

# **THE CAT AND MOUSE GAME: HOW RUSSIA AND IRAN CAN CIRCUMVENT NUCLEAR NON-PROLIFERATION THROUGH A REGIONAL RAIL AGREEMENT**

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As with any agreement, there are the key or main points we focus on yet buried further down is something universally known as the 'fine print.' This is the case for example when we buy a house and choose the neighborhood. In international politics however, we don't necessarily choose our neighbors so when any regional agreement is reached, one has to ask, 'What are the key points?' 'What's in the fine print?'

With the recent Russian annexation of Crimea, these questions are especially useful when scrutinizing the so-called 'tough neighborhoods' or potential flashpoints across our planet. Take for example last month's (October, 2014) Caspian Summit. When the rest of the world is still coming to terms with Russia taking over their maritime foothold in the Black Sea, the Caspian Sea has been tranquil politically. On the surface, building a railroad encircling the Caspian Sea and linking its major seaports make sense from a commercial standpoint. Not only will such a move reduce the time and cost of transporting goods, it promotes the purchasing of goods between Azerbaijan, Russia, Kazakhstan, Turkmenistan and Iran before importing from further out. What is suspicious is that this initiative was 'raised' only last month in October 2014, during the Summit. We are led to believe that as a result of this agreement, the eastern part of the railroad circle linking Kazakhstan, Turkmenistan and Iran will be placed into operation next month, November 2014<sup>i</sup> literally a month later. How was this agreed to and executed so quickly?

Despite 20 years of endless communiqués, bilateral and trilateral meetings concerning the legal status of the Caspian Sea, now all of a

sudden we are to believe that a multi-lateral, five- party agreement was easier than it was when the Soviet Union was on one side of the table facing Iran on the other. The key sticking point all along has been one of understanding whether the Caspian Sea is legally a 'lake' or a 'sea.' The reason this is important is because it affects the rights of member states from the coastal border into the sea itself. Moreover the significant oil and gas reserves in the sea bed provides an impetus to resolve this <sup>ii</sup> despite the harboring of completely different interpretations of what their rights should be.

Starting with Azerbaijan, the Caspian Sea is a main source of income however it has to contend with its neighbors in order to realize its revenues. Running northern pipelines mean long-term agreements with Russia while supplying the westward Trans-Caspian South Stream project (more commonly known as 'Nabucco') means throwing its fate solely to Europe. Since Azerbaijan could not commit to throw its lot behind Nabucco, Europe in turn could not proceed with its intended investment.

Even more curious is Azerbaijan's arms deals with Iranian nemesis Israel in February of this year (2014). Israel's state-owned company Aerospace Industries signed a long-term contract with Baku to supply unmanned aerial vehicles (UAVs) and precision-guided munitions (PGMs) worth approximately \$1.6 billion. The deal also included anti-aircraft missiles and missile defense systems. Azerbaijan is already using 'Orbiter' drones, which monitors the disputed oil fields in the Caspian Sea. This coupled by 'Gabriel-5' anti-ship missiles along with 'Heron' and 'Searcher' drones tells us that Baku does not trust the neighborhood and is starting to upgrade its strategic footprint in the sea.

Azerbaijan's plans also include a full-scale modernization of the Navy in the Caspian Sea. The primary design and construction of the navy base in Qaradagh is said to fully comply with NATO's standards. Military cooperation with Turkey and Israel underscores the sense of urgency taken to protect Azeri interests. <sup>iii</sup>

Russian policy towards the Caspian Sea dates back some 300 years, long before the Geneva Convention of 1958 and the Law of the Sea Treaty of 1982. The Treaty of Saint Petersburg was signed in 1723 between the original parties - Russia and Persia. This agreement stipulated that only Russia would be allowed to maintain naval forces in the Caspian Sea.<sup>iv</sup> Subsequent treaties between Russia and Persia were: the Treaty of Resht (1732), the Treaty of Gulistan (1813) and the Treaty of Turkmenchay (1828). All of these treaties emphasized the sole right of the Russian Empire to have a military presence in the Caspian Sea. The latter treaty, Turkmenchay, allowed Persian non-military ships

to sail and port on the Russian side<sup>v</sup>. Iran and the RSFSR (Russian Soviet Federative Socialist Republic) signed another treaty in 1921 in which Iran was granted the right to have their navy fleet in the Sea so long as none of the sailors were from third countries. This agreement has been honored to this day<sup>vi</sup>. For Russia, foreign military observers from outside countries were never welcome in the Caspian Sea.

Kazakhstan shares this sentiment. According to Rear-Admiral Zhandarbek Zhanzakov, Naval Forces of Kazakhstan, 'Kazakhstan is strengthening the naval defense of its coastal zone because the internal and external policies of the Caspian's coastal countries are emerging, impacting their strategic interests and well as exacerbating tensions. Besides, the possibility of subversive activities of third powers might target the pipelines as well as major oil production facilities, ports and points of anchorage, water communications and other important facilities. Such occurrences might be a reason for armed conflict in the region thus developing naval forces to protect national interests for the benefit of peace and collective military security is vital in the Caspian Sea.'<sup>vii</sup>

Like Azerbaijan, Kazakhstan has much at stake in the Caspian Sea. Kazakhstan's possible oil production in the Caspian region are equally promising; with a potential 33 billion barrels and potential reserves exceeding 200 billion barrels. Gas reserves are said to be even more. Since Kazakhstan has the longest coastline, it has more to lose than gain. Kazakhstan even went so far as to adopt a chapter in its Criminal Code forbidding exploring, researching or drilling new wells along the coastal zone without its permission, a criminal offense which is punishable by incarceration.<sup>viii</sup> Since there is so much at stake, Kazakhstan is willing to spend as much as possible to defend its interests to include the increase of personnel in the Kazakh Naval Forces.

