

## Middle East Nuclear Proliferation

1. Hot bed of proliferation over the last 50 years – reflects nature of the governments and politics in this region. By my count, seven countries have tried, but only Israel has succeeded. Some programs ended peacefully (Egypt, Libya). Others – like Iraq and most recently Syria have ended violently. Important historical point is that the drivers for proliferation in the ME are structural.
2. With the Syrian program apparently knocked out for the time being, the only other country with a near term chance to develop a nuclear weapons capability is Iran. Typically, Iranians are going about in a very clever way. If the NIE is correct, Iran decided to halt its clandestine nuclear activities in 2003 to focus on developing a capacity to produce fissile material under the guise of a civilian enrichment program – a nuclear break out option.
3. Since 2006, when Iran resumed its enrichment program, Tehran appears confident they can get away with it. From Iran's standpoint, the U.S. is weakened by Iraq, the regional balance of power is shifting in their favor, high oil prices protects them from informal financial sanctions, and the big powers (especially Russia and China) are not willing to support broad economic sanctions in the UNSC, beyond targeted sanctions against Iranian individuals and entities directly involved in Iran's nuclear and missile programs.
4. Thus, Iran has defied UNSC demands to suspend its enrichment and reprocessing programs as a condition for beginning negotiations with EU3 plus 3. Even if negotiations started, Iran has already made clear they reject the offer of assistance to their civil nuclear program in exchange for a 10 year moratorium on their fuel cycle program. Instead, Iran has offered to establish an international enrichment and fuel fabrication consortium on their soil, with additional IAEA safeguards to assure against military use.
5. From my standpoint, accepting this Iranian proposal would be asking for trouble. Once such a consortium is up and running, Iran could nationalize the facility and produce enough HEU for a small nuclear arsenal within a few weeks or even days, depending on technical details. Or, more likely, Iran could use a safeguarded commercial scale enrichment plant as cover to build a smaller covert facility, which could allow Iran to break out with little or no warning.
6. So, where do we go from here? It's very unlikely the current diplomatic stalemate will be broken in the near future. Iran will certainly miss the new SC deadline to suspend enrichment and the New York is very unlikely to take effective action, especially in the waning months of the Bush administration.
7. Action is also stuck in Vienna. Although the IAEA has resolved most questions about Iran's nuclear activities, Iran continues to deny very substantial evidence (which is detailed in the most recent IAEA report) of nuclear weaponization research conducted before 2003. Until this issue is resolved, the IAEA cannot declare that Iran has restored its compliance with the NPT – which of course is a good thing because Iran's noncompliance with the NPT provides a legal basis for Council action.
8. The other piece of good news is that technical problems have delayed Iran's enrichment program. Iran currently has a pilot scale enrichment plant of about 3,000 P-1 machines which are operating very poorly, and it is just beginning to develop two different types of more reliable and efficient machines. If you believe the NIE, Iran is not likely to be able to produce enough HEU for a single bomb until sometime between 2010 and 2015, and of course, we will be able to monitor their progress as long as the IAEA has access to the facility.

9. So, the next U.S. administration is likely to inherit a situation that looks pretty much like it does today. Because of Iran's technical delays, there will still be time to mount a new diplomatic effort to stop or at least delay and limit Iran's nuclear program before Iran achieves a credible break out capability. Even if we could only freeze Iran's enrichment program at its current level under international monitoring, it would be an acceptable compromise from a nuclear proliferation standpoint.
10. To achieve this, we will have to expand the scope of negotiations beyond a strictly nuclear for nuclear deal – providing nuclear power assistance in exchange for delaying or limiting fuel cycle. This is not going to work because the primary purpose of Iran's nuclear program is not civil energy production. Instead, U.S. offers to restore diplomatic relations, lift economic sanctions, give assurances against regime change; respect for Iran's status in the region (whatever that means) will have to be part of the package.
11. I don't think these inducements are attractive to Iran's hard-line leadership, which probably prefers a hostile relationship with the Great Satan, but it may appeal to some segments of the Iranian public and elite. And, if Iran's rejects a more generous offer, it may be easier to mobilize international support for stronger pressure on Iran.
12. In this sense, bigger carrots alone are not going to be sufficient. In fact, a sweeter offer that isn't accompanied by a bigger threat will be seen in Iran as vindication of its current confrontational policies. The biggest challenge for the new U.S. administration will be convincing Iran's leadership that rejecting a more generous offer will mean significantly greater cost and risks – in terms of political isolation, economic punishment and potential military action.
13. To make the threat credible, there will have to be agreement among the EU3 plus 3 on what constitutes a reasonable offer and what stronger sanctions the Security Council would impose if Iran balks, such as an arms embargo and ban on investments in Iran's oil and gas industries. The European powers are basically prepared to go along this approach, but the challenge will be to persuade China and Russia, which are very skeptical that economic sanctions can work and who are generally more willing to tolerate a nuclear capable Iran. At the same time, both Beijing and Moscow prefer to find a formula to prevent Iran from acquiring nuclear capability and both want to avoid a confrontation between Iran and the U.S.
14. What I worry about more than anything else is that Iran's over confidence will lead them to eventually provoke a military response from Israel or the U.S.
15. Conclusion. Current diplomatic strategy is very unlikely to work, but I think the next US administration will have at least one more chance to build international support for a new diplomatic approach to delay or limit Iran's enrichment program before we have to make an awful choice between accepting Iran as a nuclear capable state or using military force whether by the U.S. or Israel – with all the risks that either choice entails.