongoing between the United States and Iran in the last few years.

Also in terms of setting the condition for post strike diplomacy or military action, as I mentioned, the use of force has to be seen as legitimate, both domestically in the US and internationally. And, again, that depends on contextual factors, you know, in the – in the period leading up to a prospective military strike. And we could discuss some of those, you know, during the Q&A, but, again, it depends on whether Iran is seen as having robust, you know, generous diplomatic offers. Whether they are seen as being threatening to their neighbors, threatening to, you know, wipe Israel off the map and the like.

It also depends on how prevention is done whether it's done after the period of trying to build domestic political consensus in the United States or whether it's done kind of without consulting with Congress and the like.

Finally, the final point I just wanted to make has to do with the issue of prevention with deterrence. Now, prevention clearly involves many daunting challenges and risks. But I think you have to see prevention in the context of, in light of the other policy options and other many policy options available to the US.

And under any circumstances prevention looks like really a very unpalatable policy option and it is. It really is. Except when you look at it in comparison to the possible risks and challenges connected with the policy of trying to deter a nuclear Iran. Of course, if the challenges and risks of prevention are daunting, I think the prevention – the risks and challenges of deterring a nuclear Iran are even more so.

And, you know, trying to kind of juxtapose the two options in order to do a cost benefit calculus (sp?) are extremely complex and (inaudible) complex and difficult policy challenges – challenges. Simply because of the uncertainties involved in both set of policy options because of the prospects – the uncertain prospects for success in both cases. The

possible price of failure in each case, and because deterrence is not really an easy low risk alternative either.

Now, let me just, you know, just spell out exactly what kind of a balance sheet of, you know, prevention versus deterrence would look like if you put them together. Prevention entails significant near term risk of Iran in retaliation for an uncertain outcome whose benefits may be relatively short lived. I mean, you know, it might be possible to impose the delays of a few years on Iran's nuclear program. But, again, from the outset one has to assume that there's a good chance that Iran will try to rebuild and future military action will have to be taken.

Deterrence on the other hand defers a crisis, but runs a high risk of – a range of potentially very high risks. First, some of the risks are – and then some of the near term risks that are incremental is the possibility of increased terrorism by a nuclear Iran. They might feel more confident to have – be more active in sponsoring terrorism. There is the possibility they might return to their policy of exploiting the revolution that they pursued during the 1980's and the risk of a more assertive regional policy.

There's also the risk that Iran's acquisition of the nuclear capability could tempt other countries in the Middle East and elsewhere to pursue their own nuclear option, increasing the long-term possibility of nuclear proliferation and nuclear war. And finally, there's the risk that a catastrophic failure deterrence could lead to the death of hundreds of thousands, if not millions of people. Now, there's also a number of, you know, challenges of deterring Iran that make deterrence of Iran more difficult than nuclear deterrence was during the Cold War.

First is the problem of creating an international coalition to deter Iran over a period of decades. We've had difficulty putting together a diplomatic coalition to deal with Iran I think would be even more difficult to put together a coalition of the willing to deter a nuclear Iran.

There's also the very complex regional security environment, which I think creates the potential for miscalculation by Iran, especially in the wake of America's set backs in Iraq and Israel's in many ways bungled war in Lebanon in 2006.

There's also the possibility because Iran tends to prefer indirection in the stimulation of deniability in its foreign policy, there's the possibility that Tehran might be tempted to attempt the covert delivery of a nuclear device at some time in the future against Israel potentially. And then there's the issue of regime factionalism; you have a problem in Iran that the same people who would be responsible as we understand the command and control arrangements for special weapons in Iran that is, you know, long-range missiles, chemical weapons and the future potentially in nuclear weapons.

The same people that are responsible for custodianship of those capabilities, which is the revolutionary guard are also responsible for sponsoring terrorism. And that creates risks because of the systems of checks and balances in the Iranian government were to break down in the future it raises the possibility of nuclear terrorism.

And then there's the - finally the issue of people within the regime. There are certain radical regime elements such as the president and the people who support him who are not particularly well-informed about the outside world, who believe that God is on their side and who might – some might believe that the – that a war might be a way to hasten the return of the (inaudible). They might be tempted to take what other people might consider unreasonable risks.

