
Iran's Bomb: A Crisis Deferred?

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There is no definitive proof that Iran is trying to build a nuclear weapon or has decided to cross the nuclear threshold. However, circumstantial evidence suggests that Tehran is positioning itself for an eventual nuclear breakout capability. According to this strategy, Iran will endeavor to remain within the legal confines of the Nuclear Nonproliferation Treaty (NPT) while acquiring the technological prowess necessary to develop a nuclear weapon. Iran is on the verge of mastering the nuclear fuel cycle, which would provide it with enriched nuclear material and put it within striking distance of a nuclear weapons capability. While ongoing European efforts to deter Iran from this course have met with limited success, ultimately these efforts are only deferring a crisis over Iran's nuclear agenda. The window of opportunity is rapidly closing, if it has not already shut. From Tehran's perspective, the strategic outlook that drives its nuclear ambitions remains ominous. Domestically, Iranian popular opinion has coalesced in support of the nuclear program, and voices advocating a hard line on the issue are growing more influential and strident.

While it may already be too late to deter Iran from its nuclear path—if, indeed, there is still time left—immediate action is required. The United States and Europe must closely coordinate to present Iran with a menu of incentives and penalties that will encourage moderate behavior. In the end, however, only the United States can bring to the table the economic and security guarantees that might provide the basis for a permanent settlement to the nuclear dispute. Iran will eventually enter the nuclear club of nations, but the United States can help to ensure it does so as a peaceful member. Even with Washington's participation in the process, success is far from certain. However, without it, failure seems assured.

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IRAN'S NUCLEAR PROGRAM

During the past two decades, most analysts believed that Iran's nuclear infrastructure was relatively limited and unsophisticated. Foreign intelligence agencies offered differing timelines for an Iranian bomb. Some, like the Israeli estimates, were more urgent than others. Most U.S. intelligence estimates asserted that Iran was probably close to a decade away from developing a nuclear weapon. Despite these concerns, however, inspectors from the International Atomic Energy Agency (IAEA), the international body charged with verifying each nation's compliance with the Nuclear Nonproliferation Treaty, gave Iran a clean bill of health. The agency's nuclear inspectors uncovered no evidence indicating that Iran's nuclear program consisted of more than the civilian nuclear power station under construction at Bushehr on the Persian Gulf and the declared research reactors in Tehran and Esfahan.¹ Though Western intelligence agencies believed otherwise, throughout the 1990s, Iran remained in good standing with the IAEA in Vienna.

Revelations in 2002 forced many analysts to revise their conclusions about Iran's nuclear intentions. In August of that year, an Iranian opposition group disclosed news of undeclared nuclear facilities at Natanz and Arak. The IAEA later confirmed that a pilot-scale facility with a cascade of 160 centrifuges was operating at the (as yet uncompleted) Natanz site, and that Iran intended to build as many as 5,000 more.² These centrifuges, based on a Pakistani design, are capable of producing either the low-enriched uranium fuel needed to run a nuclear power plant or the highly-enriched, weapons-grade uranium required for a nuclear bomb.³ The Arak facility appears to be designed for the production of the heavy water in heavy water reactors, which could provide an alternative pathway to the production of weapons-grade plutonium.⁴

Tehran has always insisted that its nuclear program is designed strictly for power generation. However, IAEA inspectors subsequently established an unsettling Iranian record of concealment, lies, and obfuscation, suggesting that Iran is developing a nuclear weapons breakout capability under the cover of its civilian nuclear program. Analysts questioned Iran's need to master the nuclear fuel cycle, noting that Russia is committed to lifetime fuel servicing of the Bushehr nuclear power station, currently under construction. Relying on Russia, they say, would be a more economical option for Iran than developing its own capability.⁵ The U.S. State Department noted that the reactor at Bushehr does not require heavy water, and Iran's existing research reactors use too little of it to justify an indigenous source, all of which calls into question the *raison d'être* for the Arak facility in a civilian program.⁶ In response to these concerns, Iran announced for the first time that it intended to build a 40 megawatt heavy water reactor at Arak—part of a long-term program to produce a number of such reactors. Tehran also

insisted that it had to develop a self-sufficient fuel source, given U.S. attempts to deny Iran access to even civilian nuclear technology. Washington then insisted that Iran's attempts to conceal what turned out to be relatively advanced and sophisticated enrichment activities suggested more sinister motives. By the spring of 2003, a crisis over Iran's nuclear program was brewing.

