MR. PETER HUESSY: Good morning, my name is Peter Huessy. And on behalf of ROA, AFA and NDIA, I want to thank you for being here for this in the next in our series of seminars on missile defense, nuclear deterrence, homeland security and arms control and defense policy. This, you may have noticed, is the theme of the last week and a half on the Middle East and issues affecting Iran and terrorism. And today, we are honored to have the vice president of the American Foreign Policy Council, Ilan Berman. It’s appropriate to have Ilan here following Clare Lopez and General McInerney’s remarks last week.

Ilan has come back from South America and Central America to examine the issue of Iranian penetration of the hemisphere and their cooperative work with countries like Venezuela and Bolivia and others, but also their work with the terror group Hezbollah. In this very room, in 2002, Shaun Catrell (ph) who was the assistant U.S. attorney for the state of South Carolina, spoke here and put a map up on the wall of all the compounds in America that were owned and operated by Hezbollah. And it was over, I think, Ilan, how many was it, 30 some-odd places?

And this was 2002. And these were, quote/unquote, “educational” institutions; which was surprising in that he could not get the law enforcement people of the country interested in the fact that this was a terror group that had killed, prior to 9/11 – killed more Americans than any other group. You remember the Beirut bombing, and our Marine barracks and our embassy. So it is appropriate that we have (this ?).

I want to welcome my friends from the Voice of America, as well as our friends from Israel, Australia, Austria and Russia and Great Britain, that are here today. And also, Professor Curtis from the Naval Academy, I want to thank you very much for being here today. And I want to thank our sponsors.

But Ilan, thank you for coming back from a trip to south of us, and let us know what it is we need to worry about. Would you all give a warm welcome to Ilan Berman?

(Applause).

MR. ILAN BERMAN: Well thanks very much. I’ve been speaking at this seminar for a few years now, and I always end up talking about Iran because it’s one of those issues that’s an evergreen. You know, we’re always going to be concerned about it. But this year Peter asked me to talk about something a little bit different that dovetails with the work that I’ve been doing over the last year.
So let me do my disclaimers first. I’m a recovering lawyer, so I feel it’s sort of reflexive. I work for a think tank called the American Foreign Policy Council. We do a lot of work with Congress and the U.S. military. But what you’re going to hear is not the official opinion of any of the agencies that we work with or have consulted for.

Instead, what it is is, if you’ll permit me, is a little bit of – maybe not a deep dive, but at least a surface dive on Iranian influence in Latin America, stemming from a project that my institute has done over the last year on Iranian activity in the Western Hemisphere, trying to answer a very simple question. These days, particularly after the October 2011 attempted assassination of the Saudi envoy to Washington by the Iranian Revolutionary Guards, there’s a lot of attention to potential Iranian activity in the Hemisphere. But what is missing from the equation is what Iran’s strategic objectives are in the region.

This is the question I’ve been trying to answer for about a year now. It has entailed, as Peter said, a couple of trips down range to South America. I’ve travelled now to Chile, Argentina, Bolivia, Ecuador and Brazil, looking into this issue. If you will permit me, I’d like to spend a few minutes trying to explain what the lay of the land looks like.

You have to start with the animating motivation of the Iranian regime when it looks at Latin America. There’s a lot of activity, certainly with Venezuela but even beyond, that looks opportunistic. It looks rather scattered: a tractor factory here, a gold mine there. It doesn’t look like there’s a lot of strategic thought that’s being put into what Iran is doing. Essentially, it looks like Iran is leveraging to open economic avenues in the Western Hemisphere.

This is true, up to a point. But there’s a larger strategic context over everything that Iran tries to do there. It’s essentially a four-fold approach. First of all, Iran is using Latin America and its contacts with countries like Venezuela and Bolivia and Ecuador, as a form of diplomatic outreach to lessen its isolation as a result of sanctions, but also as a way of building anti-American coalitions that have the ability to actually impact us here in the U.S. homeland.

The second is that Iran is using Latin America as a significant, although not the sole, source of strategic resources for its nuclear program. And this is an avenue that has been explored far too little in the current debate over Iran’s nuclear ambitions.

The third is the Iranians are using the ungoverned spaces of Latin America to create a sizeable asymmetrical presence. This is not a new development; Iran has been resident in Latin America since the 1980s when they helped Hezbollah set up shop in the Tri-border region at the intersection of Paraguay, Argentina and Brazil. But that presence has increased rather significantly over the last half decade, and it’s worth watching and understanding why.