And then finally the last point I just want to make is for the complicated matters. Prevention and deterrence are not necessarily mutually exclusive options. It's quite possible that after launching a preventive strike Iran some years later might still succeed in acquiring a nuclear option or a nuclear weapons capability.

And one has to ask themselves the question of what impact might preventive action have on the stability of a deterrence relationship with a nuclear Iran if part of the – one of the legacies that exists is of an unsuccessful preventive strike or a preventive strike that did not succeed in preventing Iran from eventually getting nuclear weapons.

Will that make for a more robust deterrent relationship or will it make for a more unstable deterrent relationship because there is this element of – outstanding element of revenge motivating Iranian policy.

So, anyhow, I will leave it at that and look forward to comments and questions from the audience at this point.

JENNIFER MIZRAHI: Michael, that was a really helpful overview. I really appreciate that and I look forward to the questions from the audience. The operator is going to give us instructions on how people can ask questions, but I'm going to ask the activists on the call, the leaders on the call to hold back their calls for now so that we can take first the journalist calls.

So, if you are a reporter, we're hoping that you will get first in the queue. So, operator, if you can give us instructions on how to line up those calls?

OPERATOR: Yes, ma'am. At this time, we will open the call for questions. If you would like to ask a question, please press the star key followed by the one key on your touch-tone phone now. Questions will be taken in the order they are received and if at any time you would like to remove yourself from the questioning queue, please press star followed by two. Just one moment while we poll for questions. Our first question will come from Andrew Schneider in Washington, D.C.

ANDREW SCHNEIDER: Thank you. Andrew Schneider from the Kipling (inaudible) letter. Going back to the point that you had mentioned briefly earlier. What do you think is the possibility that we might wind up seeing some preventive action at some point, particularly over the next coming months by Israel, if not by the United States?

MICHAEL EISENSTADT: Clearly, this is one of those issues where your stand depends upon where you sit. And Israel has a different set of – a different (inaudible) on this issue than the United States. And I would argue that the bar for action by them is still very high, but I think it's somewhat lower than the United States. For us, as I mentioned, I think that for us it's important that prevention be able to establish conditions to propose strike diplomacy or further military action, from Israel's point of view, you know, they look at their experience with Osorax (sp?) where it was a one off strike.

Now, you know, much different circumstances Iraq was immersed in a war with Iran at the time and Iraq's nuclear infrastructure was really concentrated at one site. It was a difficult operation for them at the time, but, you know, it was at the outer limits of the range of their – of the F16 aircraft but they pulled it off. And afterwards as a result of a series of unforeseeable circumstances, the Iraqi invasion of Kuwait, Operation Desert Storm, and then the imposition of unit inspections of Iraq, who, you know, I think we have a situation that nobody would have foreseen that Iraq has in the end not built up nuclear weapons.

So, Israel might look to that example and see that as, you know, being suitable for them. So, I don't rule out the possibility that the Israeli's may move, although certainly we – the United States has much greater capabilities in this regard than Israel does and I think, you know, the United States could probably do a much more thorough job.

Now, as the Chairman of the Joint Chiefs said yesterday, preventive action by the United States or Israel for that matter I think would greatly, you know, stress American

capabilities. I mean, we're – we are, you know, kind of extended to the limits of our ground forces right now in Iraq and Afghanistan and this would greatly in some ways complicate matters for us in the region. And it would be a very stressful event.

But, again, I think you have to look at again the potential situation if Iran were to get nuclear weapons, which would also have a major set of challenges, which I think could potentially be even more stressful. I am one of those who are a proliferation pessimist. There are – and so people might disagree with my premises.

But, anyhow, I don't – I think – I don't rule it out. I don't rule it out. By – certainly not by Israel. US I think there's a more complex set of considerations here and the administration has to, you know, consider do they want to hand off to the next administration a war. And I don't know if it's unprecedented in American policy for, you know, an administration that's on the way out to launch a major military option like that – operation like this. But that's another consideration.

Now, on the other hand people have said, well, President Bush, you know, might not, you know, trust a potential successor to do what is necessary to do to deal with the threat that Iran poses and, therefore, that's why he might be tempted to act on the way out. I don't know, it's a very, you know, I think from the point of view of US options I would tend towards skepticism that administration on its way out would do this, but we don't know. We don't know.

And it's quite – I think it's clear that – I won't say it's clear, but I would tend to, you know, read into (inaudible) statements yesterday the possibility that there is a debate going on in the administration on this and that's why he I think perhaps felt the need to elaborate a little bit about his concerns on this. So, I don't rule it out with regard to either country.