Concerned that it was next on Washington's regime change agenda, Tehran turned to Germany, France, and the United Kingdom (the EU-3) for a diplomatic solution. In October 2003, Iran agreed to voluntarily suspend its enrichment and reprocessing activities and accept the more intrusive, anytime-anywhere IAEA inspections specified in the Additional Protocols to the 1968 Non-Proliferation Treaty. Iran officially signed the Additional Protocols on December 18, 2003.⁷ In return, the EU-3 assured Tehran that it would not be referred to the UN Security Council to answer for its previous NPT violations. The EU-3 also held out the prospect for expanded economic ties and guaranteed access to civilian nuclear technology once a permanent resolution to the enrichment issue was achieved.

The optimism surrounding Europe's "soft power" approach, however, proved premature. The EU-3-Iran interim agreement was not popular in Iran, where it was seen broadly as a capitulation and an infringement of the country's right to pursue peaceful nuclear development as specified by the NPT. Perhaps sensing that the United States was preoccupied with Iraq, Iran backed out of the agreement in early 2004. In January 2004, Iranian officials declared that they would continue to produce centrifuge components, assemble centrifuges, and produce uranium hexafluoride (UF₆)—the feed material for uranium enrichment. The Europeans considered all of these actions as enrichment activities and as violations of the interim agreement. By June 2004, when Iran formally announced a resumption of these activities, the EU agreement appeared to be doomed.

In the meantime, concerns about the Iranian program were mounting in Vienna, where the IAEA had identified discrepancies in Iran's disclosures. The agency suspected that Iran was concealing designs for more advanced P-2 centrifuges. IAEA environmental samples also indicated traces of low-enriched uranium on some Iranian equipment, raising the possibility that Iran had already mastered the fuel cycle. At a meeting in September 2004, the IAEA reiterated that Iranian cooperation in the verification process had been inconsistent. While there was no smoking gun pointing to an Iranian nuclear weapons program—and in some areas cooperation with the agency had improved—a pattern of undeclared

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activities and a demonstrated interest in perfecting an independent fuel cycle capability still worried the Agency. Embarrassed by Iran's decision to shelve the earlier agreement, the EU-3 hardened its position, backing an implicit threat of referral to the UN Security Council for past violations. Faced with a united front on the enrichment issue, Iran adopted a new suspension agreement with the EU-3 in Paris on November 15, 2004.

THE PARIS AGREEMENT

Essentially, the Paris Agreement resurrected the original 2003 EU-3-Iran deal, with some important improvements. While the former deal had been sufficiently vague regarding the scope of enrichment activities to allow Iran to test its parameters, the Paris Agreement was more specific. Tehran reaffirmed that it would not seek nuclear weapons and agreed to honor the terms of the Additional Protocols until its ratification by the Iranian parliament. All activities related to uranium enrichment, including the manufacturing and importing of centrifuge

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equipment and components, installation and testing, as well as any activities related to plutonium separation, would be voluntarily suspended. Iran also agreed to stop producing feed material, though it delayed implementation briefly in order to produce a few tons of the UF₆.

The duration of the suspension had been another problem in the original 2003 interim agreement. The Europeans had hoped for an indefinite suspension of enrichment activities while a permanent agreement was sought. Tehran had argued for a finite period of time. Under the terms of the Paris Agreement, however, all parties accepted that the suspension would hold for as long as negotiations proceeded in a constructive direction. The IAEA would monitor the terms of the agreement, which were set forth in an IAEA resolution on November 29, 2004. In a notable concession, the resolution did not contain a provision for automatic referral to the UN Security Council if Iran failed to live up to its commitments.

