

Briefing After Secretary Rice's Meeting with the P-5 Plus Germany Plus EU

R. Nicholas Burns, Under Secretary for Political Affairs Waldorf-Astoria New York, New York September 28, 2007

(11:42 p.m. EDT)

UNDER SECRETARY BURNS: Good morning, everyone. I'm here to brief you on the meeting that Secretary Rice just had with the Foreign Ministers of Britain, France, Germany, China and Russia. They met upstairs in the Secretary's room for about two hours, had a very detailed, extended discussion of our Iran strategy, of what we should do about it. And I think we've issued a statement which you have all seen. I will just cover the highlights.

We're very pleased by the outcome of the meeting. The P-5 and German ministers have agreed to reaffirm our strategy on Iran's nuclear ambitions. They specifically reaffirmed the dual track, meaning that we are offering negotiations to Iran; but should Iran not be able to meet the terms of those negotiations, we are prepared to sanction them further. So you'll see in the statement that we are encouraging Dr. Javier Solana, who has been acting as the representative of the P-5 ministers for the better part of the last two years, to reengage with Dr. Ali Larijani, who chairs Iran's National Security Council, and to put back on the table our offer to negotiate.

That offer was first made on June 1st of 2006 in Vienna when our group came together. That offer stands on the table. But the statement is very clear and the discussion was very clear that we are also prepared to continue the sanctions process. And in that regard, the ministers agreed to finish writing the text of a third Security Council resolution in the weeks ahead, and specifically they asked the political directors, myself and my European and Russian and Chinese colleagues, to meet and we'll probably have to meet one or two times in the month of October, to finish the drafting of that resolution that we would at some point submit to the Security Council for a vote.

And in that regard, you'll see from the statement that the ministers agree that we will bring a third sanctions resolution to a vote unless the November reports of Javier Solana in his dealings with his Dr. Larijani and of Mohamed ElBaradei as he looks at past activities of the Iranians, unless those reports show positive progress. Mohamed ElBaradei and the IAEA are, of course, looking into Iran's past nuclear activities, focusing on P1 and P2 centrifuge research, which is a http://www.state.gov/p/us/rm/2007/92953.htm (1 of 11) [8/25/2008 8:46:36 AM]

very important issue. Javier Solana, of course, is focused on Iran suspending the enrichment and reprocessing activities of Iran at its plant at Natanz. That has long been the metric by which we judge Iran's behavior.

The statement refers to the fact that Iran has not met the requirements of the last two Security Council sanctions resolutions: Resolution 1737, which was passed on December 23rd, 2006; and Resolution 1747 that was passed on March 24th, 2007. Both of those resolutions asked Iran, required Iran, to suspend their nuclear efforts at Natanz, their enrichment and reprocessing related efforts. Iran has not done that. Because of that, we've taken the decision today to move towards a third resolution unless we can see positive progress.

Now, in that regard, the ministers had a very long and detailed discussion of the elements of a third Security Council sanctions resolution. There was active participation by all the ministers, including the Chinese and Russian ministers, in this; a long and detailed conversation of what specifically we might want to include in that third resolution. And it's that task that they've now given to my colleagues and myself to finish in the period ahead.

So we are pleased that we have been able to reaffirm the strategy of the Perm 5 nations and Germany and to send another message to Iran today that we wish to find a peaceful diplomatic way forward here on the nuclear issue, but we are certainly prepared to take further punitive action in the form of sanctions should the Iranians not meet the requirements that we have laid down.

So with that, I'll be very happy to go to your questions.

QUESTION: So you would expect to have a resolution, a draft resolution, written by what -- November 1, November 15, November --

UNDER SECRETARY BURNS: I think given the pace of work -- we've already -- we had a detailed discussion today among ministers, very detailed, about the various elements that countries have proposed. And I think every country around the table has proposed a variety of measures, of sanctions measures that would be included in a third resolution. We didn't agree on the full list today. It's a complicated, rather esoteric discussion, and so we've been asked to meet in October. I think we'll probably meet in the middle of October, given people's travel schedules, meeting schedules in Europe, and then we might have to meet again towards the end of October or early November.

