**Moscow makes gains in Iran deal as U.S. lifts sanctions against Russia**

By Colum Lynch and Glenn Kessler

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UNITED NATIONS -- The last-minute dealmaking needed to secure Russian support for new U.N. sanctions against Iran became clearer Friday when the Obama administration revealed it had ended sanctions against four Russian entities involved in illicit weapons trade with Iran and Syria since 1999.

U.S. officials also acknowledged that a loophole slipped into the language of the draft Security Council resolution on Iran would exempt a Russian-Iranian missile deal from a proposed ban of major arms sales to the Islamic republic.

The move to lift the Russian sanctions, recorded in Friday's Federal Register, comes just three days after the United States, Russia and other key powers reached agreement on the draft resolution, which would sanction Iran for violating U.N. demands to halt its uranium enrichment program.

Russian officials had complained vehemently about the sanctions against the entities, one of which -- Russia's state arms exporter, Rosoboronexport -- was sanctioned for its dealings with Iran in 2006 and 2008. Though U.S. officials for weeks had confidently said they had secured Russian support for action against Iran, Moscow publicly raised its demands for an end to the sanctions only in recent days.

Sanctions were also lifted on Moscow Aviation Institute, one of three entities sanctioned in 1999 for aiding Iran's development of ballistic missiles and nuclear weapons; D. Mendeleyev University of Chemical Technology of Russia, which was sanctioned in 1999 for aiding Iran's missile program; and Tula Instrument Design Bureau, which was sanctioned the same year for supplying antitank equipment to Syria.

U.S. officials defended the lifting of the sanctions, saying it was based on an assessment that Russia had greatly improved its monitoring of trade with Iran. "Over time, Russia's approach to Iran has evolved," said State Department spokesman P.J. Crowley. "Russia's ability to work with us on nonproliferation has given us confidence we can take this step while protecting our nonproliferation interests."

Since the beginning of the year, the Obama administration has lifted sanctions on two other Russian entities, Glavkosmos and Baltic State Technical University, for their dealings with Iran.

The United States launched full-out negotiations Wednesday in the 15-nation Security Council on the draft resolution, which would expand an arms embargo against Iran and tighten financial measures against Iranian elites.

Yet it also emerged Friday that the draft includes a loophole that would exempt a 2005 Russian deal, valued at hundreds of millions of dollars, to sell Tehran five S-300 surface-to-air missile systems capable of intercepting ballistic missiles and aircraft, making them particularly valuable in the event of an Israeli air attack.

The resolution would ban the sale of eight categories of conventional weapons, including "missiles and missile systems as defined for the purpose of the United Nations Register of Conventional Arms." The arms register includes ground-to-ground and air-to-ground missile systems, but not defensive ground-to-air missile systems.

Although the resolution does not formally outlaw the sale of such missiles to Iran, it does call upon states to "exercise vigilance and restraint" with regard to them, according to a U.S. official. "It's worth mentioning that Russia has not transferred the S-300s," the official said. "That's not to say they couldn't do it tomorrow. But they haven't done it."

Critics of the Obama administration cited the concessions as evidence that the U.S. sanctions strategy is foundering. "This creates a loophole big enough to drive a truck through -- and it's contrary to long-term U.S. interests," said John R. Bolton, who was U.S. ambassador to the United Nations in the George W. Bush administration and negotiated previous resolutions against Iran. "I don't think you advance your overall nonproliferation agenda by giving away pieces of it here to get pieces of it somewhere else."