JENNIFER MIZRAHI: Next question, operator.

OPERATOR: Yes, ma'am. Our next question comes from Claude Salhani in Washington, D.C.

CLAUDE SALHANI: Good morning, Claude Salhani in (inaudible).

MICHAEL EISENSTADT: How do you do, sir?

CLAUDE SALHANI: Thank you for an excellent presentation (inaudible) by the way.

MICHAEL EISENSTADT: Thank you.

CLAUDE SALHANI: You mentioned—

JENNIFER MIZRAHI: Claude, it's hard to hear you, Could you speak up, please?

CLAUDE SALHANI: Sure. Sorry about that. Is this better?

MICHAEL EISENSTADT: Yeah, that's better, yeah.

CLAUDE SALHANI: Okay. You mention in the report you mentioned earlier this morning diplomatic steps, political steps that could be taken. Could you elaborate on that a little bit? What exactly can be done?

MICHAEL EISENSTADT: Well, I mean, I think what the P5 plus one are doing in terms of offering, you know, areas of cooperation with Iran, I mean, look in any kind of diplomatic option there has to be a combination of characters, as well as sticks (sp?). And clearly this, you know, in this regard the sticks have been the potential threat of, you know, of preventive military action, as well as the talks about arm sales to the Gulf states that, you know, Iran is – in order to create expectations in Tehran that the acquisition of nuclear weapons might actually harm their security position because they'll find themselves in the middle of a – of at least a conventional arms race with their neighbors and possibly a nuclear arms race in the region.

But there also has to be, you know, diplomatic (inaudible). And I think looking over the text of the plan that has been published that apparently (inaudible) has provided to his Iranian counterparts a couple of weeks ago, I think is, you know, a very good basis for negotiations with Tehran. And, you know, that's – so, I think the outlines, you know, for a deal are there. I think the question is right now we're focusing on a narrowly based deal, which probably focuses on, you know, just nuclear, you know, matters. But also that are tied to some degree to the broader regional security issues related to Iran's involvement in terrorism and the Arab/Israel conflict.

I'm just not sure, you know, there's always a question. Do you go for a narrowly focused package just on the nuclear issue or do you go for a kind of a bargain, which also ties together all the security issues in the region. The latter is certainly much more complicated, but it's just many more moving parts. But I'm not sure if it's – I'm just not sure, which one is – if either are doable first of all.

But, you know, clearly at least focusing on the nuclear issue itself, you know, the elements of this program, which, you know, talks about providing support for construction of light water reactor, which personally I'm not thrilled about that aspect of the deal. But I think,

you know, that we have to recognize that things have moved to a level, which they were not at several years ago. And that the, you know, the outlines of a deal have to reflect that fact.

But then that means maybe there has to be much more intrusive monitoring formula than you would have had otherwise if Iran wasn't where they are now with the nuclear infrastructure. And if these other aspects of the – of a diplomatic solution weren't on offer. So, again, like I said, there's aspects of the diplomatic deal, which, I'm, you know, at least in terms of what has been publicly leaked I'm not thrilled about. But, again, there's ways of dealing with them by building safeguards and that would be the way to mitigate some of the impact of some of the technology that's on offer.

And, of course, this has to be – because this is a P5 plus one product, you know, the United States has had to sign onto things, which on its own it probably would prefer not to. So – but I think the outlines for a deal are there – are on the table whether it will result in – you know, we've seen some movement in the last couple of days apparently on the Iranian side indicating that they might be willing to do a deal.

I don't know, you know, we've seen several false storms in the past with regard to Iranian, you know, suspension of their – of enrichment in 2003 and then subsequently. And in the end it didn't – it was not a durable agreement that we were able to strike with the Iranians. So, we'll see whether there is the basis for any kind of durable deal here. I'm not sure.

JENNIFER MIZRAHI: Next question, operator.

OPERATOR: Okay. Our next question comes from Mark Summers.

MARK SUMMERS: Yeah, hi, I'm Mark Summers I work for a magazine called The Gulf, which is published in Bahrain and thanks very much for your presentation. I enjoyed listening to it. I've just got two very quick questions for you.