The fourth strategic objective that flows naturally from the first three is that Iran, as a result of these activities, has created at least a baseline operational capability in Latin America that can be used against the U.S. homeland. This was clear in October of last year, because the plot against Adel al-
Jubeir, the Saudi ambassador, was coordinated via Latin America and employed elements of the Los Zetas Mexican drug and arms cartel.

There’s a lot of interesting and intriguing contact between Iran and Latin America that’s worth a far more intensive examination than exists currently, certainly here on the Hill, with regard to threats and opportunities. So let’s start from the beginning, as it were.

When Iran looks at Latin America, first of all it’s doing so through the prism of its current political situation. And that means trying to use Latin America as a lever to lessen the economic and diplomatic squeeze that it’s experiencing currently as a result of its nuclear ambitions. The unsophisticated word for it is sanctions busting, but in essence that’s exactly what’s happening.

There’s a lot of evidence of Iranian activity with regard to the Venezuelan economic and financial sector: the creation of joint companies; the Iranian ownership of Venezuelan financial institutions, which have the effect of providing Iran with an ancillary avenue to access the world market that isn’t yet sanctioned by the U.S. Treasury Department. A good example is SWIFT, the Society for Worldwide International Financial Telecommunications, which has sanctioned and proscribed Iranian e-commerce, and certainly electronic transfers of funds, from Iranian banks. But it hasn’t done so in anything resembling a comprehensive fashion with regard to Venezuelan financial institutions. And as a result, Iranian funds resident in banks like the Banco Desarrollo, which is based out of Caracas, can be used by the Iranian regime without being subject to financial penalties.

How big a slice of the economic pie is this for Iran? It’s not clear, but we know that this is taking place. And it’s clear that the Iranians are thinking about this, not only in the context of Venezuela, but also in the context of setting up similar entities with regard to Ecuador and other places. Sanctions are always a little bit like a game of whack-a-mole, and the other hole through which the mole is popping up happens to be in Latin America, at least partially.

Iran is also leveraging regional anti-American sentiment to drum up support for its nuclear effort. Iranian President Mahmoud Ahmadinejad has found a tremendous amount of diplomatic backing both for his presidency itself, and also for Iran’s nuclear effort writ large, in cooperation with Venezuela with Ecuador, with Bolivia, with Nicaragua. By doing so, Iran is trying to fracture the international diplomatic consensus over the need to isolate and penalize it for its nuclear progress.

But it would be a mistake to talk about this sort of activity as purely defensive. Iran is certainly trying to use Latin America as a way to lessen its isolation. But it’s also using Latin America as a way to lessen American influence. It is carrying out what I would call an “area denial” strategy for the United States, in which it sweeps up vulnerable regional countries and sympathetic regional regimes, like that of Hugo Chavez in Argentina, and as a result makes it harder for the United States to operate in our own geopolitical backyard.

We see this through Iranian activity like the establishment of Hispan TV, which is the Spanish language analog to their English language Press TV strategic communications outlet for the United States and Europe. Hispan TV was launched in February after Mahmoud Ahmadinejad did his four
country tour of the region. There are at least two reporters now active for HispanTV in Bolivia. It’s being broadcast out of Tehran.

Their messaging isn’t quite on point. They spend a lot of time denigrating Christianity and promoting Islam in a region that’s overwhelming Christian. But, nonetheless, they’re trying.

And it speaks to the fact that they see Latin America as an important swing market, both economically and politically, for building that international consensus. It dovetails very nicely also with the Bolivarian revolution project that Venezuelan strongman Hugo Chavez has tried to erect since taking power in 1999. If you have the misfortune of following Mahmoud Ahmadinejad’s yearly outings to the General Assembly every September or so, you have heard him talk a great deal about a new world order and sort of a Third World alliance. This is his signal, more than anything else, to Latin American countries that Iran is a fellow traveler ideologically, and that they should partner together against the United States.

That is the first element of what Iran is trying to do. And it’s doing so mostly through formal ties with regional regimes like Bolivia, Ecuador and Venezuela. But Iran is also pursuing a separate track, a track that relates to its nuclear program.

Here it’s useful to talk about what I like to call the “big lie” that surrounds Iran’s nuclear program. It’s not a secret that the international community has been seized of the Iranian nuclear program for almost a decade now. And it’s also not a secret that what we’ve thrown at the problem with regard to diplomacy and also with regard to economic sanctions isn’t really doing very much--or at least it doesn’t appear to be, with regard to altering the strategic motivations of the Iranian regime. The Iranian regime is as committed as ever, I would argue probably more-so, to pursuing nuclearization than it was previously.