But we're looking now for these reports to come in, Javier Solana to report in November. Mohamed ElBaradei's report is due, I think, around the middle of November. And so those -- if those -- unless those

reports show positive progress on the specific issues that we have mentioned, then of course we say here that we intend to bring this to a vote in the Security Council.

QUESTION: When in November is the Solana report due?

UNDER SECRETARY BURNS: Well, it's up to Dr. Solana to decide that, but we have encouraged him to engage Dr. Larijani in the weeks ahead in renewed discussions to see if the Iranians can meet the requirements -- you know, the terms of the requirements that are in the first two Security Council resolutions.

QUESTION: Mr. Secretary, why is that a good idea to have Solana engage with Larijani again, given that the

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past discussions have yielded nothing in the direction of suspension of --

UNDER SECRETARY BURNS: Because we are dedicated to a peaceful diplomatic solution. That is the great desire of the United States and, I can say, of the other countries of the P5, that we want to try to achieve a negotiated solution. If you're serious about that -- and we are -- then you have to engage in direct discussions. And Dr. Solana will do that on behalf of the P5.

Now, I don't know what will be the result of those discussions. It's impossible to predict. But we can't give up on diplomacy. We've decided not to give up on diplomacy. And we'll put our best diplomatic foot forward in the person of Javier Solana.

QUESTION: Mr. Secretary, given that the first and second resolutions haven't actually forced the Iranians or persuaded them to change, why not go straight for a third resolution and then reengage when they -- when you have more pressure on them?

UNDER SECRETARY BURNS: The decision taken today by the ministers -- and you'll understand, these are six very different countries, come from different parts of the world, each of us has a different relationship with Iran. The decision made by the ministers was that they wanted to ready this negotiation -- this sanctions resolution, excuse me. They want to bring it -- the work on constructing a sanctions resolution -- to a close. That's the job that we will undertake now. They wanted to threaten to vote that resolution and we've done that; you look in paragraph seven, the final paragraph.

But we also did not want to foreclose the opportunity that may be available in the month or two ahead for a diplomatic process through negotiation. So in this sense, we're retaining the dual-track nature of the Perm 5 engagement with Iran over the last 18 months. And that is that we are seeking negotiations and a diplomatic solution, but we're prepared to sanction, should that be necessary.

Now we've passed three sanction -- three resolutions against Iran. I didn't mention 1696 passed on July 31st of '06. So there are now three on the books. And because the last two are Chapter 7, that has the advantage of requiring all states, member-states of the UN, to impose sanctions on Iran. And so you've seen all of Iran's nonaligned partners now imposing sanctions on Iran. So I would not say that the sanctions have not had an impact. When you have India and Brazil and Indonesia and South Africa implementing sanctions resolutions against Iran, that is significant.

And I think what we've been able to achieve over the last 18 months is that the international community has sent one message to Iran: No one wants Iran to become a nuclear weapons power. Iran is being sanctioned. Those sanctions are being applied. The cost to Iran is rising and you've seen that, specifically this past summer, when four or five major European banks all made decisions to close down their lending to Iran. That, we believe, is a result of the UN sanctions.

QUESTION: Mr. Secretary --

QUESTION: (Inaudible) a compromise with the Russians and the Chinese?

UNDER SECRETARY BURNS: Oh, I would say that, you know, the alchemy of this group is such that anything involving

six great countries -- and sometimes we have different tactical views in this group, that's obvious -- anything is going to be a compromise. And so we feel this is the best way to honor the agreement we've had on the two -- on the dual-track strategy, but send Iran a very tough and strict message about what's going to happen if there isn't positive progress in the next month or so.

QUESTION: But just to put a fine point on the timing, downstairs Foreign Minister Kouchner, when asked about November, he said end of November. He meant -- he said he means November 30th, so --

UNDER SECRETARY BURNS: We did not set a date, actually.

