Building a Common Approach to the Iranian Nuclear Problem

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Remarks at the International Institute for Strategic Studies Workshop
New York City
November 28, 2006

I've been asked to make the case for sanctions. Let me describe why we believe that tough, targeted UN sanctions are needed now to help persuade Iran make the strategic decision to abandon its pursuit of a nuclear weapons capability.

Let me say first, that sanctions, as a tool of diplomacy, have a spotty record. They may be a necessary diplomatic tool to express disapproval and to seek change in another country's behavior, but they are typically insufficient by themselves. Unilateral sanctions rarely work. Success is most likely when the sanctions are smart and targeted, when they are sustained and sustainable over time, when they are universally or broadly adhered to, and when they complement and are complemented by other diplomatic tools, including, if necessary, more coercive means, such as the threat of military force -- all of which are difficult, though not impossible to attain. This said, targeted sanctions remain a critical diplomatic tool.

Our premise in advocating targeted international sanctions is simply that a nuclear-armed Iran is intolerable. Here are some of the reasons why:

- A nuclear-armed Iran would represent a direct threat to U.S. forces in the region, the greater Middle East, Europe and Asia, and eventually the United States itself.
- A nuclear-armed Iran could light a fuse for further proliferation, leading to a re-evaluation of security requirements across the region, and undermine the nonproliferation regime.
- A nuclear-armed Iran would signal a failure of the international system designed to prevent a nuclear weapons break-out and would thereby weaken the credibility and effectiveness of the IAEA and the UN, institutions that underpin the nonproliferation regime.
- A nuclear-armed Iran could embolden the leadership in Tehran to advance its aggressive ambitions in and outside the region, both directly and through the terrorists it supports. Many believe that the current leadership in Tehran aspires to influence beyond the region.
- Finally, Iran is at the nexus of weapons of mass destruction and terrorism, pursuing weapons of mass destruction and actively supporting terrorist movements. If Iran has nuclear weapons or fissile materials, the likelihood of their transfer to a third party would increase -- by design or through diversion.

We know that, for two decades, Iran pursued a secret program to acquire the capability to produce fissile material. Iran systematically violated its IAEA safeguards and NPT obligations by concealing its nuclear fuel cycle activities.

Iran is now pressing forward aggressively on centrifuge enrichment. The IAEA has found that Iran repeatedly violated its IAEA safeguards agreement during an 18-year period of covert development and testing. It is operating two 164 centrifuge cascades at Natanz, feeding in uranium hexafluoride and producing small quantities of enriched uranium.

Iran has notified the IAEA it intends this year to begin installation of a 3000 machine cascade at Natanz. What Iran calls scientific research is in fact aimed at development of the ability to operate an enrichment facility large enough to support a weapons program.

Iran is also producing feedstock for centrifuges at Isfahan. As of April 2006, Iran had already produced approximately 120 tons of uranium hexafluoride. It is undertaking a new conversion campaign involving 160 tons of uranium ore. The two campaigns will produce sufficient uranium hexafluoride, if successfully enriched, to produce enough highly-enriched uranium for approximately 40 nuclear weapons.

Iran is moving ahead as rapidly as it can to master the technology for centrifuge enrichment and to start large-scale production, in defiance of calls by the IAEA and UN Security Council to suspend.

The pace of this activity clashes with Iran's claims that this activity is entirely peaceful, for production of fuel for power reactors. The only power reactor Iran will have for at least the next ten years is the one being built by Russia at Bushehr. Russia is obligated to provide the fuel for Bushehr's first 10 years of operation. Iran is asking the international community to believe that it must proceed immediately to produce fuel for reactors that don't exist and won't exist for at least a decade.
Iran’s limited domestic uranium reserves also undermine the economic rationale for its pursuit of indigenous uranium enrichment.

The only plausible explanation for the urgency of the Iranian enrichment program is to produce fissile material that can be used in nuclear weapons. The secret origins, military involvement, acquisitions of key technologies from an illicit proliferation network, violation of IAEA safeguards, false reporting to the IAEA, and continuing denial of IAEA requests for access to individuals and locations all belie the assertions of peaceful intent.