But there’s the rub: Iran’s nuclear program has grown significantly both in size and sophistication over the last decade, almost to the point where we have begun to think of it as well nigh inevitable that Iran crosses the Rubicon and becomes a nuclear power. That’s actually not true, for a very simple reason. The larger Iran’s nuclear complex becomes, the more inputs it needs in order to continue working.

For example, to use a very imperfect analogy, the larger a car you have the more, generally, gas it requires. The same is true for Iran’s centrifuge arrays. The more centrifuges Iran is spinning the more uranium ore it requires in order to enrich uranium. It can still enrich uranium with a minimum number of centrifuges, but the industrial capacity that Iran is trying to build requires significant infusions of the raw material that Iran needs in order to go nuclear.

And here’s the second part of that equation. Iran runs a deficit of naturally occurring uranium ore. When the Shah of Iran launched a national nuclear endeavor in the mid-1970s, he was forced to carry out a large scale uranium buy from South Africa. Forty years on, that stockpile is mostly depleted. It’s mostly of poor quality. And as a result, over the last several years the Iranians have spent a
tremendous amount of time looking for external suppliers of uranium ore that would have the effect of keeping their nuclear program humming.

We know of certain incidents, for example, in late 2008 and early 2009, the United States and British intelligence successfully foiled an Iranian effort to buy a bit more than half a million tons of uranium ore from the Central Asian Republic of Kazakhstan. But Iran’s acquisition efforts, have continued despite that setback, and they’ve focused over the last several years in two primary places. The first is sub-Saharan Africa, where you see Iran talking now with countries like Zambia, with the Democratic Republic of Congo, with Nigeria. But Latin America is the other place where Iran has really begun to explore strategic resource partnerships, not only for uranium, but also thalium and tantalum.

Significantly, with regard to uranium, you see tell tale signs of Iranian mining now in places like Venezuela’s Roraima Basin, which is on Venezuela’s eastern border adjacent to Guyana. That location is actually a geological analog to the Athabaska Basin in Canada, which houses the world’s largest naturally occurring reserves of uranium ore. So while it’s possible that Iran is mining for gold in the Roraima Basin, as it claims, chances are that it’s probably not. It’s probably mining for something else.

And Venezuela is not the only place. You have more and more signs that Iran has begun to look elsewhere in the region for inputs for its nuclear program. When I was in the region earlier this year I heard that Iran was mining for uranium at no fewer than 11 different places adjacent to and outside of Santa Cruz, Bolivia, Bolivia’s industrial capital located in the east of the country. Not coincidentally, that infamous Tehran-Caracas bilateral flight that is believed to carry IRGC officials and equipment back and forth between Latin America and Iran, is rumored to be being extended from Caracas, Venezuela down to Santa Cruz, Bolivia in the near future, which suggests that there’s at least something in Santa Cruz that the Iranians are interested in either picking up or dropping off.

The Iranians have also begun at least tentative efforts to broaden their hunt in the region beyond even Bolivia. And so now there’s a framework agreement that has been signed, although no mining and exploration and exploitation has begun, in places like Ecuador. Those agreements have been signed for a couple of years now. And while there’s no tangible work underway, there is a sign that Iran is beginning to think about the region strategically as a resource base.

The reason that’s significant is because we don’t know a lot about Latin America’s resource wealth from a strategic perspective. Venezuela has spent a lot of time promoting itself as a hub for Iranian uranium and things like that. And you can go online and look at the Venezuelan ministry of interior’s geological surveys, and you can have a pretty good idea about what they’re doing.

But Bolivia, especially, and Ecuador, these places are much more like “black boxes” in terms of figuring out whether these are significant and strategic resource rich countries. The reason that’s significant is because it will dictate whether Latin America is simply one stop on Iran’s worldwide uranium hunt, or is the principal stop. And that will to a large measure dictate how intensively Iran applies its resources to regional penetration in the years ahead.
The third way by which Iran is exploiting Latin America is through the expansion of its asymmetric activity. And here when I talk about asymmetric activities, I mean not simply paramilitary activities, although those exist, but also the exploitation of gray and black markets in places like the Tri-border region at the intersection of Brazil, Argentina and Paraguay. Nowadays, as significant if not more-so, is Margarita Island in Venezuela, which has become a hub for Hezbollah training under the watchful eye of the Chavez regime.

But there are also other less known places, such as the free trade zones of in Iquique and Arica, Chile; and Tacna, Peru; and also the corridor between Manta, Ecuador and Manao, Brazil, which has strategic implications for oversight over the Panama Canal, for example. The size of Iranian activity in all of those places –activity on the part of Iranian paramilitary elements and also Iranian proxies such as Hezbollah -- is natural and also long-standing. Iran’s entry into the region began in the early 1980s, to facilitate Hezbollah establishing a financial beach head in the Tri-border region.

