

STATEMENT OF STEPHEN G. RADEMAKER
Senior Counsel, BGR Holding, LLC

“Addressing Iran’s Nuclear Ambitions”

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Mr. Chairman, Senator Coburn, Members of the Subcommittee, I am very grateful to you for inviting me to appear this morning to present my thoughts on how our nation should deal with the Iranian nuclear threat.

There is little need for me to dwell on all the reasons why the Islamic Republic of Iran cannot be allowed to succeed in developing nuclear weapons. A nuclear-armed Iran would, among other things, upset the delicate balance of power in the Middle East. It would jeopardize the global nuclear nonproliferation regime. It would give rise to an unacceptable risk that these weapons might be transferred to and used against us or our allies by one of the many terrorist groups that Iran has long supported. And, taking President Ahmadinejad’s own words at face value, it would pose an existential threat to Israel.

For all these reasons, there is a global consensus—now reflected in four binding resolutions of the U.N. Security Council—that Iran cannot be allowed to succeed in acquiring nuclear weapons. Specifically, these resolutions demand that Iran suspend its ongoing uranium enrichment and reprocessing activities that, if successful would give Iran the capability to produce fissile material for nuclear weapons. Obtaining such material is, of course, by far the greatest obstacle that any country wishing to produce nuclear weapons must overcome.

These Security Council resolutions are the result of diplomatic efforts that began in 2002 when Iran’s secret nuclear activities were first revealed. Those efforts have not, for the most part, been led by the United States, but by Britain, France, and Germany—the so-called “EU-3”. The international diplomacy has been painfully slow to watch over the past six years. But most would agree that the diplomatic approach has been preferable to the two alternatives of either accepting the inevitability of Iranian nuclear weapons, or using military force to stop the Iranian program.

While there is a global consensus that Iran cannot be allowed to succeed in acquiring nuclear weapons, there is not a consensus about how immediate the threat is that Iran may do so.

As we all know, Russia and China have seen the threat as less immediate than have the United States and the EU-3, and therefore they have tended to resist firmer action by the Security Council against Iran. Their resistance has been the greatest challenge to the success of the diplomatic track. And, to reiterate, it is essential that the diplomatic track succeed because it is vastly preferable to the alternatives of an Iranian bomb or war.

The National Intelligence Estimate

It was in this context that the U.S. Intelligence Community last December released an unclassified version of its National Intelligence Estimate (NIE) on Iran's nuclear program. It is hard for me to imagine a more damaging diplomatic development than the NIE, not just for U.S. policy toward Iran, but also for the policy of our allies. By reducing the prospects for successful diplomacy, the NIE materially increased the likelihood that our nation will be forced to choose between the two alternatives of either accepting Iran as a nuclear power or using military force.

I say this about the NIE not because I disagree with the intelligence judgments that it sets forth. To the contrary, those judgments depart only in modest ways from previous judgments of the U.S. intelligence community. I say this instead because of the way those judgments are expressed in the NIE.

The unclassified NIE begins with the assertion that "We judge with high confidence that in fall 2003, Tehran halted its nuclear weapons program." This assertion was popularly interpreted—or more precisely, misinterpreted—around the world to mean that the Iranian nuclear problem is under control. It was seized upon by many as evidence that the U.S. Government has been exaggerating the Iranian threat for years. In Tehran it was read as a sign that the United States was preparing to back off its longstanding diplomatic demands, and in most other world capitals it was seen as a sign of disarray and indecision within the U.S. Government.

An immediate consequence of the NIE's release was Russia's decision less than two weeks later to ship the first batch of nuclear fuel to Iran's Bushehr nuclear reactor. This was something that Iran had been pressing Russia to do for years, and which Russia had been resisting, apparently as a means of maintaining leverage over Iran. Implicit in Russia's decision to ship the fuel was a decision by Russia to complete the Bushehr reactor, which Russia had also been delaying to the consternation of Iran. As a consequence of these actions, one of the major potential sources of international leverage over Iran was lost.

