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It is a great honor for me to appear for this subcommittee. I want to begin by commending you for inviting international voices. It has long been a source of alarm to me that members of Congress face media and perhaps constituent pressure against traveling abroad, and in some quarters there is a sense that it is somehow un-American for America's representatives to hear from others. How can the most powerful country in the world, with the greatest interests in the most places, possibly achieve these interests without knowing what others think?

I have submitted for the record a publication that the Carnegie Endowment released this week: 2007 Report Card on Progress toward Universal Compliance: A Strategy for Nuclear Security. It reviews the nonproliferation policy performance of the relevant governments in the world over the past 2 years, and gives them, collectively, a D+ grade.

The document is readily accessible and lays out about 20 major policies that most international experts believe would go a long way toward protecting us from the spread and use of nuclear weapons. It then critiques the effort and effectiveness of U.S. and other countries' leadership in each area.

This morning I thought I would focus on what the U.S. Congress could do. What steps could Congress take to most help the cause of nuclear security? And what steps might Congress take that would least help this cause?

In trying to be relevant to the Congress, I risk being impertinent. But after the past six years and the experience of the Iraq War, which has prompted many citizens to wish that analysts in the intelligence community and academia had more insistently spoken truth to those in power, I think this committee will welcome candor as the basis for a healthy discussion.

The most important step the Congress could take to help strengthen U.S. and international security against proliferation would be to accept as a first order strategic principle that the U.S. and the world cannot be protected against proliferation and use of nuclear weapons without a system of international rules managing access to and use of fissile materials and the equipment and facilities that can produce them. We also need rules on the export and import of relevant capabilities. And where the rules are good enough, we need surer enforcement of them.

The U.S. needs rules because it cannot solve any of these proliferation threats by itself. We need cooperation, and rules provide the means to coordinate cooperation. But we cannot get others to take steps to tighten rules, agree to new ones, and most importantly, enforce them robustly, if we don't comply with rules that may also constrain our power. We have to give something to get something.

The following are just three important examples of new, stronger rules that need to be accepted by the international community:

- Limits on the spread of fissile material production capabilities to states that do not now possess them (and possibly corresponding alterations in ownership, management, and safeguard arrangements on new production capabilities in states that already possess them).
- Clearer delineation that states not in compliance with their safeguards and/or NPT obligations may not withdraw from the NPT without penalty.
- Agreement that states will provide nuclear cooperation to others only if the recipient is implementing the IAEA additional protocol.

If we are to have any chance to persuade others to adopt and enforce these important new rules, the U.S. must do at least three things.

First, the U.S. must ratify the Comprehensive Test Ban Treaty. To the rest of the world – except states like China and perhaps a few others that hide behind the U.S. – the CTBT is a core marker of the original nonproliferation bargain. It is the ultimate, minimal test of the good faith of the nuclear-weapon states, particularly the U.S. U.S. refusal to ratify this treaty, which was championed for decades by Republican and Democratic administrations alike, severely undermines all else that Washington tries to accomplish on nonproliferation. I urge members of Congress to travel anywhere and discuss these issues; I guarantee you will hear with great insistence the demand for the U.S. to ratify the CTBT. There are arguments that can be marshaled about verification and other issues, but the question has not had a full airing or debate in more than a decade. This should change.

In a related matter, this Congress, I understand, has cut U.S. funding for the CTBT Organization. This is counterproductive. The United States' annual share of this organization's budget is supposed to be 22 percent, or \$24 million. But the 2008 Foreign Operations Appropriations Bill allocates only \$10 million to the organization that has set up monitoring stations and other capabilities to implement a test ban. To help restore U.S. credibility amongst countries whose support we seek on nonproliferation, and to support detection and other capabilities that we welcome even if we have not ratified the CTBT, the U.S. should not sabotage the CTBT Organization.

The second thing the U.S. must do at a minimum is not develop a new nuclear warhead. Again, this is largely a political issue where common sense provides more telling truth than the complicated technical arguments proffered by the nuclear weapon laboratories (whose financial interests in the matter are not incidental). The rest of the world finds it unbearably hypocritical for the U.S. to go to war against Iraq, press sanctions and possibly military action against Iran, and insist that nuclear proliferation is the gravest threat to world security, and then turn around and say that we have to build a new nuclear weapon. We cannot convince the majority of the world to follow our lead in tightening and enforcing nonproliferation rules if we appear to operate on a large double standard.

So far, Congress has understood this and displayed great wisdom and leadership in denying funds for research and development on a new warhead design. It should maintain this position unless and until a compelling new U.S. nuclear strategy is developed and requires a new warhead as part of a package of very deep force reductions and other measures whose international nonproliferation benefits would be so great as to cause other key countries to accept the development of a new warhead. The U.S. should not give others a veto over its national security policies, but the national security objective of preventing proliferation and use of nuclear weapons cannot be achieved without strong international support in tightening and enforcing rules. In the real world, international support on key enforcement challenges would provide greater benefit to U.S. interests than the marginal technical improvement of a new nuclear warhead compared to a current one.