But it has expanded now far beyond that to include these other places, and also to include an Iranian paramilitary presence of its own. I’m alluding to the regional defense school of the ALBA bloc. ALBA is the Bolivarian Alliance of the Americas.

It’s a multi-country bloc set up by Hugo Chavez and then Fidel Castro in the early 2000s as a political and economic Latin American sort of Eurozone. It hasn’t moved largely beyond the notional phase. There are certainly dreams in Ecuador of creating a common Latin American currency called the sucre, and they’ve actually begun to put personnel in place that can actually do that. But the countries in the region like the dollar very much, so it has not gotten very far, at least currently.

But on the paramilitary level and the asymmetric level, it’s much more troubling. The Alba school, a regional defense school of the Alba bloc, is right outside of Santa Cruz. And when I travelled around the region I heard from everyone, this is the place.

So myself and a colleague of mine, we actually decided to go there, to see what they were talking about. And by the way, it’s not hidden at all. If you land in Santa Cruz and you go out of the airport and you take a left, you go to Santa Cruz. And if you take a right, you see the big school.

It’s a big hulking building off of the highway. It’s not really all that hidden. But it’s big and there are signs of Iranian activity. Iran is rumored to have provided at least part of the funding for it.

The Iranian defense minister, Ahmad Vahidi, actually presided over the school’s inauguration last May. It was kind of a big deal since Vahidi has an Interpol Red Notice against him because of his involvement in the bombing in Argentina in the 1990s, and it created a little bit of a diplomatic spat with Buenos Aires. But nonetheless, there’s Iranian activity there.

The regional officials I talked to believe that there are between 50 and 300 IRGC trainers now active in Bolivia, and at least some of them are at the Alba school. When I was there there wasn’t a lot of activity at the school, but it’s a very good leading indicator of Iranian interest in the region. And the school, as envisioned in the public statements of people like Hugo Chavez and Fidel Castro and now
Raoul Castro, is intended to be sort of a homing beacon and an ideological beacon for the region’s most radical elements, including the FARC, including Venezuela’s Bolivarian Circles. So there’s a potential for a very sinister synergy there.

This brings us to the question of Iranian operational capability. I had the opportunity to talk about this with some members of Congress not too long ago, and I made the argument then that what you’ve seen over the last year has been what amounts to a seismic shift in Iranian strategic thinking. Ten years ago, when you talked about Iran’s presence in the Western Hemisphere, you would talk about it overwhelmingly in the context of fundraising, in the context of illicit activities; but overwhelmingly this was support activity, activity that’s intended to provide benefit to the Iranian regime, but not to stir the pot so that Hezbollah and its fellow travelers get excluded from the region. I think the Iranian presence now in Latin America is far broader than that.

The conventional wisdom was shattered by the October 2011 plot against Saudi envoy Adel al-Jubeir. and back in January, General Clapper, the director of national intelligence, testified about the fact that Iranian officials at the highest levels, possibly including Supreme Leader Ali Khamenei himself, have begun to assess the possibility of attacks against the U.S. homeland in retaliation for whatever’s happening abroad and whatever is happening to the Iranian regime. That is because all politics is local, and this is happening in the context of widening international sanctions, of growing diplomatic pressure. The worrisome element here is Iran’s activities in the region over the last six and a half years.

Here note that when we talk about Iran’s presence in Latin America in the contemporary sense we’re only talking about six and a half years. This is a very, very short time span. And so critics of Iran’s entry into the Americas who say that there’s nothing to worry about because most of the agreements, and there have been about 270 of them, haven’t materialized, don’t seem to understand that this regime does not measure its success in months or even in years. It measures it in decades and in centuries. And so, in that historical context, the Iranian entry into Latin America is very much a work in progress - and one that’s in its early stages.

This gets us the larger conclusions about what we’re seeing and what we can do about it. The first big takeaway is that it is indeed a work in progress, and that the partnerships the Iranian regime has built in the region with Venezuela, with Evo Morales’ regime in Bolivia, with Rafael Correa in Ecuador and elsewhere, are fragile. They’re fragile because Iran has not delivered on a lot of what it has promised - a lot of these agreements are signed and there are declarations of intent, but there hasn’t been a lot of financial transfers that have taken place.

A lot of them are opportunistic. But a lot of them are also predicated upon how much regional allies can move in either direction. A good example is Rafael Correa’s regime in Ecuador.