And the first was, I mean, you mentioned at the beginning the dangers of acting without the proper intelligence. But as far as the (inaudible) at the moment the best public (inaudible) of the US intelligence community is that Iran has stopped its military and nuclear program somewhere around 2003. So, I mean, don't you think talk of preventative military measures is somewhat premature given that assessment?

And my second one was just in reference to the portion of the Iranian administration that might consider deploying a nuclear weapon against Israel to bring about the arrival of the (inaudible). I mean, these zealots aren't the people with their hands on the table of government are they? I mean, unless you think the administration has some sort of death wish to bring nuclear retaliation upon its own people. I just wanted to see (inaudible) those two points.

MICHAEL EISENSTADT: Sure, let me answer the second question first. As I said in my presentation, I kind of predicated that kind of scenario as a result of a breakdown in the system of checks and balances within the regime. And right now as best we can tell, I mean, the regime is still functioning with a degree of positive control over its own forces and the like.

Although, you know, I guess I'm looking at, look, once a country gets nuclear weapons you have to be confident that they have a stable system – I mean, essentially forever. I mean, whatever that means in terms of – I mean, certainly for, you know, for –that can, you know, ensure the custodianship over its nuclear arsenal for decades to come.

And we're in a situation right now where Pakistan today looks a lot different than Pakistan in the mid-'80s did. And that you have a degree in which central government control over the country and perhaps over all the institutions of government has degraded over the past couple of decades. So, what I'm saying with regard to Iran in order to feel, you know, kind of comfortable with the whole idea of Iran with a bomb, you have to be comfortable that the system there is durable. It has a degree of legitimacy or positive control that can last, you know, last a lifetime, you know, the lifetime of a nuclear stockpile.

And thus far in history nuclear stockpiles except for the South African case where we did have a case of nuclear rollback once countries get nuclear weapons they, you know, they tend to hold – they've held onto them either, you know, forever thus far or for periods of decades. And, you know, so you have to, you know, that's I think one of the problems that we face. You also have a regime that has – is not legitimate in the eyes of large parts of the population, although, you know, many people are not willing to go out on the streets, you know, to conduct another revolution. They've been through one and they saw what it got them and as a result, the overwhelming majority of Irani's as far as we understand want some kind of peaceful change.

But there is the prospect the possibility of, you know, unrest in the future and raises questions about the custodianship over the nuclear stockpile. So – and if that's the case if you're talking about the people who have custodianship over the stockpile are the Red Guard, you know, apparently. I mean, right now they don't have a nuclear stockpile, but our understanding is these are, you know, the Red Guard are the people who are responsible for the missile force and they're responsible for the chemical weapons stockpile as we understand it.

Some of these people are, I think, have, you know, function in accordance with a different rationality than ours. I'm not saying they're irrational. It's a different rationality.

And, therefore, we can't rule out the possibility that some of them, you know, might be – not – may not be averse to taking what we consider to be very high risk. That, you know, listen, I've devoted a large part of my career writing about this to saying that in the past this is not an irrational regime. That they are actually very good at calculation and the like. But we are seeing a growth and a spread in apocalyptic doctrines in the region.

And actually there was a very good study done by a Frenchmen looking at this in both – well, in Shiite (sp?) and Sunni Islam. And then, you know, we just don't know what impact it might have on the stability of the Tehran's (sp?) regime with regard to Iran.

With regard to the first question with regard to the status of Iran's nuclear program, to be honest – to be fair I think the NIE was carefully couched and as I think you probably know, there was a controversy in the United States in terms of the use of language and how they define the nuclear program. And I think it's clear in the way they defined it they were talking about the weaponization efforts.

Clearly, there are large aspects of the program that are moving forward. I mean, you know, they are continually working on the delivery systems that is the missiles. They are continuing to work on enrichment, which is really the, as you know, the intelligence people say the wrong pole in the tent with regard to the program. They – our understanding of the status of the weaponization efforts is uncertain.

And I think the program would simply – if you look at the way that they define a nuclear weapons program they were talking about just the nuclear weaponization efforts – the R&D efforts to create a warhead. But the problem with the NIE is this and this is kind of one of the unstated facts about the NIE. It took us four years – it took the US intelligence community four years to come to the conclusion apparently in the summer of 2007 that in 2003 Iran had apparently suspended its weapons design work. It took four years.