Both of these imperatives – ending nuclear testing and not building new weapons – serve the fundamental objective of devaluing the political and military currency of these weapons. Under the NPT we have a political obligation to do this, but it is also a matter of basic political logic.

A third invaluable step the Congress could take is, in a sense, no step at all. That is, Congress should not budge from the law it established last year to set parameters for a U.S.-India nuclear cooperation agreement. The Hyde Act was imperfect, certainly from a nonproliferation point of view, but it was a decent balance of conflicting interests. Now India is pushing hard to depart from or alter the deal. The Administration may be tempted to yield to India or to fudge the matter in ways that would allow India to circumvent the minimal nonproliferation limits in the Hyde Act. Congress should stand firm. If it does not, many states will conclude that the rule-based nonproliferation regime is nothing but a sham – that U.S. policy in truth is to bend the rules for itself and its friends such as India, while twisting other peoples' arms to impose the rules on states America does not like.

Now I would like to turn to Iran and, in particular, the question of congressional sanctions on it.

Let's stipulate that the government of Iran violates international standards of human rights, just war, and nonproliferation. It poses very real threats to people and interests that most others hold dear. The question is, what are the most effective ways to bring about an end or at least an amelioration of the most dangerous things Iran is doing?

We have a 28 year record that shows that unilateral, often congressionally mandated sanctions, are not particularly effective. We can explore each specific sanction and find moral bases for each, and even signs that particular sanctions may have caused Iranian leaders pain. But if Congress were a corporation, its management would be fired (or its stock dumped) based on the results that 28 years of unilateral sanctions have obtained in Iran.

Let me emphasize, I am not saying sanctions do not work and should not be pursued. Quite the contrary, I believe sanctions can be effective. But they have to be strategically designed and applied.

In the case of Iran, the first thing to recognize is that UN Security Council sanctions carry considerable leverage. UN sanctions are mandatory on all states to uphold – so they impose real costs and are harder to work around. They also carry international legitimacy. Iranian leaders and citizens find UN sanctions quite distressing because they express the world’s judgment that Iran has violated norms of civilized behavior. This hurts representatives of a civilization as great and storied as Iran’s.

Here it is important to note the contrast with U.S. sanctions. The Security Council is now seen as an even more important source of legitimacy than before the Iraq War, precisely because the U.S.’s judgment and moral standing has plummeted. If we were ever given the benefit of the doubt before, we no longer are today. This is not a partisan issue. It is an objective, empirically testable fact.

Moreover, congressionally mandated sanctions sometimes have negative legitimacy. Not only do they not inspire others to go along with them, they actually engender contempt and resistance even among people who share our values and interests. When sanctions are initiated by people who appear to appreciate little of the complexity of the subject or country they are trying to address, people turn against the U.S.

In the case of Iran, sanctions sometimes have been proposed or prominently supported by members who are on record supporting the so-called “Iranian opposition,” known elsewhere as the Mujaheddin-e-Khalq. Though the State Department has listed this group as a terrorist organization, members of Congress have still supported it. What effect do you think it has on most Iranians to learn that supporters of congressional sanctions happen to also support the MeK?

This problem of legitimacy must be understood when it comes to secondary sanctions. Europeans generally are with the United States when it comes to exerting strong diplomatic leverage to stop Iran from acquiring nuclear weapons. But when even pro-Americans hear that the U.S. Congress is trying to dictate to European businesses, animosity grows. Extra-territorial sanctions feel like an infringement of national sovereignty, and when they are proposed at a time when opinion surveys show that U.S. prestige is historically low, Europeans and others react in ways that lessen rather than increase U.S. power.

By casting reservations on congressional sanctions, particularly extra-territorial sanctions, I do not mean to suggest the U.S. should do nothing, or that sanctions are not useful. Quite the contrary, there are other ways to get at the same results the Congress seeks, and to do so more effectively.

UN Resolutions 1540 and 1373 give wide moral, political, and international legal bases to urge others to act to prevent proliferation of nuclear, chemical, and biological

weapon capabilities and to combat terrorism. These are legally binding, internationally agreed frameworks for mobilizing pressure against Iran. These UN resolutions could be the basis by which banks and other businesses explain decisions to withdraw from business with Iran. This would be more acceptable than being in effect forced by the U.S. Congress to alter their business relationships.

Yet, strangely, the latest proposed congressional sanctions against Iran, including H.R. 1400, do not mention these UN instruments. They miss a valuable opportunity to invoke the authority that commands the greatest international legitimacy.

