

Executive Memorandum

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Iran's Latest Nuclear Charade

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After many years of concealing and lying about its extensive nuclear programs, Iran has reached an arrangement with three European Union countries—Britain, France, and Germany—to freeze its uranium enrichment efforts while it negotiates a possible future agreement to forgo the development of nuclear weapons in return for a large package of economic carrots, including support for its nuclear program. This easily reversible tactical retreat by Tehran appears to be designed to mollify the board of governors of the International Atomic Energy Agency (IAEA) before its November 25 meeting, at which the board could condemn Iran's suspicious nuclear efforts and refer the matter to the U.N. Security Council for possible sanctions.

The Bush Administration, which has long pushed for sanctions against Iran's nuclear efforts, should now seek to limit severely the scope of foreign cooperation with Iran's nuclear program in the agreement that will be negotiated to guarantee that Iran does not obtain nuclear weapons.

The Triumph of Hope over Experience. Recent revelations have bolstered long-held suspicions that Iran is using its nuclear power program to mask a clandestine nuclear weapons program. In 2002, an Iranian opposition group exposed the existence of a secret Iranian nuclear facility at Natanz, which is part of a pattern of activities by Iran that is almost certainly inconsistent with its obligations under the 1968 Non-Proliferation

Treaty (NPT). This led to an IAEA investigation that subsequently forced Iran to admit that it had concealed other troubling nuclear activities, including extensive efforts to acquire the fissile material needed to build a nuclear weapon.

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- Any European agreement with Iran on its nuclear programs should restrict Iran's access to nuclear technologies and materials.
 - Iranian compliance must be verifiable.
 - Iranian noncompliance should automatically trigger broad-based economic sanctions.
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To dissuade Tehran from continuing its efforts to attain nuclear weapons, Britain, France, and Germany have offered Iran substantial economic incentives, including access to imported nuclear fuel, in return for suspending production of enriched uranium, which could create fuel

for nuclear reactors or the explosive material for nuclear weapons. The EU would also resume talks on a lucrative trade deal and support Iran's bid to join the World Trade Organization.

Iran cannot be trusted to comply with its new nuclear commitments. A similar Iran–EU deal negotiated a year ago fell apart after only six months. Although Iran pledged to suspend production of enriched uranium and to submit to more intensive inspections of its nuclear facilities, Tehran continued to take steps to obtain the fissile material necessary to build a weapon. This time,

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the Iranians have made clear that the suspension is only a voluntary step. European diplomats expect that the negotiations will take up to two years. In the meantime, Iran could exploit its position by undertaking a wide variety of dangerous nuclear development activities with foreign cooperation.

Europe's effort to bribe Iran to comply with its NPT commitments is the wrong approach because it allows Iran to use the NPT as a cover for its illegitimate nuclear weapons program. This loophole results from misinterpreting the NPT as entitling countries such as Iran to wide access to nuclear technology. However, the treaty allows such access only if the recipient government unambiguously renounces—in both words and deeds—nuclear weapons. Moreover, the scope of foreign cooperation is left to the judgment of the supplier states, which have a responsibility to make prudent judgments regarding the proliferation risks of any support provided to Iran. Iran's activities in recent years should disqualify it for significant foreign cooperation.

What the U.S. Should Do. Iran should not be allowed to use the NPT in a way that defeats the NPT's purpose. The Bush Administration should insist that:

- **The appearance of a diplomatic breakthrough should not be used to mask a festering proliferation problem.** Any deal should restrict Iran's access to nuclear technologies and materials. Iran is not entitled to the broad array of technologies and facilities that it seeks, and the Europeans must be careful not to allow Iran to define any nuclear assistance as an entitlement. This will require the Europeans to lead a broad international effort to impose severe limits on what Iran may receive and to withdraw some of the prior cooperative arrangements, including arrangements to fuel its Bushehr reactor.
- **Iranian compliance must be verifiable.** The United States should demand safeguards beyond Iran's voluntary additional protocol agreement with the IAEA. The U.S. should

insist that Iran allow inspections by U.S. and EU teams in addition to IAEA inspectors.

- **Iranian noncompliance should automatically trigger economic sanctions.** At the November 25 meeting of the IAEA board of governors, Washington should press for a resolution that would automatically terminate any international cooperation with Iran's nuclear program if Iran interferes with safeguard arrangements or is found to be operating a clandestine facility. The resolution should also call for broad-based economic sanctions under these circumstances.
- **The NPT should be reinterpreted.** Any deal with Iran should include a permanent renunciation of nuclear enrichment and reprocessing capabilities. However, Iran is unlikely to accept this unless it also applies to other countries. The Bush Administration needs to continue the effort to deny enrichment and reprocessing equipment and technologies to states that do not already have functioning facilities. (This effort is the subject of ongoing deliberations in Nuclear Suppliers Group meetings.)

Conclusion. Short of military action or regime change in Tehran, the U.S. cannot immediately halt Iran's nuclear weapons program. However, the U.S. can refuse to support a charade that contains the same flaws as the 1994 Agreed Framework with North Korea, which masked a proliferation crisis while giving the proliferator the means to accelerate its weapons program. The Bush Administration should make clear that it will work closely with the European negotiating partners to ensure that any agreement with Iran has strong verification measures and would not enhance Iran's nuclear efforts if Tehran later reneges on the agreement. The United States, like its friends and allies in the region, should not simply ignore any efforts by Iran to proceed with its nuclear programs.

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