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## Back from the Threshold The last chance for diplomacy to stop Iran

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## KEY POINTS

- Strong evidence suggests that Iran's nuclear programme is intended to actually construct nuclear weapons, not merely to develop the capability to do so. If it is not stopped soon, Iran will acquire the capacity to build nuclear weapons, shield that capacity from possible attack, and ultimately sprint to construct nuclear weapons when it deems circumstances ripe.
- Acquiring nuclear weapons will enhance Iran's position as a mainstay of radicalism in the Middle East, thereby overshadowing the calculations of regional actors, further destabilising the region and upsetting an already delicate strategic balance.
- For Israel, Iranian capacity to build nuclear weapons constitutes an unbearable threat, especially given the possible future threat of Iran using nuclear weapons through proxies, and the risk of strategic crises born out of miscalculation.
- In any diplomatic solution, the P5+1 must insist on terms which will set the Iranians significantly back from their existing threshold capacity. These should include the cessation of uranium enrichment above 3.5%, the shipping out of Iran of any uranium enriched above 3.5%, the closure of the enrichment facility in Qom and the introduction of unfettered inspections. Under these terms Iran could be allowed to maintain limited 3.5% enrichment capacity and material in a well monitored site.
- Whilst Iran should be made aware that this deal is not about regime change, it should also know that the diplomatic avenue is time limited, that sanctions begin to relax only when Iran demonstrates real cooperation and that the West is prepared to use force if necessary against Iran's nuclear facilities.
- The military option should be regarded as a last resort, as it is likely to trigger a violent Iranian response, with the possibility to escalate into a significant regional armed conflict.
- With Iran's nuclear capabilities soon reaching a 'zone of immunity' from an Israeli strike, failing to stop Iran through sanctions and diplomacy, backed by the credible threat of force, will leave Israel having to decide in the coming months whether to use a unilateral military option.

## INTRODUCTION

Talks scheduled to begin in April between Iran and the P5+1 group have been characterised by US Secretary of State Hillary Clinton, among others, as "perhaps the last chance" to move forward diplomatically on Iran's nuclear programme. Diplomacy is now being conducted with an added sense of urgency given the impending Israeli decision on whether to strike the programme militarily. Israel has made clear that it considers a nuclear-capable Iran an unacceptable threat. With Iran's nuclear programme advancing, it believes the window for it to be able to stop Iran through unilateral military action may close within months.

This paper makes the case that Iran's nuclear programme is intended to actually construct nuclear weapons, not merely to develop the capability to do so or to serve civilian purposes. It then examines the threat this poses not only to Israel but to the wider region and the international community, and the consequences of action and inaction to stop Iran. It concludes that there is an overwhelming imperative on the international community to force Iran to change course through a combination of sanctions and diplomacy, to avoid putting Israel in a position where it has to decide whether to take military action.

### The military dimensions of the Iranian programme

The Iranian nuclear programme is designed to develop capabilities which could allow Iran to break out to a weapon. Some analysts question whether

this is the Iranian intention and point out that there is no concrete decision by the Iranian leadership to go all the way to a nuclear device. The US Administration has been using this argument to justify its own red lines for striking Iran: when the Iranians specifically decide to construct a weapon and start to do so.

In discussing this issue, a distinction should be drawn between a strategic decision and an operational one. While the Iranian regime has not taken the operational decision to build a nuclear weapon at this stage, there should be little doubt that it has made the strategic decision to work towards it. The Iranians are positioning themselves as a threshold state and they will sprint to construct nuclear weapons when they deem the circumstances to be ripe. International policy should therefore focus on the Iranian strategic decision, rather than hinging itself on the operational decision.