Beyond seeking internationally respected authority, a better approach would be to recognize that people are more open to quiet persuasion. European bankers and businessmen have withdrawn from Iran – often quietly. The U.S. and other governments should continue to pursue such economic leverage – quietly. Through speeches, grassroots activism, the media, and other means, stockholders could be encouraged to opt out of companies doing business in Iran.

Quiet is better than loud for several reasons. First, extremists in Iran, including leaders of the Revolutionary Guards, revel in shouting matches with the United States. It's what they do best. Iranian extremists find it easy to rally crowds to denounce unilateral sanctions forwarded by bodies whose actions can always be portrayed as hypocritical or biased. What Iran's mafia-like power centers fear is that which happens quietly, rather mysteriously. When a bank pulls out of Iran with little explanation or a European company decides not to build a new cement plant in Iran, that alarms Iranian elites. We should learn a bit from how Russia has managed to insist to Iran that it is upholding its nuclear cooperation agreement to supply fuel to the Buhsher power plant, but always finds some valid reason not to ship the fuel. This has been going on for years. The Russians give vague reassurances – which sometimes prompt U.S. congressional outrage – but the Iranians don't get the fuel. Do you think the message is lost on the Iranians?

Rather than loudly proclaimed, internationally repellent sanctions, the U.S. Congress might better work with civil society organizations and use the powers of persuasion to urge, but not legislatively mandate, disinvestment in businesses operating in Iran. To the extent that such calls are based on the norms established by UN resolutions, international support could be mobilized.

There are more specific problems that cause such sanctions to weaken rather than strengthen the U.S. hand. For example, H.R. 1400 and others call for U.S. actions to “bring about an end to...Iran's nuclear weapons program.”

This is problematic for several reasons. First, it has not been established by any internationally legitimate body that Iran has a nuclear weapons program. Iran has undertaken activities that break safeguards rules. Iran has now broken UN Security Council resolutions. Those allegations are internationally agreed upon. But neither the

IAEA, nor the UNSC, nor any government including the U.S. has established as an agreed, provable fact that Iran has a nuclear weapons program.

To put it another way, if the U.S. had established that Iran has a nuclear weapons program, then it would have provided the proverbial “smoking gun” for establishing that Iran is violating its core NPT obligation. We would not have spent the past four years wrangling within the IAEA and the UN Security Council. We are in this diplomatic difficulty precisely because neither we nor the IAEA can yet establish without doubt that Iran has a nuclear weapon program.

What, then, do the various draft sanctions mean when they say Iran must end its nuclear weapons program? How would this be measured, given that the predicate has not been established?

I would argue it’s not even in our interest to insist that Iran has a nuclear weapons program. Iranian leaders say they don’t want nuclear weapons. That is good; it offers a way out. If Iran does not want nuclear weapons, then it should be easier for them to accept international demands for transparency, accountability and confidence building. If they said they do want nuclear weapons, then what we are asking would be nearly impossible to get, as it would require the Iranian leadership to make an even larger policy reversal. We strengthen our position by saying, in effect, “Because you don’t want or have a nuclear weapons program, Iran should not have difficulty providing the full transparency required by the IAEA, answering unresolved questions, and temporarily suspending uranium enrichment activities for which there is no possible civilian need for at least a decade.”

Another problem with H.R. 1400 is its call to block Iran’s accession to the World Trade Organization. This must cause Iran’s Revolutionary Guards to grin. They and the other elements that make Iran’s actions so objectionable do not want Iran to join the WTO. They get rich precisely on Iran’s economic isolation. They run smuggling operations, currency transactions, and inefficient quasi-monopolies protected against international competition. It is the internationalists in Iran who want to join the WTO and who would make Iran a much more agreeable country than it is today. Offering WTO membership is a potential lever for these people to push. It is counterproductive for the U.S. to seek to remove this opportunity to support favorable actors in Iran.

More carefully and strategically crafted unilateral sanctions could have some value as a threat to help persuade some European and other countries to support tougher UN sanctions. That is, “if you don’t push for more in the UN, the U.S. will impose extra-territorial sanctions that you will like even less.” But first the sanctions being threatened should be better designed. And second, it should be recognized that their value would plunge if they were ever actually adopted. This is another benefit to quietly pursuing our interests; often the desired outcome should be sought through strategic political leveraging rather than completed congressional resolutions.

Finally, to further improve our international standing and legitimacy, members of Congress should travel to countries whose businesses operate in Iran. Members of Congress should conduct private discussions with officials and corporate leaders on how best to accomplish widely shared objectives of preventing Iran from acquiring nuclear weapons. In the process, Congress might find that it can work more closely and effectively with the executive branch in bolstering U.S. power and objectives by gaining international respect and support.