So, the implications of that – if our intelligence capabilities have not improved since then, it could be four years from now until we figure out whether they are – whether they have resumed work on their weapons program. And the problem is that puts us in the middle of the timeframe when the NIE says they could have a nuclear weapon.

Do you understand what I'm saying? There are very broad uncertainties built into the NIE based on how long it took us to figure out that they apparently had this suspension. And we may not know about the – a decision to rescind the suspension if the assessment is correct to begin with. We may not know about such a decision until it's too late, essentially is what I'm saying.

So, there are – and they are moving forward with the enrichment, which is really the most important part. Because once you've got a stockpile of low (sp?) rich uranium you can use that as a feedstock for enriching to high enrichment levels in very – in a relatively short timeframe and you have a break out capability. And you could disperse the low enriched uranium into hiding places so that you always have this rapid breakout capability. And then all you need is centrifuge facilities, which can be hidden much easier than say a conversion plant.

So, it's – there are – I don't think it's inappropriate to be talking about prevention. I said, look – and I said, look, that a diplomacy right now is the way to go. But I think it's very important that Tehran understand that this is not off the table also. That the NIE did not necessarily take this issue off the table and I see that as playing potentially a – having a beneficiary impact on our diplomatic efforts and, therefore, it's important for them to understand this.

MARK SUMMERS: Thank you.

MICHAEL EISENSTADT: Thank you.

OPERATOR: Our next question comes from Patricia Schul with New York City.

PATRICIA SCHUL: Yes, I'm curious. Let's say that it's found that there is no nuclear weapons program and that there is a peace deal with Syria. Is there any danger if there is still enrichment going on like, you know, is the idea that they may get material itself to let's say like Hezbollah or like dirty bombs or is that – is that a risk or...?

MICHAEL EISENSTADT: Well, let me just say this for the issue of dirty bombs. I mean, I don't know whether Hezbollah clinics in Lebanon have access to, you know, medical radio isotopic materials, you know, the stuff that's used for kind of nuclear medicine purposes. But a lot of the stuff that's in – like in many hospitals around the world that are used for nuclear medicine can be used for a dirty bomb.

Some of that stuff is very dangerous and very, you know – so, I'm not sure how important the Iranian and nuclear, you know, program is for the materials for a dirty bomb. Because I think there are – a lot of these materials are available in the civilian sector – the civilian medical sector around the world and likely in Lebanon as well. So, you know, I'm not sure that's the main threat.

And in terms of providing the materials for a weapon, I mean, that's – look, again, I think, you know, that is a possibility. I mean, Iran has been very successful in using conventional terrorism to achieve its policy objectives, you know, working with Hezbollah at various times. And, therefore, my feeling is by and large, you know, with the current regime in Tehran and with past regimes, I think, you know, they would – you know, they have

tended to prefer to rely on conventional terrorism simply because nuclear terrorism involves, you know, significant risk. But, you don't know for the future whether that would – will hold.

PATRICIA SCHUL: I mean, I guess I've been referring to also the, you know, what happened in Syria last September with the—

MICHAEL EISENSTADT: Right. The bombing of the nuclear reactor apparently.

PATRICIA SCHUL: Whatever it was.

MICHAEL EISENSTADT: I mean – but what do you mean by that in terms of how that – if you could just clarify?

PATRICIA SCHUL: Well, there have been some news reports claiming that it was – that it was a Syrian nuclear development in conjunction with Iran.

MICHAEL EISENSTADT: Well, in North Korea my understanding was that this was a North Korean design. And, I mean, it raises the question to what degree was, you know, perhaps North Korea building a reactor in Syria with the expectation that they would – you know, were going to dismantle their own reactor and, therefore, they wanted to export offshore their nuclear activities. I raise that in a speculative tone because we just don't know and it's just a lot we don't understand about what's the purpose, what was the intention with regard to that reactor.

But that is, you know, that's also, you know, the possibility that North Korea is involved in the provision of assistance to either Syria or Iran or both with the understanding

that there were – might be some, you know, collaborative efforts that all could benefit on because maybe North Korea is – will find itself under more – greater restrictions in the future with regard to engaging in nuclear activities on its own territory.

So, you know, let me just – one of the things I think that's a sore (inaudible) and certainly with regard to Iran's nuclear program as well is that if you look at the history of nuclear programs, most proliferators have ended up supporting and sponsoring in a proliferation to other countries and that includes the United States. I mean, we supported the establishment of the – the British and the French nuclear programs. The French help the Israeli's, the Russians that who – the Soviets who benefited – well, you know, from the American program indirectly through espionage.

