

Atoms for What?

The U.S.-UAE Nuclear Accord

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ABOUT THE AUTHORS



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Brief Analysis

On January 15, outgoing Secretary of State Condoleezza Rice signed a nuclear cooperation accord with her United Arab Emirates (UAE) counterpart Shaikh Abdullah bin Zayed al-Nahyan. The treaty, which to become law needs to be presented to the U.S. Congress, would help the Persian Gulf state become the first Arab country to develop a nuclear power sector. Along with last year's nuclear agreement with India, this treaty emphasizes a trend away from decades of U.S. policy dominated by the fear of nuclear proliferation. Not since the 1950s Eisenhower-era "Atoms for Peace" program has so much hope been placed in peaceful nuclear cooperation.

Background

The pact marks an astonishing diplomatic journey for the UAE and Shaikh Abdullah. Ten years ago in 1999, the shaikh, a son of the then ruler and a half-brother of the current UAE president, was an honored guest during a visit to Pakistan's unsafeguarded Kahuta uranium enrichment and missile facility. While there, he saw the prefabricated structures built in Sharjah, a member sheikhdom of the UAE, which were hiding the production line of the nuclear-capable Ghauri missile from U.S. satellites passing overhead. For a quarter century, until 2004, the UAE helped Pakistan elude Western export controls by serving as a vital transit point for Pakistan's purchases of nuclear-weapon-related parts and manufacturing equipment.

Rationale for Agreement with United States

The UAE's need for nuclear power is hardly obvious. With a population of less than one million, the Organization of Petroleum Exporting Countries (OPEC) member has 8 percent of the world's oil reserves and more natural gas than the United States. But its demand for electricity is soaring; leading emirates Abu Dhabi and Dubai are aspiring to the status of international business centers. Their skylines resemble that of Manhattan, and there are ambitious plans for further development. Committed to exporting oil and natural gas, the UAE has looked at importing coal for power generation. It now claims it is concerned about coal's "poor environmental performance" and, with probably unintentional irony, the "security of supply," and so favors nuclear energy.

From a U.S. perspective, Washington's diplomatic partnership with the UAE is steadily improving. Although concerns remain about sensitive goods reaching Iran via the historical entrepot of Dubai, the UAE has worked closely with the United States on export controls and financial sanctions. An air base outside Abu Dhabi is used extensively by U.S. transport and reconnaissance aircraft, and the port of Jebel Ali, near Dubai, is a popular stopping point for U.S. Navy ships. Within the last week, Abu Dhabi has also hosted a meeting of Arab foreign ministers in an attempt to heal the split in the Arab world over support for Mahmoud Abbas's Palestinian Authority -- a rift that is hampering U.S. Middle East diplomacy.

Iran

The elephant in the diplomatic salon is Iran. Like the UAE, Iran, with the second largest reserves of natural gas in the world after Russia, does not need nuclear power. But the world has acquiesced to the Bushehr power plant on the Persian Gulf coast, completed recently by Russia, while still confronting Iran on its claimed rights to enrich uranium and reprocess spent fuel, two different routes to building an atomic bomb. The UAE has voluntarily decided to forego such technologies, thereby enabling Washington to emphasize further Iran's uncooperative behavior.

How Perfect an Agreement?

Despite the fanfare, concern remains about the pact signed last month, known as a 123 Agreement after Section 123 of the Atomic Energy Act. The agreement is likely to be a model for other agreements between Washington and those Arab states that have expressed interest in nuclear power -- an interest that many observers believe is at least as much a pan-Arab diplomatic response to Iran's perceived regional aspirations as it is a solution to economic needs. If Iran is confirmed as a military nuclear power, Saudi Arabia and Egypt, as well as non-Arab Turkey, are likely to try to match it. UAE manpower, trained with nuclear skills that are largely transferable from civil to military projects, could assist. Some critics say the agreement with the UAE should be tougher because it will serve as the model for other U.S. cooperative agreements.

A. Q. Khan Links Overlooked

The pace of forgiveness of the UAE's past indiscretions is remarkable. Perhaps coincidentally, three days before the signing of the 123 Agreement, the State Department announced sanctions on thirteen individuals and three private companies for their involvement in what it calls the "A. Q. Khan nuclear proliferation network," including Dr. Khan himself. Khan was Shaikh Abdullah's host and guide during the 1999 visit to Kahuta. Apart from building Pakistan's enrichment facility and its first nuclear weapons, using material transshipped through Dubai, Khan is also credited with constructing an enrichment plant in China, Pakistan's first act of proliferation. Links with Iran and Libya came later. Given this background, and the central role of a senior Dubai immigration officer who controlled the principal Dubai trading company serving as a conduit, it is surprising that the only UAE links in the State Department notice were retired British citizen Peter Griffin (now living in France) and his son Paul, who operated from Dubai for many years.

The eccentric aspects of the State Department sanctions announcement were obvious even before the February 6 judgment by the Islamabad High Court that Khan should be released from effective house arrest because he had done no wrong. The elder Griffin's involvement in Khan's purchasing network was first reported on the front page of

the Financial Times in 1979. Also, the two Turkish companies designated last month were the subject of an official U.S. diplomatic protest to Ankara -- complaining about their nuclear trading with Pakistan -- reported by the Associated Press in 1981.

Policy Recommendations

The 123 Agreement is now at the White House waiting to be forwarded to Congress. Members will have ninety days to pass a resolution blocking the accord; if Congress does nothing, the agreement takes effect. Current concerns include not only the language of the agreement, but also the effectiveness of UAE export controls, which even its officials admit are a work in progress. Although the closeness of current U.S.-UAE relations is laudable, there is a sense that the UAE could do much more, particularly in terms of pressure on Iran. The House Foreign Affairs Committee has promised to look at the agreement in this context.

As it is, this agreement affords the United States little commercial incentive. French companies are reported to be the likely beneficiaries of the first nuclear power orders. The extent to which any French-UAE nuclear agreement will be modeled on the 123 Agreement is unclear.

The UAE meanwhile clearly sees energy as an important diplomatic tool, and close relations with Pakistan persist. Last week, President Shaikh Khalifa bin Zayed al-Nahyan was there on a private visit but also met President Asif Ali Zardari. Afterward, a deal was announced in which the UAE would supply Pakistan with a natural-gas-fired power plant it no longer needed.

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