The European initiative has accomplished a great deal. But it is far from clear whether it can produce an enduring solution to Iran's nuclear challenge. Europe has embraced the policy of engagement, despite insufficient evidence that the policy encourages moderate behavior from Tehran, especially in the absence of credible threats. Iran clearly values its economic ties with Europe, but its decision to abandon the original EU-3 deal and continue its enrichment activities

suggests that Tehran is undertaking a complex cost-benefit analysis regarding its nuclear capabilities. European economic incentives alone are not enough to decisively influence the outcome of this analysis. The outcome of future negotiations remains highly uncertain as long as Iran's deep-seated strategic motivations go unaddressed.

IRAN'S STRATEGIC PERSPECTIVES

Ongoing negotiations continue to focus on the status of Iran's fuel cycle activities. Iranian negotiators have consistently maintained that Iran's suspension of enrichment activities is a temporary confidence-building measure. The same day that Iran signed on to the Paris Agreement, chief negotiator Hassan Rowhani told Iranian state television that suspension was expected to last months, not years.⁸ There have been no indications in the meantime that Tehran is prepared to give up its enrichment rights as specified under the terms of the NPT. A chorus of Iranian officials has repeatedly insisted that a permanent enrichment moratorium "was not on the table, will not be on the table, and should not be on the table."⁹ Similarly, Iranian negotiators have rejected offers to substitute a light-water research reactor for the heavy-water reactor they hope to complete at Arak.¹⁰

Several mutually-reinforcing factors influence Iran's negotiating position. As in Israel, Iran's sense of isolation from its Arab neighbors and the international community has ingrained self-sufficiency as a guiding principle in matters of Iranian national interest. Even if Tehran has no interest in a weapons capability, Iranians—acutely conditioned by 25 years of international hostility—would still value an independent fuel cycle. As Hossein Moussavian, a top Iranian negotiator on the nuclear issue explained: "the Islamic Republic cannot rely on the fuel the Europeans are offering because they might withdraw it any time there are differences in relations. ... We need to become independent in providing our own fuel."¹¹

Iranians hesitate to rely on the assurances offered by the international community regarding their security. The eight-year war with Iraq was a traumatic and formative experience for Iran; much of the world looked on in silence as Iran suffered from Saddam's obsession with chemical weapons. Washington's acceptance of Israel's nuclear arsenal contrasts with its attempts to interdict even peaceful nuclear technology in the case of Iran. This apparent double standard convinces Iranians that international conventions are selectively applied.

More recent events have helped to accelerate Iran's strategic timetable. The overthrow of Saddam Hussein in Iraq removed one important rationale for Iran's nuclear program. However, the U.S. invasions of Afghanistan and Iraq added another in its place by completing Iran's virtual encirclement by American forces. "Operation Iraqi Freedom" concluded a process that began with the 1991 Gulf War, a process in which the United States overtook Saddam Hussein as

Iran's primary strategic challenge. The selective application of the Bush Doctrine of preemption also convinced Iran's clerics that an independent nuclear deterrent may be the only way to guarantee regime survival. The contrast between ongoing negotiations with North Korea and the invasion of Iraq suggested to Tehran that the United States is prepared to bargain with those who have a strategic deterrent and to invade those who do not. Indeed, the case of North Korea suggests that substantial economic and security gains can be derived from the possession—or possibility—of a nuclear arsenal.

Beyond the immediate threat from the United States, geo-strategic shifts in the Gulf offer uncertain prospects for Iran's future security. Though an Arab Shi'i

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majority appears ascendant in Iraq, the degree to which it will identify with its Persian coreligionists in Iran is far from clear. The United States may one day attempt to balance and contain Iranian power in the Gulf by building the new Iraq into a regional power. The possibility that an American-backed Iraq could once again assert itself in the Gulf will continue to be a cause for concern in Iran and elsewhere in the region. In addition, the nuclear-armed standoff between India and Pakistan in neighboring South Asia is likely to endure for some time and could spill over into the greater Middle East. From Tehran's perspec-

tive, then, there are abundant reasons for joining the nuclear club—few of which can be outweighed by European promises of economic benefits.

