The Iranian Nuclear Threat and U.S. Policy (Part I)

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In-Depth Reports

have been asked to address Iran's nuclear program from a technical point of view. One of the roles the Institute for Science and International Security (ISIS) has played is to push for more effective nuclear inspections worldwide. That often means more intrusive ones, and Iran has attracted a lot of our interest in this regard. We also do assessments of secret nuclear-weapons programs and, once again, Iran has been of special interest to us for well over a decade.

If you follow the news, you understand that Iran is now expected to be more transparent about its nuclear activities. There have been a lot of questions about secret nuclear sites in that country. Those questions have intensified because Iran only admitted to having those sites after the latter were exposed. The U.S. and Israeli governments have been surprisingly quiet until recently about some of these secret sites, which were known to intelligence agencies long before the revelations by an Iranian opposition group in August 2002.

The road to transparency is now well defined for Iran. Most of the sites that are visible or related to uraniumenrichment activities have been identified, principally by Iran itself through a transparency process with the International Atomic Energy Agency (IAEA). The IAEA has established October 31, 2003, as a deadline for Iran to answer a set of questions about its nuclear activities.

However, we should not lose sight of another issue, which is probably more difficult to address. Iran has established an elaborate fuel cycle, one that is much further along than Iraq's was in 1991. That fuel-cycle capability, if completed, would give Iran the ability to make nuclear-weapons material within days of a decision. This capability is still years away from being realized, but Iran appears determined. We must not lose site of the reality that once Iran becomes fully transparent, there will still be the larger issue of its growing nuclear-weapons-production capability.

U.S. policy is not currently adequate to address this issue. The United States tends to see everything nuclear-related in Iran as a negative. A more sophisticated policy is needed that allows for compromise -- the completion of the Bushehr reactor, for example. A letter to Iran authored by Britain, Germany, and France was sent to Tehran in early August asking the regime to cooperate fully with the IAEA and stop uranium enrichment activities. It offered the hope that if Iran did cooperate, there would be some reward, which can be read as help on nuclear-power programs like Bushehr. I would not interpret the news about this letter as negative. The United States has traditionally opposed the European approach; Washington essentially wants the denuclearization of Iran.

Most of the issues being addressed by the IAEA center on uranium enrichment. Iran has made a series of declarations to the agency since February 2003, and those declarations have been seen as incomplete. During this process, Iran has changed its story a couple of times. We are left with this basic question: did Iran enrich uranium indigenously prior to June 2003? Iran says it did not; but there is quite a bit of evidence and analysis that suggests otherwise. The IAEA can use very sophisticated methods to detect minute traces of enriched uranium. In samples taken in spring 2003, the agency found highly enriched uranium at the main enrichment site of Natanz. When confronted with this evidence, Iran blamed it on components it had acquired from abroad. It denied that it had enriched any uranium in Iran.

That opens up another set of questions. How did Iran import centrifuge components from abroad? Tehran's story so far is that it began a gas-centrifuge program to enrich uranium in 1985. In 1987, it bought a complete set of drawings for gas centrifuges from an intermediary, and after that it was able to buy tens and in some cases thousands of centrifuge components, some of which are quite sensitive. Now without going into detail, the finger ultimately points to Pakistan as the supplier. Pakistan, so far, has not cooperated, but unlike before, it has not absolutely denied the charges or refused to cooperate.

There is evidence that Iran created what we call a "cascade" of many centrifuges connected by pipes, and that it has, indeed, made highly enriched uranium. So the key issue to resolve by October 31 is whether Iran's indigenous centrifuge program is much further along than the regime has admitted. This deadline is rather artificial. If you ask the agency, "Can you finish your job by October 31 if Iran cooperates?" the answer is no.

One of the outstanding issues yet to be addressed by the IAEA is the location of Iran's nuclear-weapons research, development, testing, and production sites. If Iran has highly enriched uranium, or if it has separated plutonium -- another nuclear explosive material -- where would it make a bomb? There has been a lack of information about those sites. The U.S. government says Iran has those facilities, but Washington has never presented evidence to the IAEA, publicly or privately, that such sites are actually active. Many countries remain skeptical of the U.S. claim, particularly given U.S. intelligence performance before the Iraq invasion.

Why might Iran be lying? From the U.S. point of view, it is simple: Tehran is cheating, stalling for time, end of story; Iran will only admit to nuclear programs if it is forced to do so. That may be true. But there may be other reasons. I would assert that pride is not Tehran's motivation. Iran has changed its story sufficiently that if it wanted to come clean, it could. It has been embarrassed several times through the nuclear issue, particularly this summer. That raises the question of what Iran is hiding. I mentioned the enrichment cascade. Tehran may feel that it cannot admit to having done many things on gas centrifuges, including the production of highly enriched uranium. It may not have made a decision to build nuclear weapons, but it may still hide enrichment.

Another motivation for Tehran's deception could be that it has engaged in trafficking, that perhaps it imported highly enriched uranium from Russia in some quantity, and this is what was protected at these sites. Iran may not be willing to reveal something like this. One of the mistakes of the U.S. approach on Iraq was to oversimplify the possibilities about what the regime was up to. The U.S. analysis on Iran already looks similar to its analysis on Iraq; I would urge that we not take this approach again.

Let me touch on some of the things that could happen after October 31. If Iran does not cooperate, for whatever reason, it can expect to be isolated. The European Union (EU) would be under tremendous pressure from its own governments and the United States to cut off all trade talks with Iran. The EU would continue to do some work with that country, and would maintain a policy of engagement, but it would ratchet up the pressure significantly.

Similarly, Japan would be under tremendous pressure not to start work on the oil-field development project in Iran that it is so anxious to begin. Japan sees this project as an energy-security issue not linked to the nuclear issue. But if Iran is found not to have satisfied the IAEA, then Tokyo would probably postpone its work indefinitely. Russia would also be under tremendous pressure. Moscow has already taken positive steps on Bushehr. The Russians will never completely stop Bushehr because they will never admit a mistake. But suddenly, in the last month, Iran and Russia did not sign their agreement on returning the irradiated, or spent, fuel from the Bushehr reactor. This is important because it is part of a minimal operating condition placed on Bushehr, namely, that Iran not have a huge, growing stockpile of irradiated fuel. Such a stockpile would be easier to treat chemically and would ultimately facilitate Iran getting plutonium for nuclear weapons. If Russia and Iran do not sign that agreement, then Russia cannot send the enriched uranium fuel needed to start the Bushehr reactor.

Countries do not usually make clear-cut decisions to build nuclear weapons and then march lockstep toward that goal. There are often diversions and second thoughts. Iran could decide to comply fully with the IAEA and then argue, under the Nuclear Non-Proliferation Treaty (NPT) that it has the right to finish every one of its nuclear-fuel-cycle facilities. The regime could "deep-six" its nuclear weaponization activities and then just wait to finish the fuel-processing facilities. Then Tehran would be in a position to decide legally at any moment to withdraw from the NPT on the basis of its supreme national interests being threatened. Countries can always make this argument, particularly in the Middle East, and then proceed to build nuclear weapons.

Read remarks by the other participants on this panel: <u>Farideh Farhi, (templateC07.php?CID=209)</u> Uzi Arad, (templateC07.php?CID=210) and <u>Michael Eisenstadt (templateC07.php?CID=211)</u>

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