QUESTION: Also --

UNDER SECRETARY BURNS: And let me just answer that question for you and I'll be happy to take your follow-up. There was quite a bit of discussion of whether or not we should seek to establish a specific day. The problem with that is it's a little bit unclear -- and we want to give some flexibility to the two individuals talking to the Iranians, ElBaradei and Solana. It's unclear when Dr. Solana will want to come back, what day in November, and report. And I believe that the IAEA Board of Governors meeting is scheduled for November 22nd.

Now, the normal practice at the IAEA would be to submit a report, say, five or six days in advance. And so we didn't want to tie the hands of Dr. ElBaradei and Javier Solana, but it's clear that these two November reports are the two standards by which Iran will be judged and whether or not there's been positive progress, which is what the ministers agreed upon.

QUESTION: And also the other thing I wanted to ask is about point number five on the communiqué here, and that is the U.S. agreeing to welcome the agreement between Iran and the IAEA. The U.S. has been somewhat --

UNDER SECRETARY BURNS: Yes.

QUESTION: -- a little bit critical about the -- ElBaradei and the way he's conducted himself in this agreement. Is this sort of a little bit of a give on the U.S. part to sort of come around and be more supportive of the IAEA --

UNDER SECRETARY BURNS: When Dr. ElBaradei presented his proposal to the IAEA Board of Governors some weeks ago, the American Ambassador, Ambassador Schulte, welcomed it. We have always welcomed the involvement of the IAEA and find it positive. But what we've said very clearly -- and Secretary Rice has said this to a number of you -- is it's not sufficient. It's part of the international effort, but it's not the totality.

And let me explain it this way. The IAEA is looking into the past activities of the Iranian Government. Now, that's important. It's important to know that when President Ahmadi-Nejad said publicly last year we're engaged in P2 centrifuge research, it's important to know whether, in fact, they are and why they are because countries have concerns about that.

What the IAEA process does not do is look at what the Iranians are doing today. And the focal point of the international concern is their enrichment and reprocessing activities at Natanz, their plant at Natanz. The Security

Council over the last 18 months has focused on that. The sanctions are based on that and the suspension is required on that.

And so our view is that the IAEA and the Security Council are two halves of a whole; both are important. And so we do welcome the IAEA process, but on its own it's not going to stop the Iranians. The Security Council has a chance to do that through effective sanctions.

QUESTION: Can I follow up on that? Can I follow up on that?

UNDER SECRETARY BURNS: Yes.

QUESTION: But you've always said that the main thing you want is the suspension. Yes, you have to clear up those other things, but the suspension. So why would ElBaradei's report have any bearing on whether you pass another resolution because it's really about the suspension? And I also have another question on --

UNDER SECRETARY BURNS: Actually, Mohamed ElBaradei's report, Dr. ElBaradei's report, will be very important because this issue of P1, P2 centrifuge is quite central to whether or not Iran is -- to how much progress Iran is making towards the construction of a nuclear weapons capability. A lot of people were shocked about a year ago when Ahmadi-Nejad, President Ahamadi-Nejad, said publicly we're engaged in P2 centrifuge research. Iran had denied that, has now since denied his remarks.

So the question is that Dr. ElBaradei has to look into is where's the truth here. Iran says one thing publicly and then denies it the next day. No one wants Iran engaged in that type of activity. So it is rather important for him to continue his work, but on its own it's not sufficient. And so that's why the ministers talked a lot about, okay, let's support the IAEA process but let's also continue the Security Council process which is under our direct participation.

QUESTION: So just to --

QUESTION: How much of a --

QUESTION: Excuse me. Just to put a -- just to put a fine point on it, even if you're satisfied with the ElBaradei report, if Solana's talks with Larijani don't bear fruit, you're still going to take a second resolution -- a third resolution?

And on the sanctions issue, last week while she was in the Middle East, Secretary Rice said that the resolution had to have teeth. I mean, you have to offer the incentives, but it has to have teeth. In your discussions, are you afraid that these sanctions are just going to be like an expansion of the existing or are you confident that you're going to be able to move it to another level with sanctions with teeth that are not just what you have (inaudible) before?