THE DEBATE WITHIN

Iran-watchers often contend that there is no serious internal debate about whether Iran should cross the nuclear weapons threshold. Iranians of all political stripes, so the argument goes, appreciate that a weapons capability imparts security and enhances national prestige. This is true to an extent. However, a subtle debate has taken place among Iran's clerical elite regarding the virtues, manner, and timing of a nuclear breakout.¹² Unsurprisingly, revolutionary ideologues in Tehran generally favor crossing the nuclear threshold as soon as possible—regardless of the costs. “What is wrong with considering this treaty on nuclear energy and pulling out of it?” asked Ayatollah Ahmad Jannati, conservative head of the Guardian Council. After all, he noted, “North Korea withdrew.”¹³ According to the viewpoint represented by Jannati, nuclear weapons will safeguard the legacy

of the Islamic revolution and restore its flagging credibility. At the very least, the resultant international hostility or sanctions could provide conservatives with an excuse to extend their monopoly on political power and economic patronage. It may even serve to rally popular support around the regime. For Tehran's clerical hardliners, already accustomed to international isolation, the price for crossing the nuclear threshold is worth paying.

Other political factions, however, tend to be more sensitive to the penalties associated with crossing the nuclear weapons threshold. These elements do not advocate renouncing nuclear power or an eventual weapons capability. Instead, they favor positioning Iran within reach of a nuclear weapons breakout, but remaining within the legal confines of the NPT. Over the last decade, Iran embarked on a good neighbor policy with most of the countries in the region, and it reestablished ties with various Arab regimes and Europe. More moderate voices warn that this progress will be jeopardized if Iran is again perceived as a threat by its neighbors and beyond. A nuclear Iran could drive the Gulf States closer to the United States, and Iran's reintegration into the international community would come to an abrupt halt. Iran would certainly pay a price for crossing the nuclear threshold. As Iran's deputy foreign minister warned, "international sanctions would be very difficult for us and would be even more devastating than a military [attack]."¹⁴

But the gap between those who favor caution and those who take a hard line on the nuclear issue is narrowing. Domestic considerations are playing an important role in driving Tehran closer to the political threshold that it must cross on its way toward a nuclear weapons capability. In February 2004, conservative forces rigged the national parliamentary election by summarily disqualifying more than 2,000 reformist candidates.¹⁵ The resultant conservative "victory" effectively ended the reformist-conservative competition that had marked Iranian politics for much of the last decade. It also foreshadowed a general swing to the right for the Iranian state. Conservative power centers, such as the Revolutionary Guard Corp (IRGC), have assumed more prominence in the economic and political life of the nation.¹⁶ Likewise, the already considerable influence of *bonyads* (conservative religious foundations) has increased.¹⁷ The process of conservative consolidation will be completed in May 2005, when pragmatic and hard-line elements within the conservative camp vie for the post of president.

Some Western analysts surmised that the defeat of the reformist movement represented a victory for the pragmatic wing of the conservative camp. Like their hard-line counterparts, the so-called pragmatic conservatives reject democratic pluralism but recognize the need for liberal economic and social reforms to appease the population and preserve the regime.¹⁸ This strategy, often cited as the "China model," also envisions moderating Tehran's more confrontational policies so that Iran can fully integrate into the international economy. On the nuclear issue, Iran's

pragmatic conservatives are supposedly prepared to play the North Korea card—bargaining away aspects of the nuclear program in return for the security and economic guarantees that ensure regime survival. According to this analysis, the pragmatic conservatives might be willing to undertake a far-reaching dialogue with the West that would include an accommodation on the enrichment issue.¹⁹