Ecuador is a dollarized economy. And Ecuador has to be very careful not to cooperate too deeply with Iran lest it gets shut off by the Treasury department and OFAC. And as a result, what you see emerging is a hesitant partnership in many places.
But in many places it’s a very warm embrace. I would say when you look at Iran’s strongest partners in the region, far and away its strongest is Venezuela, which serves as Iran’s gateway. But after that, it’s Bolivia, and beyond that it’s regimes like Daniel Ortega’s in Nicaragua and Rafael Correa’s in Ecuador. But Iran’s footprint has the potential to change dramatically, and not for the better, in the next year or so.

The principal reason is because Iran’s most dependable ally, Hugo Chavez, is sick. He announced publicly in July of last year what we who watch the region knew beforehand: that he has cancer. It has now progressed to the terminal stage.

It’s not clear whether he’s going to last until the Venezuelan presidential election in October. If he does, it’s not clear that he’s going to stand himself for president. And if he wins, it’s not clear that he can actually take office, because of his health.

So the Venezuelan political scene is in some flux, and the Iranians understand this very well. Iran’s activity in the region in the last year and a half has mirrored this understanding, that the lifespan of their partnership with Venezuela is decreasing and potentially unstable. What they don’t want is to have a day after Chavez where the Bolivarian revolution that Chavez championed is no longer quite as in vogue, and they find themselves shouldered out of the region. Which is why they’ve spent a lot of time building diplomatic and economic contacts with Bolivia, with Ecuador, and beyond that with countries like Nicaragua.

Ecuador is a country to watch in terms of its potential utility for Iran. It doesn’t mean that it will be as strong a partner for Iran as Venezuela is currently. It’s not clear that it can be. But Ecuador may be the best that Iran can get in the future.

The second big takeaway is that Iran is a savvy investor. There is a school of thought that says that Iran can’t deliver on the almost 300 agreements that it has signed with regimes around the region. That this is essentially a demonstration of the fact that Iran talks a good game, but doesn’t have the currency to back up its claims of regional partnership. This may be true, ; if you take a look at what is happening with the Iranian economy, it’s very clear that Iran’s funding, for example to groups like Hezbollah, has diminished as its hard currency reserves have been pinched by economic sanctions. But, it may also be a reflection of savvy investing. If you’re Iranian and you look at the region and you begin to view the region as an investment market that is in tremendous flux (with potential regime change going on in Venezuela, with presidential and parliamentary elections slated for Ecuador in the early part of next year), it may not be the most opportune time to monetize and activate all of the partnerships you’ve created. Iran may simply be waiting. I think that is as compelling, if not more-so, of an explanation about Iran’s level of activity in Latin America currently.

The third, and probably the largest takeaway from all this is that there is an opportunity that exists to contest and dilute Iranian influence in Latin America. I say this advisedly because on the Hill that is not the understanding. In fact, there is a sense in Congress that Iran’s presence in Latin America is firmly entrenched and there’s very little we can do about it. There is legislation now winding its way
through the House, the Countering Iran in the Western Hemisphere Act, which is a very laudable effort at the start of a conversation about Iran in Latin America.

But it doesn’t take the next step and talk about what the United States can do south of our border to contest Iranian influence, to compete with them strategically, and to deprive them of the strategic resources that they’re trying to acquire and the economic partnerships they’re trying to build. In fact, as a result of what’s happening with the defense budget, we’re rapidly heading in the opposite direction. At least the public statements coming out of SOUTHCOM, the U.S. combatant command which has Central and Latin America as its principal area of responsibility, suggest strongly that SOUTHCOM’s presence, if not completely coming to an end in South America, is entering a period of diminishing returns as it retracts northward, begins to base in Central America and begins to focus on interdiction and oversight more than its on-the-ground capabilities.

By the way, this dovetails very nicely with the strategy that’s being pursued by anti-American officials in the region. The Ecuadorian foreign minister recently announced that he has no interest in partnering with the U.S. military any longer, and would rather have regional cooperation with the ALBA bloc on military training.

This is very tempting target for Congressional appropriators seeking a line item to strike out in the defense budget. After all, if the Ecuadorians don’t want us, why should we give them money? But it also creates a very important political vacuum that countries like Iran are going to be very quick to fill. If the United States is not engaged with these countries, if the United States is not involved with their training, interoperability, and engaged in cooperative political dialogue with these countries, then other countries will be. And Iran is positioning itself to be a serious contender in that regard.

I think I’ll stop there. Hopefully this has spurred a little bit of food for thought, and I’m happy to answer any questions you may have. Thank you.

(Applause).

MS. CLARE LOPEZ: Ilan, did you have a chance to look into Iran’s involvement, together with Hezbollah, together with other organizations like the FARC, in the narcotics trade?