Of course, the NIE did not mean that the Iranian nuclear problem is under control. A widely-overlooked footnote to the NIE's opening sentence clarified that "by 'nuclear weapons program' we mean Iran's nuclear weapon design and weaponization work and covert uranium conversion-related and uranium enrichment-related work; we do not mean Iran's declared civil

work related to uranium conversion and enrichment.” The footnote clarifies, in other words, that the NIE’s definition of Iran’s “nuclear weapons program” is a cramped one that excludes the very activities that we, our allies, and the U.N. Security Council have been demanding that Iran suspend. And even this clarification concedes too much to Iran. What the footnote euphemistically describes as “Iran’s declared civil work related to uranium conversion and enrichment” is in fact the previously covert activity at Natanz and elsewhere that Iran began almost two decades ago in violation of its nuclear safeguards obligations. That work was “declared” only in the sense that Iran acknowledged it after it was caught red-handed concealing it.

I do not know which is more troubling—that the authors of the NIE did not appreciate the devastating consequences their poorly chosen words would have on the international diplomacy aimed at addressing the Iranian problem, or that they knew but did not care about those consequences.

Director of National Intelligence Mike McConnell has, of course, admitted in testimony before the Senate Select Committee on Intelligence that the NIE was poorly drafted. “I think I would change the way that we described [the] nuclear program,” he told the Committee. He further conceded that, contrary to the implication of the NIE’s footnote, weapons design and weaponization are “the least significant portion” of a nuclear weapons program.

While it is perhaps refreshing that Admiral McConnell is prepared to acknowledge the mistakes of the Intelligence Community, this does not begin to undo the diplomatic damage that was done. I respectfully suggest that this matter would be an appropriate one for congressional oversight: how could a U.S. government agency have been so out of touch with or indifferent to the consequences of its pronouncements in such a sensitive area?

What Now?

As harmful as the NIE was to international efforts to constrain Iran’s nuclear program, it should not lead us to despair. Diplomacy is still the most promising alternative among those available to us. The challenge remains the same as it was before the NIE was released—identifying a combination of carrots and sticks that will persuade Iran to give up its efforts to be able to produce nuclear weapons. We need to build on the four Security Council resolutions that have progressively increased the pressure on Iran to suspend its enrichment and reprocessing activities. Ideally this will be done through further action by the Security Council to further tighten existing sanctions on Iran if it does not comply with the Council’s 2006 mandate that Iran suspend such activities.

It is not hard to identify additional measures that would inflict substantial economic and political hardship on Iran. Among the things that the Security Council still has not done are to:

- Ban all international nuclear cooperation with Iran;
- Ban conventional arms sales to Iran;
- Ban foreign investment in Iran's petroleum sector;
- Ban international financial transactions with the Iranian government; and
- Ban foreign government subsidies or credit guarantees for trade and investment with Iran.

The primary reason that measures such as these have not been imposed by the Security Council is that there has not been consensus among the five permanent members of the Council to do so. Russia and China in particular have resisted stronger action by the Council. A central focus of our diplomatic efforts therefore has to be on finding ways to motivate Russia and China to be willing to agree to firmer action by the Council.

We also need to step up efforts with our key allies in Europe and Asia to develop measures that we can impose multilaterally even in the absence of additional Security Council action. While our allies are all committed to the goal of denying Iran a nuclear weapons capability, many of them have been hesitant up until now to take steps in the area of trade and investment with Iran that could be economically costly to them. In many cases this has extended to a reluctance to limit government subsidies and credit guarantees for such trade and investment. A new concern that has emerged recently on the part of our allies is China's increasing willingness to step in and replace trade and investment with Iran that they withhold. We need to identify ways to persuade China to stop doing this—both to ensure that the measures we impose collectively are not undermined, and to take away a rationale for inaction by our allies.