Events since the 2004 election, however, have cast doubt on this analysis. The new Iranian parliament quickly adopted a hard line on the nuclear issue. It refused to ratify the Additional Protocols and portrayed the EU-3 deliberations as a capitulation. Elsewhere in the government, top positions have been filled either by veterans of the Revolutionary Guards or close associates of Iran's conservative Supreme Leader, Ayatollah Ali Khamenei. These officials have acted to limit rather than encourage foreign participation in the Iranian economy, either because it is seen as ideologically suspect or to protect their own expansive interest in the unofficial economy. Conservative intervention has inhibited foreign investment in flagship projects ranging from telecommunications to automobile manufacturing to administration of Tehran's new but dormant international airport. Taken together or alone, these projects were a bellwether for Iran's new investment climate. Their cancellation calls into question the premise that economic carrots will translate into diplomatic leverage in Tehran.²⁰

Driving a hard line on the nuclear issue is also providing conservatives with a rare opportunity to generate public support in their favor. Over the past few years, powerful constituencies have declared their support for the Iranian nuclear program. Student organizations, bureaucratic power centers, members of the defense industrial base, important elements in the military, and politicians from

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across the political spectrum have joined a passionately nationalist population in their call for the government to exercise its full rights under the NPT. These groups remain wary of any concession that appears to infringe upon Iranian sovereignty. In October 2003, Iranian student groups, typically associated with pro-democracy rallies, instead took to the streets to protest the adoption of the NPT's Additional Protocols.²¹ Given the degree to which popular opinion in Iran is coalescing around the

nuclear issue, a deal which falls short of allowing a civilian nuclear energy program is a nonstarter. The time is quickly approaching when major concessions on issues like fuel-cycle rights will be viewed as capitulations that strike at the heart of Iranian national pride and prestige and therefore will be perceived as politically untenable.

Though the key decision makers have not changed, Iran's unfolding political drama has served to harden their stance on nuclear negotiations. While some of this is undoubtedly posturing, the shift in the political balance of power within Iran clearly favors bolder ideologues like IRGC Chief General Rahim Safavi and Council of Guardians Secretary General Ayatollah Ahmad Jannati. Both are vocal critics of foreign influence and ardent hardliners on the nuclear issue.²² As the nuclear dispute provides these conservatives with the opportunity to assume the role of champion of Iranian nationalism, their posture is likely to harden further. In March 2005, Tehran rejected IAEA requests for a second visit to the Parchin military complex, a suspected testing facility for nuclear detonators.²³ The refusal suggests that the consensus supporting cooperation with the Europeans on the nuclear issue has grown more fragile.

WASHINGTON'S RESPONSE

The Bush administration has been deeply divided about how to respond to the challenge of Iran. A number of influential administration hawks remain doubtful that engagement will curtail an Iranian nuclear program, and have argued forcefully for robust efforts to pressure the clerical regime through sanctions, political pressure, and the threat of force.²⁴ Similarly, more moderate voices inside the U.S. government have lobbied for engaging Iran in broader negotiations on a variety of security issues or at least supporting European efforts to thwart its nuclear weapons ambitions. For much of the Bush administration's first term, this division led to effective policy paralysis on Iran.

The Bush administration's hawkish skepticism about engagement and negotiations has some merit. For years, U.S.-Iran policy held out the prospect of negotiations, but attempts at diplomatic outreach ended in futility or embarrassment. The brief prospect of warmer relations that followed the invasion of Afghanistan in 2001 ended when Israeli commandos seized a ship bound for Palestine, allegedly laden with Iranian weapons, and later, when President Bush identified Iran as part of the "Axis of Evil."²⁵ Whether by rhetorical excess or ill-conceived foreign adventurism, both sides have found it easy to put the brakes on potential rapprochement during the past 25 years.

Washington's reluctance to participate in more direct negotiations, however, has led to missed opportunities. Iran reportedly approached U.S. officials following the invasion of Iraq in spring 2003 with an offer to negotiate on the nuclear issue.²⁶ Washington rebuffed Tehran, and when the U.S. position in Iraq began to deteriorate shortly thereafter, a more confident Iran lost its interest in direct negotiations.