MR. BERMAN: A little bit. That’s not my primary area of research, but I can tell you that one of the remarkable things about Iranian activity in Latin America is that religious identification in Latin America writ large, and certainly when it comes to Islam, is very fungible.

When you talk to Latin American converts to Islam and you ask them if they’re Sunni or if they’re Shia, which is a logical question to ask of people in the Middle East, they look at you like you’re crazy. They haven’t gotten that far. There are lots of signs of a bleed over effect in which it’s very hard to tell where official Iranian activity ends and Hezbollah activity begins; and beyond that, signs of cooperation between al-Qaeda and Hezbollah and other nefarious actors, including in the drug trade. But the larger takeaway that I had from this whole experience was that there is a continuum of sorts ideologically that the Iranians travel on.
A good example is Iquique, Chile, which is a free trade zone town of about 30,000 people which has a Muslim population that is some miniscule fraction of that. Those Muslims that do exist in Iquique, are Sunni. They’re not Shia.

MS. LOPEZ: Palestinian, aren’t they?

MR. BERMAN: Correct. And yet, there is a large Lebanese Shia cultural center that has been built on the outskirts of town. I’ve seen it. It’s very big, very nice.

I think that plays to the question about narcotics because you see – these aren’t unitary actors that are operating in the region. There’s a lot of cooperation and collusion between various groups that are involved in narcotics and also in arms trafficking in Latin America.

MR. WILL CURTIS: I’m concerned about the lack of interest on the problem that you’re discussing. And you suggest that SouthCom could be pulling out to some extent. It seems to me that that points to the U.S. historical view of Latin America as in our hegemonic zone. And I think that if there’s someone here from the State Department, that that’s a (weakness ?) in the sense that our public diplomacy hasn’t pressed the issue and we’re still suffering from Cold War thinking.

MR. BERMAN: I think that’s exactly right. I’m decidedly not from the State Department, but I would echo that because here’s a little bit of anecdotal evidence that sort of proves your point. I spent some time in LaPaz, Bolivia and while there I met with the deputy chief of mission at the U.S. embassy. There’s no ambassador, so he’s the charge d’affairs. And I asked him about the U.S. presence and the Iranian presence in Bolivia. He responded that the U.S. presence is coming down from what was a bloated level – back in 2008 it was about 280 people, mostly Drug Enforcement Administration officials; the U.S. embassy in Bolivia now is 40 people and it’s expected to go down to about 20 full-time staffers in the next year and a half or so.

At which point I asked him about the Iranian diplomatic presence in Bolivia, and I asked him if he’d ever been to the Iranian embassy. He answered that he hadn’t and he’d never seen it.

I had, because I took a cab there the night before. It takes up three blocks. It’s a big compound.

The diplomatic presence is large, significantly larger than the U.S. presence. I don’t have the exact numbers, but it’s guarded by the Bolivian version of the FBI and it’s one of the few diplomatic presences that has active construction going on there, such as the building new dormitory facilities, new education facilities. Just to point out that as the U.S. stands down and as Bolivia reorients, Iran is standing up. This is a competition that is taking place not only in Bolivia but in other places where there are regional regimes that are trying to strike out on their own politically and have defined themselves in opposition to the United States.

A great example in this regard is Argentina. Argentina would be the country that you would expect to be most anti-Iranian, because it is the first place in Latin America where Iran’s asymmetric presence was felt in 1992 and 1994, respectively, when terrorist bombings occurred in Buenos Aires. And yet, over the last year and a half, Iranian-Argentine trade has ballooned. The Argentine foreign
minister, Hector Timerman, has taken a very, very unconstructive line on sanctions. They’ve become increasingly sympathetic to the Iranian regime. And a lot of it has to do with internal politics in Argentina: aspiring for regional leadership, even though their economy is not doing very well; and seeing themselves as a balancer for the United States in the region. But what this has created is a dangerous flirtation with the Iranian regime in which they’re trying to wipe away the past in order to create this alternative present in which Iran is not an enemy, but a potential partner.

MR. HUESSY: Would you address the question that General McInerney and Clare raised on Friday of last week, which is the number of German reports of Iranian missile work in Venezuela? Part of that is a part of, do you get a sense that Iran is seeking to have operational capability in the region from which to launch surreptitious terrorist attacks against us?

MR. BERMAN: Well this is a good question, and I’ve also heard and seen those reports as well. To my mind, I’m not sure there’s fire yet. But there are certain tell-tale signs of activity that suggests that we should be worried.

