

White House Signs Nuclear Cooperation Agreement With UAE

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Secretary of State Condoleezza Rice yesterday signed a civilian nuclear cooperation agreement with the United Arab Emirates (UAE) that, once in effect, will permit U.S. nuclear technology and fuel exports to the UAE as well as nuclear cooperation between U.S. firms and UAE entities in third countries.

U.S. firms are eager to bid on a nuclear power plan the UAE is set to roll out this year. The administration sees the deal as strengthening the political alliance with the UAE and weaning it from ties with Iran.

The final agreement includes a binding commitment that the UAE cannot enrich or reprocess uranium, which was added this month to address objections from key members of Congress, including House Foreign Affairs Committee Chairman Howard Berman (D-CA) and Senate Foreign Relations Committee Ranking Member Richard Lugar (R-IN).

Both had argued that an earlier draft was not sufficient to block the UAE from enriching uranium which could lead to the proliferation of weapons-grade nuclear fuel.

Under Article 12 of the agreement, the U.S. can terminate the agreement with a 90-day written notice if "the United Arab Emirates at any time following entry into force of this Agreement possesses sensitive nuclear facilities within its territory or otherwise engages in activities within its territory relating to enrichment of uranium or reprocessing of nuclear fuel."

This is an addition from a draft meant to be signed on Nov. 17, which only allowed the U.S. to cease cooperation and request the return of nuclear materials if the UAE detonated a nuclear bomb, according to a copy of the agreement obtained by Inside U.S. Trade.

Despite the change, resistance persists in the House to the agreement over UAE's export control regime, which other congressional critics have said allows transshipments of dual-use and military items from UAE to Iran.

Such resistance is seen by sources as weak, since the America Israel Public Affairs Committee (AIPAC) has not so far mobilized against the agreement over the issue. An AIPAC source said the group was worried about the timing of the agreement given the transshipments of dual-use and military items from UAE to Iran, but at first brush appears to be satisfied by the binding UAE commitments not to reprocess fuel in the text of the agreement.

In a statement ahead of the signing, Berman made clear that his committee would consider the agreement on such issues as the risk it could pose in aiding Iran's quest for a nuclear weapon.

"The Committee will carefully consider this agreement when it is submitted to Congress. ... I and many other Members of Congress place a very high priority on the international effort to prevent Iran from acquiring a nuclear weapons capability and will be analyzing this and any other nuclear cooperation agreement in the context of how it implicates the attainment of that goal," he said.

Berman has not threatened to block the nuclear cooperation deal over the export controls issues, but other committee members have.

Among these critics is House Foreign Affairs terrorism, nonproliferation and trade subcommittee Chairman Brad Sherman (D-CA), who wants to use the nuclear cooperation agreement as

leverage to get a better export control regime that guards against diversion to Iran, according to a Jan. 12 e-mail message.

He said he would work to postpone implementation of the nuclear cooperation agreement, until the issue of transshipment is adequately addressed. Sherman this week cited an Institute for Science and International Security report entitled "Iranian Entities' Illicit Military Procurement Networks," published on Jan. 12, which charges that UAE "houses hundreds of front companies and foreign trading agencies that actively procure dual-use items for entities in countries under sanction."

Foreign Affairs Ranking Member Ileana Ros-Lehtinen (R-FL) also vowed to block the agreement over the export control issue and over UAE's failure to support Iran sanctions.

Ros-Lehtinen met with the UAE ambassador on Jan. 14.

"Serious concerns remain regarding the UAE's efforts to combat money laundering and terrorist financing, as well as the effectiveness of their export control system," she said. "The United States should not even consider a nuclear cooperation agreement with the UAE so long as that country continues to complicate international efforts to halt's Iran's deadly nuclear ambitions."

Under a bill introduced by Ros-Lehtinen Jan. 9, the president would have to certify, before any export licenses under the agreement are granted, that in the last 12 months the UAE has taken "effective actions" to prohibit, terminate and prevent the shipment of controlled goods, services and technology to Iran.