Consequently, the United States is left today with a limited and unappealing array of policy options. The preemptive use of military force as a tool of

counter-proliferation policy envisioned in the Bush Doctrine ran into problems in Iraq. Far from dissuading Iran from its path, the invasion of Iraq probably accelerated Tehran's nuclear timetable. Moreover, U.S. forces are now spread so thin that a similar military option in Iran is simply not viable. While the possibility of American or Israeli surgical air strikes to neutralize Iran's nuclear program has received much attention in the press, this option also faces a number of serious obstacles. The 1981 Israeli air strike on the Iraqi Osiraq nuclear reactor represented the outer limits of the Israeli air force's strike capability. Iran is beyond the reach of Israel's longest range bomber and separated by potentially unfriendly airspace. The United States is better positioned to carry out such an operation. However, as the story of Saddam's weapons of mass destruction (WMD) illustrates, reliable intelligence on the presence or absence of WMD-associated facilities can be elusive. Iran's nuclear infrastructure, as far as anyone knows, is well-distributed, hardened, and redundant. It may also be largely self-sufficient. Thus, an air campaign would likely have only a limited impact on Tehran's nuclear agenda.²⁷ Regardless of the effectiveness of air strikes, Iran would feel compelled to retaliate, and the reconstruction effort in neighboring Iraq would be a logical and tempting target.

With no attractive military option at its disposal, the United States must rely on more traditional counter-proliferation measures. But these may also be insufficient in meeting the challenge of Iran's nuclear program. The sophisticated nature of Iran's nuclear facilities and recent revelations about the international nuclear black market network run by Pakistani A.Q. Khan, all suggest that technological denial is no longer a suitable strategy.²⁸ Nor does Libya's 2004 agreement for comprehensive WMD disarmament provide a likely model for Iran to follow. Iran has invested far more in its nuclear program than Libya, and its strategic motivations are more deeply imbued. Moreover, responsibility for strategic decision making in Tehran extends far beyond any one Qaddafi-like figure.²⁹ Given the degree of enmity that exists between the two nations, Iran is not likely to simply disarm on terms favorable to the United States.

The United States has also failed to foster international support for referring Iran to the UN Security Council for sanctions. As long as Iran's enrichment suspension is in place, the Europeans are content to continue negotiations. But even if the Europeans agreed to a referral, it is unclear whether such a move would yield desirable results. Iran has taken adept steps to insulate itself from the Security Council by extending lucrative investment opportunities and energy deals to both Russia and China.³⁰ Some developing nations may prove reluctant to support sanctions given their interest in future access to civilian nuclear technology. Thus, referring Iran to the Security Council could not only fail to produce sanctions, but could also provide Iran with an excuse to move outside of IAEA oversight.

With few attractive options available by late 2004, the United States was relegated to the role of skeptical observer of the EU-3–Iran deliberations. Ambassador-designate to the United Nations John Bolton, the State Department's lead man on proliferation issues, made little effort to hide his disdain for the diplomatic process or his belief that the deal is bound to fail. American officials also have little faith in the resolve of the Europeans to properly sanction Iran if, in fact, the deal does fail. "The Europeans are fond of saying that they will stand with us if Iran breaches its commitments," offered one U.S. official. "But when we ask them for specifics on the sanctions they would impose, all we get is a blank stare."³¹ For their part, the European diplomats contend that, without active U.S. support, progress will be elusive.

In early March 2005, Washington, perhaps in recognition of its limited options, indicated a measure of sympathy for the European position. Though it still refused to deal directly with Tehran, the Bush administration declared its support for limited economic incentives in return for a permanent enrichment moratorium. These incentives included dropping the U.S. objection to Iran's application to the World Trade Organization and acquiescing to the sale of spare parts for Iran's aging fleet of

commercial airliners. In return, the EU-3 assured Washington that they were prepared to support a referral to the Security Council in the event negotiations broke down.³² The course correction was a positive step, but one that probably had more to do with rejuvenating the transatlantic alliance than with fashioning an enduring solution to the Iran dispute. From Tehran's perspective, these concessions represent a starting point for negotiation rather than the substance of a permanent settlement. In effect, Washington gives up little, but forces Tehran into the position of deal-breaker.

WHAT NEXT?