Although they would have – you know, they were well on their way to getting it on their own anyhow. They helped the Chinese, the Chinese helped the Pakistanis, and the Pakistanis through Abdul Kadeer Kahn (sp?) either acting on his own or with some degree of (inaudible) sponsorship ended up helping the North Koreans, the Iranians and the Libyans.

Now, we have a situation where the Iranians have already said that they will be willing to provide civilian nuclear technology to other Muslim states. And I would assume that any assistance would not necessarily be restricted to Muslim states. I mean, they have an array of relationships with other countries, you know, Venezuela and Belarus and others that they might want to establish collaborative relationships with in the future.

So, you have the possibility of additional proliferation as a result of Iran's acquisition of these kind of – of this kind of technology. And to be honest with you, this is not something in the distant future, this is something that could be happening, you know, that they could do right now with the technological base that they have already. So, that's another concern.

With regard to Iran's, you know, going down this route that they might encourage proliferation as a matter of policy or some of their nuclear scientists might do it either with or without official sponsorship like (inaudible) did in Pakistan or they might – simply their acquisition of these kind of capabilities might inspire a nuclear arms race or a nuclear – at least, you know, a kind of competition in the region in the building above the nuclear infrastructure that could be used to produce bombs.

And we're already seeing heightening of interest in the Gulf in nuclear technology, the GCC states in Jordan and Turkey indicating interest in reviewing their nuclear options and civilian nuclear power. But we know all this stuff is dual use, so we are also facing the possibility of some kind of nuclear race in the region.

JENNIFER MIZRAHI: As we go into the next call, let me please remind reporters to identify the media outlet that you're with and in addition to your name. Operator, next call.

OPERATOR: Our next question comes from Joe Mullick in California.

JOE MULLICK: Yes, I'm with Mullick Communications and a former head of (inaudible) Israel Foreign Intelligence Agency recently said that Israel has one year to destroy Iran's nuclear program or it faces the risk of coming under nuclear attack. And he said that the worst scenario was that Tehran would have a nuclear weapon within quote somewhere around a year unquote. Can you assess the validity of that statement?

MICHAEL EISENSTADT: Well, I would really hesitate to speak definitively about these matters. But I'll just run through some kind of back of the envelope calculations with you on this matter. I mean, right now we know that Iran is producing low enriched uranium, which

cannot be used in a nuclear weapon at this point. But they are producing it in large quantities and my understanding based on their current production rates is that perhaps by the end of – or by middle or late next year they might have enough low enriched uranium to provide enough – you know, to serve as feedstock for enrichment to high levels to provide enough high enriched uranium for their first bomb.

Now, of course, enriching to high levels if they have not done it before, there might be technological challenges involved and problems involved with that. There is also the technological challenges of – of turning the high-enriched uranium into uranium metal for the core of a nuclear weapon. And then there's, you know, various technical challenges with regard to building the bomb.

Now, there's also the issue of, you know, the – we know that they did have a weapon design that they got from the AC Con Network (sp?) and there's also speculation about this more advanced design that was apparently floating around in the supplier network that they may have gotten, we don't know. We don't know whether they got the more advanced design as well.

So, they have a viable design at least first-generation design. And the general assumption about people who know a lot more about this than I is that if you've mastered the ability to enrich uranium to high enriched levels, you probably can master the technical processes that are required to build a workable nuclear device at least. A device as opposed to a weapon because a weapon has to be able to withstand much greater stresses in terms of its delivery. If you have it on a missile, there are tremendous stresses involved.

So, its not – I think a year might be a little bit I think on the short side. I think that might be, you know, unrealistically a short timeframe. Because also with regard to Iran's nuclear program and missile programs by and large they've taken longer – they've taken more time rather than less time by and large to get things done.

But there are aspects of the program that we may not know about and there might be a parallel program that they're working on, weapon design work that we just don't know about and we don't know where they are. So, there's a high degree of uncertainty built into these kind of assessments. The bottom line is I think by the time that they have produced enough low enriched uranium potentially by the second half of next year for their first – you know, to produce high enriched uranium for a bomb, by that time the cat is out of the bag.