Even aside from the puzzle of why a country so rich in oil and gas would invest in nuclear energy, there is a sound basis for concluding that such a strategic decision by the Iranian regime has been taken:

1. The Iranian regime built its core nuclear facilities covertly and hid them systematically from the International Atomic Energy Agency (IAEA). Only after they became known internationally did it disclose them. This was the case with the major uranium enrichment facility at Natanz (exposed in 2002), the heavy water production plant in Arak (exposed in 2002) and the smaller uranium enrichment facility at Fordow, near the city of Qom (exposed in 2009). If the Iranian nuclear programme were a purely civilian one, why did the regime hide these facilities?
2. The enrichment facility near Qom is hard to explain other than for military purposes. It does not make sense to construct a civilian enrichment facility hidden deep under heavy mountainous rock within a military base and capable of holding only 3000 centrifuges. The facility is too small to be a viable source of civilian nuclear fuel, but is just big enough to reprocess low enriched fuel into weapons grade material.
3. In the last few years Iran moved to enrich uranium from the level of 3.5% to 19.75% - the

upper grade of low enriched uranium (LEU) that can still be considered for non-military use. Iran claims this is to produce fuel for the Tehran Research Reactor (TRR), which produces medical isotopes. However the amount of production far exceeds the small amount Iran needs for medical purposes for years to come. The Iranians have produced over half the amount of 19.75% enriched uranium needed for one bomb and continue to enrich. It is important to note that enriching uranium to military grade (over 90%) is significantly faster if done with 19.75% enriched material than with 3.5%.

4. Over the years, a large volume of credible and compelling evidence has built up indicating Iranian interest and activities in the field of nuclear weaponisation. IAEA reports, based on numerous sources, have methodically documented years of Iranian activities which are characteristic of a military nuclear programme and which are hard to explain otherwise. These activities include nuclear weapons related research and development, procurement of relevant materials and expertise, production by Iranian defence industries of components including advanced centrifuges, and testing. The information clearly indicates a programme management structure run by military related entities and individuals,<sup>1</sup> under the supervision of the ministry of defence.<sup>2</sup> The US National Intelligence Estimate (NIE) of 2007 concluded that there was an active weaponisation programme until 2003, which was frozen following the US invasion of Iraq. However, recent IAEA reports cite clear evidence that many of these activities continued or resumed after 2003, including in recent years.

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<sup>1</sup> For example, the IAEA points at Mohsen Fakhri-zadeh (Mahabadi) as the key person in the Iranian weaponisation efforts. Fakhri-zadeh, a professor of physics and probably an officer in the Iranian Revolutionary Guard (IRGC), was identified by Western intelligence reports as the executive officer of Iran's nuclear weapons programme. Since IAEA requests to interview him were denied he has been subject to a UN Security Council asset freeze and travel restrictions.

<sup>2</sup> Some aspects of the programme are probably supervised by the IRGC.

5. The IAEA report of November 2011,<sup>3</sup> includes a very detailed annex entitled "Possible Military Dimensions to Iran's Nuclear Programme," in which numerous Iranian activities are listed. It leaves little doubt as to real intentions behind Iran's programme. The evidence indicates that Iran's work has included: research on the conversion of uranium fluoride into uranium metal and production of hemispherical, enriched uranium metallic components required for a warhead; development of fast-acting detonators and neutron initiation typical of an implosion type nuclear device; high explosive testing and hydrodynamic experiments; re-engineering of a missile re-entry vehicle to accommodate a new payload; and additional nuclear related modelling studies. It is also worth recalling David Cameron's warning last month that Iran is developing intercontinental ballistic missiles, which would potentially provide a delivery system for nuclear warheads to reach as far as London.
6. As reported by the IAEA, Iran has systematically refrained from full cooperation and evaded tough questions relating to its programme, thus failing to dispel suspicions. It has also refused to implement the Additional Protocol to the Non-Proliferation Treaty, despite agreeing to do so in 2003. This protocol is supposed to allow the IAEA to conduct more intrusive inspections of its sites. It has specifically prevented inspection of some of the more sensitive suspected facilities, such as Parchin near Tehran, where hydrodynamic experiments are believed to have taken place.<sup>4</sup>
7. It is also hard to explain Iran's construction of a heavy water reactor in Arak (known as IR-40), which is part of the plutonium track of the programme, other than for military purposes. This reactor is typical of the type used for the production of plutonium for military purposes.