It may be too late to prevent Iran's nuclear breakout strategy from coming to fruition. Even if it is not too late, an approach that fails to coordinate closely European sticks with U.S. carrots is unlikely to succeed. The European Union's

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promise of improved relations with Iran in return for responsible behavior is not enough. European capitals must be willing to downgrade significantly political and economic ties with Tehran when radical policies hold sway. While it is clear that Tehran continues to value its ties with the European Union, only the United States can address the security concerns that drive Iran's strategic thinking. Even if Iran is willing to eventually trade elements of its nuclear program away, it is likely to do so only for the kind of security and economic incentives Washington alone can provide.

The contours of a possible deal are well known. Initially, Iran would have to fulfill its obligations under the Paris Agreement. These include acceptance and

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eventual ratification of the Additional Protocols, facilitation of IAEA inspections, and continued suspension of all enrichment activities. Once Iranian compliance is verified, negotiations on a broader agreement can commence. At this late stage, it is unlikely that Iran will renounce its enrichment rights; however, this should be the initial goal for the United States and Europe in any negotiations. Guaranteed access to leased fuel on favorable terms may persuade Tehran. As a fallback, negotiations should

incorporate Iran's concerns regarding fuel supplies into broader deliberations on the internationalization of the fuel cycle issue. Ultimately, some solution must be put in place that ensures energy-hungry developing countries access to nuclear fuel while managing concerns about the orientation of their nuclear programs. A system of internationally-managed regional enrichment centers is but one suggestion. Until such a solution is in place, however, it will be important to keep Iran inside the nonproliferation tent. To accomplish this, joint international-Iranian administration of Iranian fuel cycle facilities might be another answer.³⁵ Here, the participation of other players like Russia, China, and Japan would be crucial. The eventual goal is to integrate Iran into the nuclear club as another member with a sophisticated but strictly civilian nuclear program, under all the appropriate safeguards.

As an initial step, the United States will have to drop its objection to Iran's civilian nuclear program. From there, the broad brushstrokes of a sustainable deal include a package of economic incentives, integration into international financial institutions, and perhaps most importantly, recognition of Iran's legitimate security interests in the Persian Gulf. As mentioned above, only the United States can alleviate the security concerns that drive Iran's nuclear weapons ambitions. An American declaration that Iran's political future must be decided by the Iranian

people unmolested by foreign influence would represent a strong basis for progress. A security guarantee underwritten by the UN Security Council might also be a helpful measure. Eventually Iran needs to be incorporated into a Persian Gulf security framework in a way that reassures the entire region.

Negotiations should be limited to the nuclear issue and be as specific as possible. Efforts to link them to larger issues like U.S.-Iranian relations or Iran's support for terrorism will simply complicate matters and provide opportunities for radicals on all sides to sabotage progress. Until such time as a consensus supporting rapprochement exists in both countries, the temptation of a "grand bargain" should be avoided. Another problem with the EU-3-Iran negotiations is their high profile. The Iranian public is generally incensed by the perception that Iran is forced to negotiate for its legitimate rights under the NPT. Over time, the fuel cycle issue in particular has achieved an almost iconic status in Iran. Reformist President Mohammad Khatami captured the popular feeling when he insisted, "Yes to the peaceful use of nuclear technology! This is our national interest. This is our national honor. Our future development depends on it. We are not going to ask for anyone's permission."³⁴ Support for a hard line on the nuclear issue is likely to grow as public negotiations drag on.

Finally, a "coalition of the willing" should work to establish an array of sanctions in the event of a breakdown in the negotiations. Indeed, Washington should insist on a predetermined sanctions regime in return for its willingness to join negotiations in good faith. Prior approval would be an important hedge against the "sanction fatigue" that plagued the containment of Iraq in the 1990s. In the end, sanctions would be an unappealing post facto option, and they may only marginally impact Iran's nuclear capabilities. On the other hand, if Iran does finally cross the nuclear threshold, they will help reinforce Iran's image as a pariah state and provide a basis for containment.