One thing we should not do in my opinion is reduce the demands we are making of Iran. In particular, we should not accept the argument some have advanced that it is not realistic to expect Iran to indefinitely give up uranium enrichment and reprocessing, and therefore we should stop insisting on it. The covert origins of Iran's enrichment and reprocessing programs, combined with the economic illogic of them in a country that even today does not have a single operating civil nuclear power reactor, leaves no doubt that these programs were established with the objective of producing fissile material for nuclear weapons. There is simply no safe arrangement under which a country with such intentions can be permitted to engage in enrichment or reprocessing on its own territory. There has been no shortage of proposals—multinationalizing the enrichment program within Iran, subjecting it to enhanced international safeguards, limiting its size, requiring that the resulting enriched uranium be removed from Iran,

etc. But none of these kinds of measures can be counted on to prevent Iran from applying the knowledge it gains to covert nuclear weapons-related work elsewhere in the country.

Some argue that the clock is working against us and we need to scale back our demands now before Iran confronts us with a *fait accompli* in the area of enrichment. To them I say that it is not too late for renewed diplomatic efforts in coordination with our allies to increase the already considerable pressures on Iran to change course. While there is no guarantee such efforts will succeed, it is easy to imagine diplomatic cures for the enrichment problem that would be worse than the disease. If Iran persists in defying the Security Council and masters enrichment, its nuclear program will remain illegitimate and universally condemned, and presumably still subject to existing IAEA safeguards. On the other hand, a diplomatic settlement that permits enrichment in Iran will effectively legitimize Iran's declared nuclear program. Iran could find itself closer to achieving a nuclear weapons capability under the second scenario than the first unless, as part of the settlement in the second scenario, it agrees to far more extensive constraints and more intrusive inspections than seems likely under current circumstances.

Should We Negotiate With Iran?

Much of the current debate over Iran policy revolves around the question whether the United States should drop all preconditions to direct talks with Iran and begin an immediate negotiation on the nuclear issue. I am not unalterably opposed to negotiating directly with Iran on this issue. But there are two key points that the proponents of such negotiations frequently gloss over.

First, no negotiation with Iran can succeed unless we are negotiating from a position of strength. Perhaps the greatest single tragedy of the December NIE is that, for the time being, it has become virtually impossible for the United States to negotiate with Iran on the nuclear issue from a position of strength. Were the Bush Administration to decide today to retreat from its longstanding policy of refusing to negotiate with Iran while Iran is continuing to enrich uranium, the Iranians would take this as confirmation of their post-NIE assessment that the U.S. position has begun to collapse. They would enter the negotiations expecting to nail down the terms of our diplomatic surrender. Progress in such an environment would be impossible—unless by progress one means reaching agreement at any cost.

Second, before we enter negotiations we need to be clear on what negotiated outcome we wish to achieve. What is the end state that we seek? As I have already suggested, I believe the only agreed end state worth having is one in which Iran is no longer engaging in activities that would permit it to produce fissile material. In other words, no enrichment, no reprocessing, and no heavy water production in Iran. If this is the end state we seek, I do not understand how we

get there by dropping our longstanding precondition that Iran temporarily suspend such activities for the duration of any negotiations.

Some have suggested that we could develop temporary arrangements with the Iranians—such as enhanced safeguards or limits on the amount of enrichment that Iran can conduct—that should permit us to feel comfortable about continuing enrichment during the negotiations. Perhaps such arrangements could be developed. But we should not kid ourselves that they would be temporary. To the contrary, they would become the new baseline of acceptable behavior by Iran, and Iran's objective in the negotiations would be to negotiate upward from that baseline. Today the baseline of acceptable behavior by Iran is defined by the four binding resolutions of the U.N. Security Council that demand full suspension of enrichment and reprocessing. It is a mystery to me why we would want to negotiate from a different baseline than the one established by the Security Council.

I do not mean to suggest that we will never be able to negotiate with Iran on this issue from a position of strength. But it will take a great deal of diplomatic effort to undo the damage that was done by the NIE. The effort must begin with painstaking work to strengthen international pressure on Iran. Working with others, we must further tighten sanctions on Iran. Ideally this would be done through the Security Council, but if that is not possible then outside the Council through coordinated action by like-minded nations. At least until that has happened, beginning direct negotiations with Iran without suspension by Iran of uranium enrichment would be less an act of diplomatic creativity than diplomatic desperation.

Thank you, Mr. Chairman.