For the Iranian regime, with its self-image as a leading regional Islamic power, threatened by

Western civilisation, acquiring military nuclear capabilities makes strategic sense. It would significantly enhance Iran's standing, serve as an umbrella for power projection and provide deterrence against outside attacks. Iran sees several nuclear-armed states around it and believes it is no less worthy. Furthermore, Iran's leadership believes that Saddam Hussein and Muammar Gaddafi would still be in power (and Iraq holding on to Kuwait) had they held nuclear weapons. It draws encouragement from the examples of North Korea and Pakistan, who succeeded in breaking out to a weapon, and seem to have benefitted more than been harmed as a result.

### **The consequences of a nuclear-armed Iran**

#### *The threat of a nuclear strike on Israel*

The first question to be addressed is: what are the chances of Iran actually employing a nuclear weapon if it acquires one? This question is especially relevant to Israel in light of the Iranian threat to "wipe Israel off the map."

The question sparks a serious debate among analysts. Some believe that Iran is a rational actor and could be deterred. This belief rests on the track record of the regime, which has a history of making rational choices based on cost-benefit analysis, even when those choices meant ideological compromises. A relevant example is the decision by Iran to freeze uranium enrichment temporarily in 2003, after the US and UK invasion of Iraq, when Iran feared it might be next in line. According to this school of thought, while the Iranian value system is different, it is not characterised by a desire to commit national suicide. Others regard the Iranian regime as driven by a dangerous, apocalyptic, messianic fervour, making it essentially irrational.

However, even assuming Iran is a rational actor which can be deterred, this still warrants some caveats:

1. For Israel, the price of a mistaken assessment is prohibitive, because of the existential nature of the threat. Any possibility of an Iranian nuclear strike, however remote, still constitutes an unbearable threat, given the damage expectation from an Israeli point of view. As a small country with its urban centres and industry highly

<sup>3</sup> Implementation of the NPT Safeguards Agreement and the relevant provisions of Security Council resolutions in the Islamic Republic of Iran, *IAEA*, 8/11/2011.

<sup>4</sup> Experiments in which conventional high explosive are detonated to study the effects of the explosion on specific materials. Such experiments are used to study the behavior of a theoretical design of an implosion device, with fissile components being replaced by surrogate materials.

concentrated, much of Israel's population and economic capacity could be affected by a single nuclear strike.

2. The threat would be exacerbated if the Iranians find a way, in years to come, perhaps through proxies, to use a nuclear device in a deniable manner.
3. The hostility between Iran and Israel, the Israeli perception of an existential threat, and the lack of any direct and credible communication channels between the two, increase the chances of strategic crises born out of miscalculation.

#### *The impact on the strategic balance in the region*

In any case, a nuclear-armed Iran would seriously upset the strategic balance in the Middle East and further undermine its stability. The reality or perception of a nuclear-armed Iran is likely to trigger a nuclear arms race in the region. Many regional actors are fearful of a 'Shiite bomb'. Some of them, especially Saudi Arabia, Turkey or even Egypt, could seek to counter-balance the threat with their own nuclear capabilities. The Saudis said as much to the US, and this author heard a similar statement from a senior Turkish official several years ago. It would be a mistake to dismiss these comments and to assume that the lack of basic infrastructure in these countries, or international pressure, would stop them. The Saudis could shorten the distance by buying knowledge and components from Pakistan.

A nuclear arms race in the region would spell the end of the international non-proliferation regime, which by and large held for several decades under the Non-Proliferation Treaty (NPT). The Middle East, with Islamists controlling nuclear weapons, will become a much more dangerous place than it already is, harder to balance and prone to nuclear crises.

Moreover, acquiring nuclear weapons will enhance Iran's position as a mainstay of radicalism in the Middle East, overshadowing the calculations of regional actors and upsetting the already delicate strategic balance.<sup>5</sup> Under the newly acquired

<sup>5</sup> In public remarks in July 2010, UAE ambassador to the US, Yousef Al-Otaiba, said that he is not willing to live with a nuclear-armed Iran and added: "There are many countries in the region that if they lack assurance that the US is willing to confront Iran, they will start running for cover with Iran."

umbrella of nuclear deterrence, Iran can be expected to further escalate its existing destabilising power-projection. This would include threatening Israel and moderate Arab regimes, undermining any peace process, backing proxies in Lebanon, Iraq, Afghanistan and elsewhere, manipulating energy markets and posing as guardians of certain Muslim communities even beyond the Middle East. Iran's proxies, such as Hezbollah, will be emboldened. Future confrontations between them and Israel under the shadow of a nuclear-armed Iran may turn into a more complicated and dangerous challenge for Israel. Over time, one cannot rule out proliferation of nuclear capabilities to non-state actors. Containment and deterrence will do little to offset these severe consequences.