To produce plutonium, Iran is constructing a large, heavy-water moderated reactor whose technical characteristics are well suited for the production of weapons grade plutonium, and a heavy water production plant to support the reactor. Last week, the IAEA Board of Governors (BoG) removed Iran's proposed project on this reactor from the 2007-2008 IAEA Technical Cooperation Program. In support of its effort, and in violation of its safeguards agreement with the IAEA, Iran produced small quantities of plutonium in targets inserted into the safeguarded Tehran research reactor and conducted plutonium separation experiments. The IAEA still does not have a clear picture of the nature and timing of Iran's plutonium activities, as there continue to be inconsistencies between the findings of the IAEA and Iran's explanations.

Because of Iran's incomplete and false reporting, and the denial of access of inspectors to facilities and individuals, the IAEA has been unable despite years of investigation to determine the full scope of Iran's nuclear activities. The IAEA is pursuing information on what could be another uranium conversion project. Iran has designs for a next generation, more sophisticated P-2 centrifuge, and has publicly stated work is underway on the P-2, but it will not give the IAEA access. What little Iran has told inspectors about its P-2 efforts the IAEA has reported to be implausible.

There are also disturbing indications that Iran is working on weaponization. The IAEA has discovered documentation in Iran for casting and machining enriched uranium into hemispheres, which are directly relevant to production of nuclear weapons components. The IAEA is also pursuing information on high-explosive tests and on the design of a delivery system, which clearly point to a military rather than peaceful purpose.

The November 14 IAEA report made clear that Iran still refuses to cooperate with the IAEA to resolve questions on its nuclear program and to comply with the UN Security Council's demands in UNSC resolution 1696. The IAEA DG has noted that "the Agency will remain unable to make further progress in its efforts to verify the absence of undeclared nuclear material and activities in Iran unless Iran addresses the longstanding verification issue. Progress in this regard is a prerequisite for the Agency to be able to confirm the peaceful nature of Iran's nuclear program."

For nearly three years, the international community has engaged in diplomatic efforts to persuade Iran to halt its pursuit of a nuclear weapons capability. Iran has repeatedly chosen the path of confrontation over cooperation.

Iran rejected the August 2005 EU3 proposal and has not accepted the generous P5+1 package of incentives. Iran also failed to take advantage of the discussions with EU High Representative Javier Solana in October to avoid further UN Security Council action.

Iran's refusal to comply with UN Security Council Resolution 1696 (July 31) cannot go without a strong response. International credibility, and the credibility of the UN are at stake. Operative paragraph 8 of UNSCR 1696 included the Security Council's intention to pursue sanctions measures under Article 41 if Iran failed to comply. The Council must make clear to the Iranian regime that there will be consequences if it does not change course and step away from its nuclear ambitions.

Given Iran's responses to date, and its continued refusal to suspend the activities that have caused widespread concern, we believe greater international pressure is needed.

Sanctions are not THE aim; they are an important tool in our diplomacy. Our goal is to increase pressure on Iran until it makes a strategic decision, similar to the one made by Libya in 2003, that its pursuit of a nuclear weapons capability is not in the interest of the Iranian people. It's fair to say that it's been international pressure and exposure that has pushed Iran to give grudgingly limited cooperation with the IAEA.

Imposing sanctions will force Iran to assess the costs and benefits of its present course of action. Iran will have to weigh the costs of sanctions compared to the benefits offered in the P5+1 package (June 1). To date, the price paid by Iran of defying the world community have been negligible. That needs to change. If the Iranian economy is its Achilles Heel, as many suggest, tough targeted sanctions, if effectively implemented, can help shape Iran's cost-benefit calculus in a positive way.

We cannot operate on the belief that Iran nuclear weapons capability is inevitable. We have to operate on the basis that we can be successful. To be sure, change, when it comes will come from within, but external forces stimulated by sanctions and other diplomatic means can affect internal perceptions and behavior.

Let me also add that no one contends that sanctions by themselves will convince Iran to change its course. Nonetheless, sanctions must be part of the overall strategy and need to employed sooner rather than later and implemented in conjunction with other tools, including incentives, that will affect its calculus of the costs and benefits (investments, avoiding ostracism, etc)

Tough, meaningful, targeted sanctions on Iran are necessary to generate a change in its behavior. Symbolic measures will be ignored as the previous IAEA Board resolutions and UNSC Resolution 1696 have been.

The time to raise the stakes is now, and creating and maintaining a strong international consensus is critical. If Iran crosses the threshold of perfecting uranium enrichment technology, our task of preventing a nuclear armed Iran will become more difficult. Thank you.

Released on December 8, 2006