Because they may not – it may take them another year or two to produce the bomb, but once they have enough low enriched uranium for their first – to produce the high enriched uranium that they need for their first bomb they could disperse it and hide it and, therefore, and you may not be able to get at it. And, therefore, they have perhaps at that point their insurance policy so to speak that if they ever want to go down the bomb route they have enough low enriched uranium to produce the high enriched uranium they need for a bomb.

Now, you could say that one bomb is not a program per say that, you know, you want to have – any proliferator wants to have at least a handful of bombs because you have to build in the possibility – you know, you have to factor in the possibility that, you know, some of the bombs might fail or may not work and which is a fair enough comment.

So, you know, but the bottom line is once the – what the nuclear scientists call – once the first, you know, there's a significant quantity, enough (inaudible) material for a bomb has been produced, you're – it's a much more challenging environment because the cat is out of the bag in a certain way and that's probably not again for another year at the very least.

But, you know, the question is how close do you want to get to that point before a decision is made and there's all kinds of uncertainties. And, again, let me just point out there's – one of the callers pointed out earlier that, you know, I don't discount the possibility

for creating a nuclear deterrent relationship between Israel and Iran and the United States and Iran.

But I just think there are a great, you know, Israel, you know, presumably has scores of nuclear weapons. Estimates are between 1 and 200 and Iran is very vulnerable to a nuclear strike because of so much of the population is concentrated in the Tehran area. You're talking about, you know, in greater Tehran you're talking about probably 15% to the population. Probably half of the country's industry, industrial potential in Tehran is located in what, you know, people who think about these things call a topographic basin. Three-quarters of the city is surrounded by mountains, which would tend to have the impact my understanding is of concentrating any kind of, you know, nuclear explosion and kind of magnifying the effects of the nuclear strike on Tehran.

And these are terrible things to talk about and to think about, but I think it's – it has I think it's worth mentioning simply because Tehran – or Iran is highly vulnerable in this area – way as well. But, again, the risks of, you know, there are so many unknowns and so many uncertainties when you're dealing with a regime like Tehran that, you know, this is just a reality that I think most of us would prefer not to live in, you know, a world in which the regime the Islamic Republic has nuclear weapons capability. So, it's potentially very risky.

So, you know, I think it has to be – remember, Israel has the significant nuclear arsenal and, you know, Tehran and Iran have to consider that they would – that the use of nuclear weapons would potentially entail great risk for them as well.

JENNIFER MIZRAHI: Next journalist, please.

OPERATOR: Our next question comes from Chris Radler in Germany.

CHRIS RADLER: Hi. I'm working with (inaudible) Public Television in (inaudible). Can you hear me?

MICHAEL EISENSTADT: Okay. That's better.

CHRIS RADLER: Okay. (Inaudible) thank you for (inaudible).

MICHAEL EISENSTADT: Well we've got the problem again. It seems that it's only when you talk we get the interference.

OPERATOR: Yes, sir, I had to remove his line. It's coming from his line. We'll have to take the next question from Donna Jacobs in Canada.

JENNIFER MIZRAHI: Okay. Please go ahead.

DONNA JACOBS: Okay.

JENNIFER MIZRAHI: I'm sorry we can't hear you. Can you repeat?

DONNA JACOBS: Iran has said that it has – this is on the (inaudible) has or will have 30,000 centrifuges this (inaudible) now or this year. That's one question as to whether they – whether it continues to be (inaudible). Second of all, the IAEA has a big stumbling block. It seems as if that Iran is refusing to extend protocols that were there in the past to allow for greater exploration of future of larger area nuclear facility. How many are there, do you know how widely dispersed are they? And the last question is Israel in the past has been

unable to stop short-range missiles. Does it now have the capacity to block any missiles coming over from Lebanon and is simply not using them yet?

MICHAEL EISENSTADT: Okay. I'll go last question first. Israel has in terms of the ability to deal with rockets from Lebanon, they do not have that capability right now. They are working on a system, which I believe they're hoping to field within 18 months or so, which will enable them to deal with short ranged rockets coming from both either potentially Lebanon or Gaza or eventually the West Bank, but they're not there right now.

They do have a more advanced missile defense system capable of dealing with long range rockets from Iran, but, again, you never know how these systems work until the test of battle. But they have been, you know, between the patriot and – excuse me. The arrow and the patriot pack three missiles that they have. They have a significant zero missile defense capability.