The items are those covered by the Nuclear Suppliers Group, the Missile Technology Control Regime (MTCR), the Australia Group, the Wassenaar Arrangement lists of dual use goods and munitions, the U.S. Munitions List and the Commerce Control List. Items also include goods, services and technology not under these regimes that are prohibited specifically to export to Iran.

The other cosponsors of the bill are committee members Reps. John Boozman (R-AR), Dan Burton (R-IN), Jeff Fortenberry (R-NE), Ed Royce (R-CA) and Joe Wilson (R-SC), as well as Rep. Ed Markey (D-MA) who is not on the panel.

Business and nonproliferation sources downplayed the ability of Sherman and Ros-Lehtinen to whip up major opposition to the nuclear deal in the House because of the potential economic gain for U.S. firms and the lack of pressure from AIPAC. They said that the members of the Foreign Affairs Committee would likely settle for a requirement that would obligate the administration to report periodically on UAE export control achievements.

They also said the deal could expect few difficulties in the Senate despite concerns on the Senate Banking Committee over transshipments from the UAE into Iran.

In a Jan. 14 briefing, David Scott, the executive director of economic affairs at the UAE Executive Affairs Authority, explicitly said that the Ros-Lehtinen restrictions would be "self-defeating" for the U.S.

The UAE plans to sign contracts to build "multiple" nuclear power plants in the third quarter of this year and the UAE would be forced to choose firms from other nations if the Ros-Lehtinen were law because it would cause business uncertainty, he said.

Sources said that once the UAE chooses a specific technology to use for its nuclear power system, it would use this technology alone for some 10 plants initially so the cost to U.S.-based firms such as General Electric and Westinghouse, now Japanese-owned, of being frozen out this year could be many billions of dollars.

UAE Ambassador to the IAEA Haman Al Kaabi added Jan. 14 that UAE has also already signed a nuclear cooperation agreement with France.

He also pointed out that the UAE expect to soon complete an Additional Protocol with the International Atomic Energy Agency (IAEA) which will grant the IAEA greater access to UAE facilities and a national nuclear law which will outlaw enrichment activities.

If President Bush formally notifies Congress of the text of the agreement this week and submits a package of certifications that the UAE has met the conditions for the deal under U.S. law, a 90-day period would commence under the Atomic Energy Act during which both houses of Congress may disapprove the agreement. Failure to do so would make the agreement go into effect automatically.

Scott noted that just submitting the text of the agreement would start an initial 30-day consultation and said President Barack Obama would have to decide whether to submit certifications that would trigger a final 60-day consideration.

One Atomic Energy Act expert pointed out that although technically the 90-day period is broken into two such time periods, in practice administrations have submitted the certifications along with the text to Congress. Sources said Bush could submit the entire package before leaving office Jan. 20 if the lengthy documents have been prepared in advance but may not want to risk a backlash from Obama by forcing the issue.

Scott said that the incoming Obama administration is aware of the details of the agreement and will have to decide whether to back the deal next year. Obama could withdraw the agreement from Congress but this could risk the U.S.-UAE alliance, sources said. Congress could also offer a resolution of approval conditioning the signed agreement and the Ros-Lehtinen text could be added to a resolution of approval.

The UAE Embassy in an effort to rebut congressional objections this month released a summary of export control achievements. It states that as a result of its August 2007 export control law, the UAE has shut down a number of companies involved in money laundering and proliferation of materials banned under the Nonproliferation Treaty.

It also claims that the UAE has used the law to interdict "numerous" shipments of dual-use items bound for Iran.

The law established a National Commission to oversee export control procedures and criminal penalties have been established, the documents notes. The paper also says Dubai Ports World, the UAE's leading port management company, has been certified as a partner in the U.S. Customs and Border Protection Customs-Trade Partnership Against Terrorism.

Al Kaabi said Jan. 14 that the UAE and U.S. have cooperated extensively on export controls in a briefing for reporters. Scott said critics are not aware of all the cooperation because the activities are classified. Sources said that the UAE has interdicted 8 major shipments to Iran and shut down 24 companies engaged in transshipment since 2007.