UNDER SECRETARY BURNS: Well, Secretary Rice was absolutely correct in saying that the sanctions -- a third sanctions resolution has to have teeth. What did the second resolution do, 1747? We sanctioned a bank, Bank Sepah -- the Security Council. We sanctioned the head of the IRGC, the individual. We made it impermissible for Iran to export arms to anyone outside Iran. They've now willfully violated that. They're sending arms to Hezbollah, to Shia militants in Iraq and to others in the Middle East region.

And so this third resolution -- you're absolutely right -- has to be an advance on the second resolution. It has to be incrementally and proportionally stronger than the second resolution. That's what we said in the foundation agreement of the P-5 18 months ago. And so you're absolutely right to focus on that issue. And we did today and it's interesting; you know, when Ahmadi-Nejad came here a couple of days ago to the UN, he very dramatically announced that Iran's nuclear file was closed, the case was closed and the Security Council would have no further action.

I'm sorry; he was badly mistaken. You've had six foreign ministers of major powers today have a detailed discussion of a third sanctions resolution. You have them saying they intend to bring it to a vote unless we can see positive progress. And that's a high standard to meet. And so -- and that answers your first question. And so I think that the Iranian Government needs to know that they are under the international spotlight and their activities are being questioned by the great powers and that they will remain under question until they can show us and convince us that they're not heading towards a nuclear weapons capability.

QUESTION: On the second question, on the other question on the -- even if the ElBaradei report shows some progress on those lingering questions, are you saying that if you don't see progress with the Larijani talks on a suspension of enrichment, are you going to seek a third resolution?

UNDER SECRETARY BURNS: I think that paragraphs -- the end of this statement that the ministers issued today is very specific that it says that we intend to bring this to a vote unless the November reports of Dr. Solana and Dr. ElBaradei show a positive outcome of their efforts. And so we'll have to see if they -- what they report. I don't want to prejudge what Dr. ElBaradei and Dr. Solana are going to report six weeks from now, but it's going to be very important for the Iranians to work very hard to make progress. They have not done that to date.

And the striking thing about this whole week at the UN, in talking to a lot of different -- a lot of different delegations here, a lot of different countries, is that everybody realizes that Iran is out of compliance, that they're racing ahead at Natanz on their centrifuge research and that we need to do something to stop that and the best way to do it is through sanctions.

QUESTION: Just to follow up on --

UNDER SECRETARY BURNS: Yes.

QUESTION: Do you understand this paragraph 7 as clearly saying that Russia and China are both permitted to agreeing to a (inaudible) sanctions resolution if the Solana report doesn't report --

UNDER SECRETARY BURNS: This is a statement of the Russian and Chinese foreign ministers with the American and three European foreign -- it's their statement and they authored these words. And I can tell you from the discussion that we had, the ministers were all actively engaged and these are the words that the ministers wrote themselves.

QUESTION: So there's no doubt in your mind that if Solana doesn't report progress, Russia and China --

UNDER SECRETARY BURNS: I think it's absolutely crystal clear what this says, absolutely crystal clear.

QUESTION: Bringing it to a vote is different from them voting yes in that --

UNDER SECRETARY BURNS: Oh, no. Oh, no, no. No, when six ministers say together, we intend to write and finalize a draft resolution and then we intend to bring it to a vote unless there's a positive outcome of these other efforts, that means that the six of us, in that eventuality, would author the resolution and submit it and recommend it to the rest of the Council, as we have done three times before --

QUESTION: Nick, you said --

UNDER SECRETARY BURNS: -- in Security Council resolutions.

QUESTION: (Inaudible) you regard this as a commitment by the Chinese and the Russians to vote for whatever is the --

UNDER SECRETARY BURNS: I don't see any reason to focus just on the Chinese and the Russians. It's a commitment that the United States has to uphold as well as Germany, France and Britain.

QUESTION: So it's a commitment by all?

UNDER SECRETARY BURNS: Remember what this is. This is not a statement of the American Government. This is a statement of six governments, and Britain, France, Germany, Russia, China and the United States have put their names to it. It's the six ministers. It's their statement. And it is very clear in what it says.