With regard to Iran's nuclear infrastructure, we had through about 2006 a pretty good picture based on the IEA inspections. In February of 2006 Tehran revoked their willingness to adhere to the additional protocols, which gave IEA inspectors greater flexibility and latitude to inspect what's going on in Tehran. And, therefore, the picture has become less – has become more murky since then because the IEA inspectors are not able to travel as freely as they once were able to do so.

The bottom line is we don't really know if there is – I think we – there's a good chance we had a pretty good picture of their program through 2006. There's always a chance that there may have been a parallel clandestine program that we don't know about and that's one of the uncertainties involved here. Because if you bomb the known programs and there are the known facilities and there's unknown facilities that survive unscathed,

you've incurred tremendous risk without any benefit. So, that's one of the problems with preventive action.

But the bottom line is we have a, you know, we have still inspectors on the ground looking at the enrichment facilities that are operating. They have 3,000 centrifuges that have been set up. They're building their second set of 3,000 centrifuges and the goal they say is eventually 50,000 centrifuges. But basically from the point of view of weapons work 3,000 centrifuges gives you a critical mass so to speak that it enables you to produce enriched uranium in quantities that become, you know, problematic from the point of view of weapons proliferation.

So, we are getting to the point where things are, you know, within the next year or two are getting to a critical phase from the point of view of prevention or perhaps stopping Iran from taking the steps that they need in order to get a weapons capability down the road.

JENNIFER MIZRAHI: If the German reporter from Public Television there is on the line and wants to try again, if they can push him for the operator so we can try and move you back up the line. We feel badly that you got discontinued. I'm not sure if he's on the line or not, but let's go ahead and take the next question from a journalist.

OPERATOR: Okay. Our next question comes from Linda Caro in New York.

JENNIFER MIZRAHI: I'm sorry I can't hear you at all. Are you speaking?

LINDA CARO: Oh, yes, I'm terribly sorry. How does Iran's recent rejection of the EU's incentive package play in the United States in the EU? Has diplomacy failed in effect and is

Iran feeling isolated by Syria's possible defection to the Arab states and its negotiations with Israel?

MICHAEL EISENSTADT: Well, right now first of all my understanding is that they have not rejected it. That they are indicating that they are considering it, that it's under active consideration. And I think there's been signs in the last few days that they are showing at least interest in the possibility of perhaps entering into negotiations over the deal. Because there are a lot of, you know, the way that the deal – that the offer is spelled out it's – there are many – it's kind of just a very loose framework of kind of principles and there would be – it would have to be a lot worked out. I don't know where they're – I think it's not – I think it's fair to say that they have not rejected it yet. That they've indicated at least some interest in exploring this further. But, you know, again, we don't – they're still a long ways away from a final kind of, you know, any kind of acceptance. And – but there are – as I mentioned in my opening statement, diplomacy still does hold out some perhaps modest possibility of success.

I don't see Iran – I don't see Syria defecting from Iran that defining the terms, you know, the terms for any such agreement. And there's no guarantee that the (inaudible) will ever get beyond this stage and if they do, I'm skeptical that Syria will so to speak defect from Iran. This is a longstanding strategic relationship that's important for both the Damascus (sp?) in Tehran and I think they will do everything they can in Damascus to preserve their relationship if they decide to go down the route of a peace treaty with Israel. But, again, I think we're still a long ways from there at any case.

JENNIFER MIZHARI: Michael, I know we had promised you it would just be an hour and I really appreciate your time very, very much right before the holiday weekend for all and I

know that you're already on your family vacation. So, we're deeply grateful for you for doing this with us today. I want to remind folks that you can look online to get the copy of his very important report that he did with Patrick Clawson. I want to also remind you that the Israel Project's website has an enormous Iran press kit on it at www.theisraelproject.org. Additionally, we've just gone multilingual, so you can find information about Israel in French, German, Spanish, Russian, and Arabic. We're very honored to have had hundreds of you join us today. Michael, thank you very much for an excellent overview of some of these very deep challenges. We at the Israel Project like you hope that a diplomatic solution can be found so that there is no need for military intervention. Obviously, I think all of us would like to see a peaceful solution. But these important questions do need to be asked so that security and peace can be preserved. Thank you, again, Michael and all of those who were on the call for your time this morning.

OPERATOR: Thank you. This concludes the teleconference. You may disconnect your lines.