For example, there are Iranian-operated facilities that have ordered ceramic blast floors for their plants, which aren’t necessary in the construction of UAVs, but are necessary in the testing of ballistic missile engines, for example. But this is all circumstantial and not yet brought together in terms of a good operational chain of facts. What is clear is that there is a level of technology transfer between Iran and Venezuela specifically that’s very troubling. It involves primarily unmanned aerial vehicles, which have a lot to do with Venezuela’s positioning vis-à-vis Colombia and border oversight. But beyond that, it’s certainly not out of the question that Iran and Venezuela are cooperating on things like ballistic missiles. It would be very foolhardy of the Chavez regime to talk about this publicly or even to assemble a complete unit. But I have heard it raised as a possibility that Iran and Venezuela are cooperating on things like ballistic missiles. It would be very foolhardy of the Chavez regime to talk about this publicly or even to assemble a complete unit. But I have heard it raised as a possibility that Iran, which is feeling the squeeze in international oversight and inspection as a result of its nuclear ambitions, may be outsourcing a lot of its technology development to places like North Korea, Syria, Venezuela, as a way of continuing work on strategic programs without coming under scrutiny as stringent as it’s experiencing in the Iranian homeland.

MR. CARL LUNDGREN (ph): Carl Lundgren, from Jonah Speaks. I guess since nobody has other questions about your speech, I’ll ask you something off the wall, maybe. And that is the Iranian nuclear fatwah. I was wondering, do you believe that exists? And if so, what does it say?

MR. BERMAN: It’s a good question. For those of you who don’t know, this is the religious edict supposedly issued by the Supreme Leader Ali Khamenei swearing off the development of an offensive nuclear capability. First of all, notice we are talking about an offensive nuclear capability, not a nuclear program per se. The reason that’s important is because you can go 90 percent of the way towards a bomb with a civilian nuclear program, and then sort of leapfrog ahead.

But, the question is whether or not the fatwah exists. In my very amateurish experience, when things are important they tend to be available. But if you go on the supreme leader’s website, khamenei.ir, the fatwah is not there, neither in English nor in Farsi. It’s not posted on any Iranian official government web site. And no one that I’ve talked to has seemed to be able to find it. And as a result,
it’s possible to believe in the existence of something, even if there’s no evidence, but it’s probably poor strategy to plan around it.

(Laughter).

MR. HUESSY: I would like to – even though it’s a little bit – it’s not far afield, would you comment on the argument that is in the media and political circles and blogosphere that Iran does not have a quote-unquote, “nuclear weapons program,” that the only thing they have is an enrichment of uranium program? Because you’ve addressed this previously and since I have you here why don’t you (go over that?).

MR. BERMAN: Sure. This is an interesting question. In order to answer it properly you have to zoom out a little bit and look at the totality of Iran’s strategic work. This includes not only the nuclear program, but the likely delivery system, which is a ballistic missile, and the leap-ahead work that they’ve done on that.

By the way, Uzi Rubin, who will be speaking later this week, gave a speech not long ago at the Foundation for Defense of Democracies in which he talked about the fact that Iran had, in his words, “turned a corner or soon will” in its ballistic missile development and is doing things like carrying out long-range ICBM-level testing into the sea, into the southern Persian Gulf. The reason that’s significant is because you may be territorially constrained if you launch from land to land within Iran itself. You’re not constrained if you don’t care about where the missile ends up, if it ends up in the ocean.

So what they’re trying to do is they’re trying to model out extended range ballistic missile testing. They lose the missile, but that’s okay. They’ve proven their point. And they’ve also been working on leveraging Russian designs, working on advanced solid fuel propellants that allow them to have greater survivability and mobility for their ballistic missile force.

The third leg of that stool is the space program, because while Iran has only declared a civilian space program, everybody that understands ballistic missiles understands that the booster that you need in order to launch a civilian payload into low earth orbit is the same booster that you can marry to a medium-range missile and create ICBM capability. So what you have is a tremendous amount of parallel between these three different prongs of the Iranian strategic arsenal that, depending on which timeline you look at, could lead to a sort of catastrophic synergy in a manner of weeks rather than months. In fact, I would allude to a study that was done by the Nuclear Nonproliferation Policy Education Center a few weeks ago that talked about the fact that the move from simply enriching to weaponization and miniaturization, because of the latent work that Iran has done thus far over the last several years, can actually be accomplished much quicker than commonly understood. It’s a matter of weeks rather than months or years. So what you have is an Iran that is flirting with the very loose definition of legality in terms of enriching and bringing itself up to a point where it can make a dash across the nuclear Rubicon and nobody can stop it.
MR. CURTIS: May I try one more? This one is of interest to me because of the whole concept of rationality. Do you know of any studies that have been done about the influence of the Persian culture on the thinking of this regime and its influence?