Now, what we'll have to do is, obviously, we'll have to get together. I'll be meeting with my P-5 counterparts several times between now and then. But when these reports come in, I assume -- I know what will happen, is the ministers will have to get together and they'll have to look at these reports and then make an assessment of these reports, and based on their joint assessment, decide whether or not to bring this to a vote. It's going to be their decision. But they've set a bar here and I think it's important just to review it again, unless the November reports show a positive outcome of their efforts.

QUESTION: But a positive outcome can take a lot of meanings. Is there a consensus what positive outcome is, what the --

UNDER SECRETARY BURNS: Well, as I said before --

QUESTION: (Inaudible.)

UNDER SECRETARY BURNS: As I said before --

QUESTION: (Inaudible) we need to give an amount of time --

UNDER SECRETARY BURNS: What we've been looking at --

QUESTION: Or no, that's not positive. Like, assessment (inaudible).

UNDER SECRETARY BURNS: What we've been focused on for 18 months in the P-5 context is whether or not Iran is going to suspend its enrichment activities. What ElBaradei is -- what Dr. ElBaradei is focused on are a variety of issues, including P1, P2. So I think it's pretty -- it's pretty -- it'll be pretty clear whether positive progress is being made or not.

QUESTION: You said that Russia -- you said everyone on the table proposed various measures if Iran doesn't comply.

UNDER SECRETARY BURNS: Yes.

QUESTION: What did China and Russia propose?

UNDER SECRETARY BURNS: Oh, I think you'll have to ask them. I mean, I can't speak -- I'm a spokesman for Secretary Rice, but not for --

QUESTION: What did you propose --

UNDER SECRETARY BURNS: Well --

QUESTION: Another delay.

(Laughter.)

UNDER SECRETARY BURNS: What I'm --

QUESTION: Doesn't this (inaudible)

UNDER SECRETARY BURNS: Let me just answer this question first and then I'll be glad to go to you.

QUESTION: Okay.

UNDER SECRETARY BURNS: What I am not prepared to do, for obvious reasons, is to take you through, you know, the specific sanctions measures being proposed. It'll change a hundred times between now and November. But we do have an instruction, a command from these six foreign ministers, to finish that sanctions resolution. And I think that's important because the Iranian Government has been running around New York saying this week there will be no sanctions resolution, we've stopped that process. Well, they didn't stop it. We worked on it today. We had a detailed discussion, the ministers did, and that now continues.

QUESTION: Can I follow up --

UNDER SECRETARY BURNS: I think I promised that -- yes.

QUESTION: Thank you. But doesn't this waiting until the IAEA report in November mark some kind of retreat in U.S.

policy? For some time now, and I'm going to quote Sean from a couple of weeks ago --

UNDER SECRETARY BURNS: We never retreat.

(Laughter.)

UNDER SECRETARY BURNS: We never call retreat. That's a famous American maxim.

QUESTION: Are you saying that you want a resolution (inaudible) regardless of what Iran says it's doing with the IAEA?

UNDER SECRETARY BURNS: Here's how I'd -- it's a good question. Here's how I'd answer it. We're focused in the United States Government on one thing: preventing Iran from becoming a nuclear weapons power. What are the means by which we can do that? We're operating on three tracks right now, we and the rest of the international community.

The first track is the Security Council. It is to our decided advantage that the Security Council continues, as of today, the Permanent Members, to speak with one voice and to tell Iran not to go forward. Because you have now 192 countries who have an obligation to institute those -- implement those sanctions. That's important.

The second track is that a number of financial institutions and banks have decided over the course of the past year, and some over the past few months, to shut down lending. Iran is not a country that wishes to be isolated. It's a country that needs capital, investment, and it needs commerce. We're now seeing a major international wave where financial institutions are deciding not to invest in Iran. That should drive up the cost to the Iranians.

Third track: You've seen a number of statements by heads of government of European Union countries saying it's time for the EU to engage in its own sanctions. We encourage that. We favor that. We hope that other major trading partners of Iran in Asia, in East Asia and the Middle East will also decide to begin to diminish their activities.