Turkmenistan is interesting because like Azerbaijan and Kazakhstan, they derive significant income from oil and gas revenue however they are amenable to any agreement that placates both Russia and Iran. In fact, Turkmenistan was one of the first countries to propose such intergovernmental meetings between their Foreign Ministers back in 1996. With the ongoing ad hoc working group, an effective institutional mechanism led to the development of the Draft Convention recognizing the legal status of the Caspian Sea. In 2002 Turkmenistan hosted the first of the Caspian Summits.<sup>ix</sup>

For Turkmenistan, new infrastructure for drilling new oil wells also requires upgraded transportation infrastructure of the gas and oil in order to get paid. It is no secret that Turkmenistan's realization of an integrated transportation and logistical zone around the Caspian Sea enables greater linkages with neighbors Iran and Uzbekistan. This enables

Turkmenistan to increase gas production and export routes east through Uzbekistan and greater Central Asia as well as south through Iran and the Persian Gulf. Should Nabucco ever be realized, this affords a flow of export westward towards Europe. From a Turkmeni viewpoint, with neighbors looking both suspiciously outwards and inwards, national military interests are balanced in the Caspian region.

This brings us to Iran. Before the fall of the Soviet Union, the use of resources of the Caspian Sea was divided 50/50 between the Soviet Union and Iran. Iran had to start from scratch bilaterally which up until now excluded Russia. Instead of four bilateral tracks, Iran always welcomed the idea of a Summit where all of the countries can meet and come to terms jointly. The Fourth Caspian Sea Summit in Astrakhan signaled a welcome chance for dialogue between Russia and Iran.

To date the key sticking point has been that Iran wanted 20% or an equal share of the seabed instead of the 13% based on actual coastline.<sup>x</sup> Not that it intends to develop the Caspian Sea. Iran already has ports and other export infrastructure in the Persian Gulf. To devote to the exploration of new fields in the Caspian Sea requires monetary reserves it doesn't have or doesn't intend to use given its needs to maintain its stake on the Persian Gulf where it already receives revenue.<sup>xi</sup>

Getting back to the original premise, how can an agreement be drafted one month and implemented the next when two of the countries are expanding military capabilities while yet another disputes the size of its share? As it turns out, we may not really understand the main point of the agreement as we initially thought. What if trade was the obvious byproduct of the agreement but not the rationale of the agreement itself?

If the purpose of the agreement is not fully centered on trade, what else could it be? One possibility is that the agreement from the Russian and Iranian perspective is using the guise of commerce to create a strategic capability it would otherwise not possess. This is where we get to the "fine print". Both Russia and Iran are under sanctions. Russia is a key supplier to Iran's nuclear ambitions.

By not allowing outside observers such as NATO, OSCE and EU into this neighborhood, a circular train route enables the crossing of borders using commercial rail with its rail car markings serving as a permanent and continuous border crossing instrument. The 'Cat and Mouse Game' alluded to in the title is the continuous movement of Intercontinental Ballistic Missiles (ICBMs) called "Molodets," a rail-based missile system (NATO designation: SS-24 Scalpel) disguised as an ordinary freight train.

This new rail system makes detection and preemptive destruction of the SS-24s extremely difficult, especially when it can go into Iran where such inspections are practically non-existent. The former Soviet Union created its first design in 1979, built them by 1983 and added to the defense system in 1987. Within the framework of the START-II nuclear arms reduction treaty between Russia and the U.S., Russian President Boris Yeltsin and his U.S. counterpart, President George H. W. Bush in 1993, the SS-24 Scalpel system was decommissioned and all launching platforms were verified as destroyed by 2007. The 'New START' treaty signed by Russian Presidents Dmitry Medvedev and U.S. President Barack Obama in 2011 however does not limit the use of railway-based systems, so in 2012 Russia reconsidered development of a new version of the SS-24. <sup>xii</sup>

What this leads to is a "Potemkin village" of illusory sanctions and arms agreements where ICBMs cross international boundaries, evade detection and verification yet can be instantaneously deployed. Much similar to the *Transports Internationaux Routiers* (TIR) or International Road Transport system used by trucks crossing international boundaries, sealed rail cars will be afforded the same privileges between the respective countries of the Caspian Sea. This provides a plausible explanation as to how suspicious neighbors can secure their stake in the wealth of the Caspian Sea, enhance its exports while at the same time enable two sanctioned nation states the flexibility to keep the international nuclear non-proliferation regime weak.

Theologian G.K. Chesterton wrote that loving your neighbor also equated to loving your enemy because sometimes they were the same people. For Azerbaijan, Kazakhstan and likely Turkmenistan, the ability to have its sovereignty respected in a tough neighborhood is the type of neighborly love too good to pass up. From the Russian and Iranian perspective, the international community will have to bargain jointly or suffer the abstention of one or the other if the concessions turn out to be less than neighborly.

## Endnotes:

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viii *ibid* (iv)

ix News Agency TDH, 2014 “Вклад Туркменистана в успех Каспийского саммита – в зеркале мировой прессы” (Turkmenistan's contribution to the success of the Caspian summit - in the mirror of the world's press), published at Turkmenistan.ru, available at url: <http://www.turkmenistan.ru/ru/articles/40125.html>, accessed [October 13, 2014]

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xi *ibid* (iv)

xii Ankit Panda, 2013, US Prompt Global Strike Missiles Prompt Russian Rail-Mounted ICBM; Published at The Diplomat; available at url: <http://thediplomat.com/2013/12/us-prompt-global-strike-missiles-prompt-russian-rail-mounted-icbms/>, accessed [October 22, 2014]