

PolicyWatch #1645 : Special Forum Report

## Nuclear Proliferation and Nuclear Power in the Middle East

Featuring Daniel Poneman

March 22, 2010

*On March 17, 2010, U.S. deputy secretary of energy Daniel Poneman addressed a special Policy Forum luncheon at The Washington Institute on nuclear proliferation and nuclear power in the Middle East. Deputy Secretary Poneman served previously in the Clinton administration as senior director for nonproliferation and export controls on the National Security Council. Last year, Mr. Poneman led the U.S. team in Geneva-based negotiations with Iran over the Tehran Research Reactor. The following is an excerpt of Deputy Secretary Poneman's remarks and a rapporteur's summary of the question-and-answer session that followed. [Download](#) his prepared remarks (PDF).*

The president...continues to work...to tackle the energy and climate challenge, understanding that this is a global problem that demands a global solution.... Some have suggested that a United States that is focusing on new energy technologies and a low-carbon future must be at odds with the oil and gas producers of the Middle East. [However], recent discussions in the region suggest otherwise.... Tackling the energy and climate challenge presents important opportunities to broaden U.S. energy relationships in the region, and together [with regional partners] to build a sustainable energy future.

Nuclear power has a significant and growing role to play around the world in...satisfying the increasing demand for continuous base load electricity.... Consistent with [its] obligations under the Nuclear Nonproliferation Treaty (NPT), the United States supports the peaceful use of nuclear energy for those nations that live up to their nonproliferation obligations. [The United States has] entered into bilateral memoranda of understanding with Jordan, the United Arab Emirates, Saudi Arabia, and Bahrain, all of which have expressed their desire to rely on international markets for nuclear fuel rather than to rely on...uranium enrichment and plutonium reprocessing in their territories.

As countries in the Middle East look at developing civil nuclear programs, the United States can promote the highest standards for safety, security, and nonproliferation.... [The United States is] actively engaged in the Middle East and...[is] cooperating with governments in the region...to detect, deter, and interdict illicit smuggling of nuclear and other radioactive material.... [The United States recognizes] that a terrorist or proliferation incident involving nuclear material could have devastating consequences...while undermining public confidence in nuclear energy.

In Prague, [President Obama] also called for a new framework for civil nuclear cooperation, "so that countries can access peaceful power without increasing the risks of proliferation."... [The United States is] still pursuing those aspects that seek to assure countries that they may gain reliable access to nuclear fuel services without developing their own uranium-enrichment or plutonium-reprocessing capabilities.... If...governments...can assure NPT-compliant owners of a civil nuclear reactor that their nuclear fuel-servicing needs can be met by existing suppliers without fear of disruption, then the incentives to build sensitive fuel cycle facilities would be minimized.... [Russia] expressed support for the cradle-to-grave approach, [though] there are a number of complex and challenging issues that would need to be addressed for this new framework for civil nuclear cooperation to succeed.

In order to preserve the vitality of the Nuclear Nonproliferation Treaty, it is essential [that the United States] deal effectively with outliers [such as] North Korea and Iran. The United States...recognize[s] Iran's right to a peaceful nuclear program, [as well as Iran's] responsibilities to live up to global nonproliferation norms.... The NPT confers an "inalienable right...of all the parties to the treaty to develop, research, produce, and use nuclear energy," but it is critical to remember the very next words: "for peaceful purposes without discrimination and in conformity with Articles I and II of this treaty." And Article II commits Iran not to develop nuclear weapons or other nuclear explosive devices.

It does not appear [that Iran's] nuclear program is "for peaceful purposes." Iran essentially has not been in compliance with its International Atomic Energy Agency (IAEA) Safeguards Agreement since 1982, as a result of its import of undeclared nuclear material, undeclared nuclear experiments, and construction of nuclear facilities without timely declaration to the IAEA.... Iran has not satisfied IAEA concerns about the possible military dimensions of its program, has not ratified the Additional Protocol, and continues to defy resolutions issued by the IAEA Board of Governors and the UN Security Council.

On October 1 in Geneva, the P5+1 partners [the five permanent members of the UN Security Council plus Germany] met with their Iranian counterparts, who indicated an agreement in principle...to meet again with the P5+1 to discuss the nuclear program, and to implement the IAEA's proposal on the Tehran Research Reactor.... [Initially], Iran agreed...to the IAEA's proposal.... Regrettably, Iran's leaders apparently prefer to reject the most responsible, cost-effective, and timely options...in order to advance their nuclear program.... There has been no follow-up P5+1 meeting with Iran, as Iran has refused to agree to discuss its nuclear program, despite the Geneva understandings.

Iran's response to...engagement efforts has not been encouraging. And so, while the door to Iran is not closed, the president has made clear that [the United States is] now turning increased attention to the pressure track and working on developing a significant regime of sanctions that will reflect [Iran's increasing isolation] from the international community.... The international community must speak with one voice on the imperative for Iran to meet its responsibilities and obligations under the NPT....

## **Q&A SESSION**

### **Iran and the NPT Review Conference**

Though adherence to the Nuclear Nonproliferation Treaty has seen its ups and downs over the years, the United States has, thus far, been able to prevent the treaty's demise. With preparations under way for the May 2010 conference to review the NPT, Iran presents an especially tough case. If the NPT is not viewed as a useful mechanism for dealing with difficult cases like Iran, then continued support for it will increasingly come into question.

Nevertheless, the United States is approaching the NPT review conference in a strong position. This is, in part, thanks to President Obama's constructive vision of achieving a world without nuclear weapons -- a vision very much in the spirit of the NPT. President Obama has committed and recommitted to the ratification of the Comprehensive Nuclear Test Ban Treaty. However, if the nonproliferation regime cannot successfully contain the rampant proliferation programs in North Korea and Iran, then the United States will face significant problems.

Iran's proliferation is a concern for regional states, given how they view the Islamic Republic. The NPT is not just a deal between those nations that have nuclear capabilities and those that do not. It is a regional security measure and a treaty that governments have chosen to ratify out of calculated self-interest. To stem proliferation throughout the region, governments must continue to view the NPT as a viable method for providing protection, stability, and peace in the region.

### **The Tehran Research Reactor Deal**

The Iranians have suggested that they have not refused the proposed Tehran Research Reactor (TRR) deal, and yet they apparently lack seriousness in pursuing it. If Iran were truly serious about pursuing the TRR arrangement, then its leadership would express its views to the director-general of the IAEA.

Former IAEA director-general Mohamed ElBaradei made clear that the IAEA was prepared to allay any Iranian concerns on the security of the material Tehran would offer up in the deal. For their part, Russia and France expressed a willingness to assist in IAEA efforts; both these countries, as well as the United States, continue to support IAEA efforts and the TRR deal -- a good proposal that has not been formally withdrawn. In a word, international players would still be open to a favorable response from Tehran, should it be offered.

In the talks with Iran, the United States reassured its counterpart that the TRR itself would not be endangered, though such a calculation did not account for any possible upgrades or enhancements to the reactor. Had the IAEA judged that ensuring the safety of the reactor and minimizing the risk to human life called for specific action, then the United States would have been ready to provide any assistance requested by the IAEA, consistent with its obligations under the NPT.

### **U.S.-Arab Discussions on the Iranian Challenge**

The United States has had and will continue to have robust discussions with its Arab friends in the Gulf on steps countries can take individually and collectively to contain the Iranian threat. In the context of those discussions, as well as discussions at the UN Security Council, the United States and its partners around the world will continue to apply pressure to the Iranian energy industry and place serious constraints on Iran's financial transactions.

*This rapporteur's summary was prepared by Allison LeBlanc.*

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