Let me give you an example of that. As recently as two years ago, the European countries provided about 22 billion Euro in export credits to Iranian -- to their companies to do business with Iran. We have a -- we've been told by the major European governments that all of them are now reducing very dramatically that level of export credit exposure.

So I would encourage you to think of us operating on three tracks; and the combined impact of those tracks, we hope, will be that the Iranians will conclude that it's not worth going ahead with nuclear research when they should be negotiating with us to produce a diplomatic solution.

MR. MCCORMACK: Two more questions.

QUESTION: Yes. Secretary Rice has met the EU-3 foreign ministers. Did they -- have they discussed imposing individual sanctions on Iran before November?

UNDER SECRETARY BURNS: She had a very good meeting with our allies -- Britain, France and Germany, as well as with Dr. Solana, Javier Solana -- and a very good discussion of these three tracks and of the various international efforts

that are underway. And what we're seeing around the world is that countries don't want Iran to become a nuclear weapons power. Countries want to see the international community try to have a diplomatic solution. The United States is leading that effort. And so it was a very good discussion that she had.

QUESTION: Will they impose sanctions, individual sanctions, before November?

UNDER SECRETARY BURNS: Excuse me?

QUESTION: Will they impose --

UNDER SECRETARY BURNS: Oh, that's -- I can't -- this is -- I mean, the United States put our sanctions on Iran in 1979 and '80, a long time ago. It's up to the other countries to decide when and how they do this. But we are encouraged that now a number of the senior European leaders, heads of government, have suggested publicly that that should be the next wave in the European effort, and we support that.

QUESTION: Nick, do we understand -- I'm not going to go into the details, but do we understand that the outer frame of your policy, the two-track policy, is that you're going to continue trying to find negotiation with Iran and while revving up the sanctions if they don't comply? Will this policy continue of revving up the sanctions and if Iran cannot solve them some way or another, they will continue processing and enrichment for peaceful purposes?

UNDER SECRETARY BURNS: Yes, this strategy of two different tracks is the heart of our strategy, and so we will continue the effort to drive up the cost to Iran of its present nuclear behavior through sanctions and through some of the activities that the banks and private institutions have taken to shut down lending. At the same time --

QUESTION: Until when?

UNDER SECRETARY BURNS: At the same time, we continue our effort to try to seek a negotiated solution. And they're both important and our country is involved in both.

I would just say this. You ask an interesting question. Secretary Rice has said a couple of times recently publicly that remember what the offer was back on June 1st of 2006. The P-5 countries offered to create a civil nuclear power sector in Iran. We offered to form a consortium of companies that would build nuclear reactors in Iran -- peaceful civil nuclear reactors that would deliver the nuclear fuel to Iran, that would take back the spent fuel for environmental and proliferation reasons to its source in Europe or in Russia. This was an extraordinary offer.

Beyond that, we agreed on other economic and commercial inducements -- and the United States was part of this -- to try to convince Iran of our positive intentions. Secretary Rice has said several times recently that if Iran accepts the offer to begin negotiations, she as Secretary of State will be at that table and that a variety of issues can be discussed. This is something that Iran needs to consider. It's extraordinary that it's kind of thumbed its nose at Russia and China and the European Union and the United States in the way that it has; and frankly, it instills a lot of doubts in us about what its ultimate intensions are.

So we haven't lost sight of diplomacy. We're trying. But you know, we also have to make diplomacy effective and have http://www.state.gov/p/us/rm/2007/92953.htm (10 of 11) [8/25/2008 8:46:36 AM]

teeth. And so if they're not willing to negotiate, they're going to get stronger sanctions imposed against them.

MR. MCCORMACK: Thanks, guys. Thank you.

QUESTION: Thank you.

QUESTION: Does Solana have any mandate to improve that offer?

UNDER SECRETARY BURNS: He has the encouragement of the P-5 ministers to find a way forward along the lines of our proposal.

QUESTION: Thank you.

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