#### **Sanctions and Diplomacy**

There is a wide consensus that sanctions, diplomacy and covert pressures should be given priority at this phase as a means to influence Iranian nuclear policy. This is especially true when the Iranians are beginning to pay, for the first time, a significant price through sanctions for their continued defiance.

Reaching a diplomatic nuclear deal with Iran is a big challenge. The decision by Iran to temporarily suspend uranium enrichment in 2003, among other historic examples, suggests that pressure may ultimately bend the regime, but only under exceptional circumstances. This is due to the paramount value placed by the regime on its nuclear programme and the strong belief of the Supreme Leader, Ayatollah Ali Khamenei, that the West seeks regime change and that concessions would put his regime on a slippery slope.

It is hard to see Iran agreeing to any deal which does not allow it to continue uranium enrichment to at least 3.5%, and which does not gradually lift international sanctions. On the other hand, the P5+1 group must set clear conditions on any acceptance of residual Iranian low-enrichment capabilities. These conditions must set the Iranians significantly back from their existing break-out threshold capacity. They should include thorough inspection of these residual capabilities and attach heavy price tags for breaking the terms of any deal. In this context, the P5+1 should insist on nothing less than the complete

cessation of any enrichment above 3.5% and the shipping out from Iran of any enriched material exceeding 3.5% to a trusted destination. They should also insist on the decommissioning of the enrichment facility in Qom (where enrichment to 19.75% now takes place), the introduction of unfettered inspections, and cooperation with the IAEA on questions relating to military dimensions of the programme. Under these terms, Iran could be allowed to enrich to 3.5% and to maintain an agreed-upon amount of 3.5% enriched uranium - less than that required for one bomb - in a well monitored site in Iran.<sup>6</sup>

Iran has so far rejected all proposals to limit its enrichment capacity. On April 8, the head of its atomic energy agency, Ferydoon Abbasi, specifically dismissed any international demand to close the enrichment facility in Qom as 'illogical'.<sup>7</sup> However, there are ways to increase the chances of a deal:

1. Special attention should be given to ensuring a unified P5+1 position through the US and Europeans holding an ongoing, constructive dialogue with Russia and China. In this context the Russians and Chinese could play a role in implementing some of the terms of a deal (such as shipping enriched material out of Iran and providing in return fuel rods for Iranian civilian purposes). They could also help convey Western assurances that the proposed deal is not masking attempts at regime change.
2. It should be clear to the Iranians that this is their last diplomatic chance and that it is limited in time, measured in months. This is to ensure that they cannot play for time while advancing their programme as they have done in the past. The P5+1 powers should be particularly wary of Iranian proposals which appear to show a readiness to compromise, but which on closer inspection do not address the core issues. Iran has used such tactics in the past to divide the international community and to prevaricate.

3. Sanctions should be maintained, strengthened and enforced until the Iranians agree to international terms and demonstrate convincingly that they are fulfilling them.
4. A credible military option should be kept on the table as a necessary backbone to sanctions and diplomacy. It is important to make clear to Iran that failing a diplomatic solution, the military option, and not containment, is the next tool in the box.

### **The consequences of striking the Iranian programme militarily**

There are currently two credible military options, Israeli and American. The latter is naturally more robust in terms of its potential impact, sustainability and ability to prevent Iran from rebuilding its capabilities. The US is clearly unenthusiastic about an Israeli military option and has asked Israel to give sanctions and diplomacy more time.

The military option should be regarded as a last resort as it entails serious undesirable consequences. A military strike on the Iranian nuclear programme is likely to trigger a violent Iranian response, both directly and indirectly. This may include the use of Iranian missiles and rockets against Israel, including by proxies such as Hezbollah, which has approximately 45,000 rockets. It will also likely include a global terror campaign. Israel will be targeted even if the US strikes, and the post-strike scenario could escalate into a significant regional armed conflict, including escalation on the Israel-Gaza front as well as the Israel-Lebanon front. The volume and impact of such a conflict may be mitigated by the domestic upheaval in Syria and its weakening effect on Hezbollah. Furthermore, most of the Arab states, preoccupied with the Arab Spring, will quietly applaud a military strike whilst publicly condemning it.