MR. BERMAN: The strategic culture, you mean?

MR. CURTIS: Yes.

MR. BERMAN: It’s an interesting question. I’m a student of Eric Hoffer, the American philosopher. What Hoffer always used to say, which I’m fond of regurgitating endlessly, is that ideological movements are inherently competitive. It’s very hard to be Islamist and nationalist at the same time. In fact, it’s impossible because they have different and competing goals. When you look at Iran, the Iranian antagonism to all things Persian, extending from the blaspheming of the name of the emperor Cyrus to the elimination of the Persian new year. By the way, that’s the one area in our strategic communication where we’re actually good and we send a note—we may send the note to the wrong people, Clare, but we send a note.

(Laughter).

We send a card. But we actually acknowledge that. And so the Iranian regime, on a very basic level understands ideologically that it’s very hard to compete with Persian nationalism as a mode of identification. Because Persian nationalism has centuries and centuries of backstory, historically, while this regime is an ideological Johnny-come-lately. But that doesn’t mean that it doesn’t operationalize elements of Persian history for warfighting. And so Iran talks a tremendous amount about how it is the markaz-i zamin, the geopolitical center of the universe in the Middle East around which all other countries must revolve. And to a very large extent, the Iranian asymmetric strategy has followed that logic: to build dependencies, to build relationships that force Iran into the prominent role, prominent pride of place, despite the fact that Iran’s air force is very weak, despite the fact that they were on the losing end of their last major military engagement, despite the fact in economic terms they’re a basket case. And so, you know, a lot of their military strategy leverages that ideological component to the greatest possible effect, despite their weakness in a very real sense on a number of strategic levels.

MR. : I wanted to ask a little bit more about the asymmetrical threat out of Latin America missile-wise. Is it over-hyped, a Shahab III or a Katusha (ph) off the back of a clandestine trailer in the Gulf of Mexico, say over the center for the United States as an EMP weapon? Is that a greater threat, over-hyped threat or what?

MR. BERMAN: Well that’s my sweet spot in terms of talking about missile defense. When we talk about ballistic missile defense, the issue of electromagnetic pulse, the issue of strategic surprise, is a huge one. Our missile defense system, even under the previous administration, was provocatively weak, because it reinforced the rationale for countries that didn’t have the wherewithal to compete on the highest strategic level to look at asymmetric ways in which they can reach out and touch the U.S. homeland. And so the EMP Commission in its report talked about the fact that in the late 1990s Iran had actually field tested an EMP equivalent blast in the Caspian Ocean off of a trawler. We know that
countries like Iran are thinking about this. Whether or not this is readily translatable into a naval presence in the Western Hemisphere that can reach out and touch us is a different story. I think that there’s probably going to be some telltale signs of that – more telltale signs of it than exists currently – but it’s certainly not a possibility that you can rule out.

MR. HUESSY: Thank you, sir. We appreciate it very much.

(Applause).

MR. HUESSY: Just a reminder, tomorrow was going to be Jim Miller but he’s asked to delay it until July 26th, where he is now scheduled, and it will be downstairs in the Eisenhower Lounge. Thursday, Senator Jeff Sessions, the ranking member on the Budget Committee in the Senate and one of the senior members of the Senate Armed Services Committee, will be speaking. And I urge you to come and hear Uzi Rubin, who is the premier not only rocket maker in the Middle East, but missile defense maker in the Middle East.

He is also, I think, one of the finest mind in terms of looking at the threats from rockets and missiles in the Middle East. And he will be having one of his great video shows and slideshows. And so he will be Friday, here.

And then Mark Schneider, is next week, and he is going to give you a look at Russian nuclear weapons and doctrine, in particular their developments in hardware, in missiles, in warheads research, in various areas of targeting and miniaturization and weaponization. [He will look at] the kinds of things like how do they look at nuclear weapons? And if you look at the Russian rhetoric, about every couple of weeks they say they’re going to put nuclear weapons on the missiles and put them on Askunder (ph) missiles and put them in Kaliningrad and launch a rocket attack on Poland or one of our allies in NATO if they build a missile defense. That’s a very different way of looking at nuclear weapons than is assumed by many of those who are pushing global zero and other things that you see in the media.

So please if you’re going to come Thursday we’d love to see you. And again, Friday with Uzi Rubin. And then Mark Schneider from the National Institute for Public Policy. And then we take a break for the July 4th recess.

Again, Ilan, thank you on behalf of our sponsors and our guests here today. We want to thank you for coming over and talking to us. Thank you all very much.

(Applause).