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Flawed Bloomberg Article on Iran Nuclear Sanctions

By David Albright and Andrea Stricker

Jonathan Tirone of Bloomberg published on February 15, 2013 an [article](#) titled “Iran’s Nuclear-Technology Gains Suggest Sanctions Are Backfiring.” The article is flawed, however, and offers no proof that sanctions have backfired in the case of Iran. An evaluation of the goods Tirone lists shows that sanctions are indeed hurting Iran’s ability to acquire these items abroad, creating shortages in vital goods and forcing the indigenous manufacturing of substandard replacements unsuitable for use in gas centrifuges. Sanctions have proven to offer an efficient method to slow the development of capabilities that support Iran’s sensitive nuclear programs.

In an e-mailed explanation of his article, Tirone wrote: “The story threshed out a well-placed tip that was supported by many non-proliferation observers.” However, the nonproliferation observers made general statements that offered no evidence of the article’s specific assertion that sanctions have backfired in the case of Iran nor did they discuss the specific goods Tirone mentions, leading to several mistakes and exaggerations.

The article states that Iran has the capability to make carbon fiber, a difficult-to-make material which is vital to Iran’s manufacture of advanced centrifuges. Iran did launch in recent years a carbon fiber production plant to much domestic fanfare. However, the Bloomberg article fails to note that experts who evaluated Iranian carbon fiber manufacturing judged that Iran’s capabilities are at best rudimentary, according to the 2012 report of the United Nations Panel of Experts on Iran.¹ A video showing the carbon fiber produced in the facility was assessed by carbon fiber production and manufacturing experts as “not to be suitable for use in Iranian centrifuges.” Not surprisingly, governments and companies often detect Iran trying to acquire higher quality carbon fiber abroad, according to open source reporting and a European intelligence agency that closely monitors Iran’s attempted procurements and open source reporting.

The article also singles out Fomblin oil and states that Iran has developed an indigenous manufacturing capability. It states: “The country manufactures and sells Fomblin oil, a lubricant used inside centrifuges, on world markets.” No proof is offered to support the claim about indigenous manufacturing, or the author’s reasoning for focusing on this particular dual-use good which is not strategically significant in the case of Iran’s centrifuge program.

¹ *Final Report of the Panel of Experts established pursuant to resolution 1929 (2010)*, S/2012/395, June 4, 2012, annex 6, p. 61.

Moreover, an examination of the Iranian web site the article links to the selling of Fomblin oil undermines the central claim of the article. The web site is that of a trading company that buys goods overseas and sells them in Iran. Fomblin is a registered trademark of Solvay Solexis, which is one of the few companies in the world that manufactures perfluorinated polyether (PFPE) oils. This Iranian company advertises specific Fomblin products, although ISIS could find mention of only Fomblin greases that are not used in gas centrifuges. A specific Fomblin oil is used in centrifuges and thus this oil is banned for sale to Iran under United Nations Security Council (UNSC) sanctions. There is no indication that the company has in stock any of these specialized Fomblin oils used in centrifuges or in vacuum pumps used in centrifuge cascades. The site indicates that the company does not manufacture PFPE oils but is instead a trading company engaged in importing goods. Its web site does not advertise any Iranian-made PFPE oils.

Additional evidence supporting that the company imports goods for sale in Iran is available on a related web site. The English name of the Iranian trading company is Aras Nour Nasr, and clicking on its web site address, www.arasnour-co.com, leads directly to a page in Farsi that states it is a representative of ROCOL, a British company. Whether it is still a representative of ROCOL is unclear given the strengthening of European Union sanctions. Moreover, the websites of Aras Nour Nasr may be out of date with respect to its products, or the company may depend on a stock of Fomblin products obtained before UNSC sanctions were implemented.

There is no evidence that Aras Nour Nasr is currently engaged in smuggling PFPE oils into Iran, which a cursory reading of the Bloomberg article suggests. ISIS has encountered this company before in its work with Western suppliers. Within the last few years, Aras Nour Nasr sent an enquiry to a Western manufacturer seeking another type of oil that is not suitable for use in gas centrifuges. As such, it did not cause any special concern.

There are many Iranian trading companies that still list for sale goods that are now sanctioned. Advertising a sanctioned item for sale is not in itself alarming. Today, Iranian companies would have a difficult time acquiring PFPE oils abroad suitable for use in centrifuges.

The article makes a reasonable point about Iran having the capability to make nuclear fuel indigenously for the Tehran Research Reactor (TRR), but few foreign countries would want to buy this fuel. It is not clear that the fuel is reliable or safe. Thus far, Iran has not transferred much of its near 20 percent low enriched uranium into fuel, so it is not yet known if the fuel works as a substitute for imported fuel.

The article fails to recognize that Iran continues to seek a wide range of goods abroad for its gas centrifuge program, signifying a lack of indigenous capabilities to manufacture gas centrifuges and their associated equipment. Its claims about indigenous carbon fiber manufacture are flawed and its claims about Fomblin oil manufacturing are not supported. Many cases detailed by ISIS show persistent and ongoing Iranian efforts to obtain a wide range of goods for centrifuges such as vacuum pumps, pressure transducers, maraging steel, carbon fiber, valves, and specialty oils.²

The aim of sanctions is to delay these programs by creating supply bottlenecks, compelling substandard indigenous production, and forcing undesirable changes in the technical direction of these programs. There are no doubt problems with this strategy and it has not worked perfectly, as illustrated by Iran's increased deployment of IR-1 centrifuges at its Fordow Fuel Enrichment Plant (FFEP), renewed deployment of IR-1 centrifuges at the Natanz Fuel Enrichment Plant (FEP), and its stated

² For ISIS case studies on Iranian illicit nuclear procurements, see: <http://isis-online.org/studies/category/illicit-trade/>

intention to deploy advanced IR-2m centrifuges at the Natanz FEP. The solution is better enforcement of nuclear-related sanctions and the implementation of stricter ones. This path is the best alternative to help stifle growing calls for use of military options against Iran's nuclear weapons capabilities.