At the same time, a military showdown will probably lead to a spike in oil prices. Markets will fear possible aggressive acts by Iran in the Strait of Hormuz, although in reality Tehran is unable to close the Strait for long and disrupting oil exports would be self-defeating. It should also be noted that global

<sup>6</sup> Iran currently has a stockpile of five tons of 3.5% enriched uranium, which could be used to make four nuclear devices.

<sup>7</sup> White House toughens stance on Iran ahead of weekend talks, Asher Zeiger and AP, *The Times of Israel*, 10/04/2012.

strategic oil reserves and the willingness of Saudi Arabia to compensate the global market for the loss of Iranian oil (which is less than 2.5% of global oil consumption and decreasing) could check price rises over time.

The big challenge on the day after would be to prevent Iran from rebuilding its programme. This would require strong international resolve to maintain the sanctions in the face of a wounded and defiant Iran, which could decide to deny further inspection of its programme and take it fully underground. This challenge should not be underestimated.

### Triggers and Timetables for Military Action

Despite a very keen awareness of the risks of military action, there is a growing sense of urgency in Israel. This is driven by the fact that Iran has begun to immunise critical components of its nuclear programme. Specifically, Iran has moved to operationalise the enrichment facility near Qom, which appears invulnerable to Israeli airstrikes, and reportedly plans additional enrichment facilities in underground tunnels. Israel is concerned that if the Iranian programme entrenches itself in a "zone of immunity," as defined by Israel's minister of defence Ehud Barak, it would deny Israel a viable military option. Israelis are loath to depositing their vital national security interests in the hands of others, even their closest allies, especially when none of them share the existential dimensions of the threat facing Israel.

The US and Europeans are focused on preventing Iran having nuclear weapons. However Israelis argue that the undoubted military dimension of the Iranian programme, along with the regime's nature and ideology, justify a policy of preventing Iran having even the capability for nuclear weapons. The Israeli leadership is giving some time for newly introduced sanctions and diplomacy to work, but it has publicly defined its decision time as measured in months.<sup>8</sup>

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<sup>8</sup> Israeli Prime Minister Benjamin Netanyahu, after his March 5 meeting with President Obama, and Ehud Barak in a recent interview given to CNN, defined Israel's timetable as measured, "not in days or weeks, but also not in years."

From an Israeli perspective, defining the red line for action as an Iranian decision to actually construct a weapon is too risky. It may allow Iran to stand at the threshold of weaponisation for a long time, while developing and immunising their capabilities. They could put themselves in the position to sprint to a weapon in a short period of time, under conditions making it harder for the outside world to detect early on, and to stop Iran through a surgical strike.

### Conclusion

With the looming possibility of an Israeli military option, biting sanctions being applied for the first time, and President Obama ruling out containment, it seems that the game is narrowing down. If sanctions, diplomacy and additional types of pressure fail, in the near future, the military option – Israeli (earlier) or American (later) – may lead the way.

It may not be too late to avert a military showdown, but the next few months may represent the last chance to resolve the situation diplomatically. The US and like-minded states in Europe and elsewhere should act with a sense of urgency. They should continue to increase economic, diplomatic and covert pressures on Iran, whilst outlining a clear diplomatic exit, with a well-defined timeframe and terms.

The Iranian nuclear challenge is a daunting one. Making decisions in this context requires a careful examination of the consequences of both action and inaction. Failing to force Iran to stop through sanctions and diplomacy, will put Israeli decision makers in a position of having to decide very soon whether to use a unilateral military option. This would be one of the toughest decisions any Israeli leader has had to make since the inception of the state.

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Cover Photo: Iranian President Mahmoud Ahmadinejad speaks at a ceremony in Iran's nuclear enrichment facility in Natanz. (Hasan Sarbakhshian/AP/Press Association Images.)