Time is of the essence. The substantial momentum propelling Iran toward the nuclear threshold is likely to increase. Technologically, Iran is still several years away from a nuclear breakout. But this distance obscures the possibility that Iran may be much closer to the political point of no return on the nuclear issue.³⁵ Those who advocate a nuclear weapons capability to preserve the regime have consolidated their hold on power. Though the regime itself remains unpopular, a fervently nationalist population identifies increasingly with hard liners who insist there can be no retreat on the nuclear issue. Thus, even the most pragmatic factions in the

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regime may no longer be in a position to achieve a compromise with Europe and America. Thus far, the United States has not demonstrated a propensity for the agile diplomacy that will salvage the situation. If it fails to embrace a more creative solution, Washington will be left with one last option—learning how to live with a nuclear-armed Iran. ■

NOTES

- 1 The Bushehr station includes one 1,000 megawatt, low-enriched uranium, light water reactor scheduled (Bushehr I), and a 1,300 megawatt reactor (Bushehr II) no longer under construction. Work on the Bushehr station initially began in the 1970s with German assistance. Both projects were damaged in 1987 and 1988 by Iraqi air strikes. Bushehr I is being completed pursuant to an \$800 million deal with Russia and is due to go online in 2006. See Joseph Cirincione, Jon B. Wolfsthal, and Miriam Rajkumar, *Deadly Arsenals* (Washington, DC: Carnegie Endowment for International Peace, 2002): 255-269.
- 2 "Iran's Nuclear Ambitions," *IJSS Strategic Comments*, 9 (2) (March 2003): 1.
- 3 A cascade or series of centrifuges separates heavier U-238 molecules from the lighter U-235 molecules to produce low-enriched uranium to power nuclear reactors or highly-enriched fuel. Highly-enriched uranium is further enriched to produce weapons-grade uranium, which has a concentration of U-235 at or above 93 percent.
- 4 Plutonium is a by-product of uranium-fueled nuclear reactors and can also be used to make a nuclear weapon in the proper concentrations. Heavy water reactors can be fueled by non-enriched uranium, thus avoiding the need for enrichment facilities. However, heavy water reactors also produce weapons-grade plutonium far more efficiently than light water reactors. Thus, they are a greater proliferation danger than light water reactors.
- 5 "Iran's Nuclear Ambitions," *IJSS Strategic Comments*, 9 (2) (March 2003): 2.
- 6 United States Department of State, Taken Questions from May 8, 2003, Daily Press Briefing, May 9, 2003, <<http://www.state.gov/t/pa/prs/ps/2003/20439.htm>> (accessed April 9, 2005).
- 7 Though Iran appears to be abiding by the Additional Protocols, the measure has not received parliamentary ratification in Iran. Given the popular mood in Iran, ratification in the *Majlis*, Iran's parliament, may be on hold indefinitely.
- 8 Douglas Franta, "U.N. Sees No New Nuclear Signs in Iran," the *Los Angeles Times*, November 16, 2004: 3.
- 9 "A Better Iran Strategy," the *Washington Post*, March 4, 2005: 20.
- 10 Ali Akbar Dareini, "Iran Hardens Its Nuclear Stance," the *Philadelphia Inquirer*, February 14, 2005: A7.
- 11 Nazila Fathi, "Iran Rejects Nuclear Plan As Imbalanced, Europe Is Told," *The New York Times*, October 25, 2004: 14. Of course European countries may be less capricious than Tehran fears. However, hostile regional moves, support for international terrorists, or a covert nuclear weapons program might provoke some countries to interrupt Iran's supply of fuel.
- 12 See Ray Takeyh, "Iran's Nuclear Calculations," *World Policy Journal* 20 (2) (Summer, 2003): 21-28.
- 13 "To Prevent the Collapse of the Regime, Iran Must Leave the NPT," Iran Press Service, September 21, 2003, <http://www.iran-press-service.com/articles_2003/Sept-2003/iaea_iran_nuke_21903.htm> (accessed April 9, 2005).
- 14 "Dealing with Iran's Nuclear Program," International Crisis Group, Middle East Briefing, October 27, 2003: 16.
- 15 "Iran's Election, What Next?" *The Economist*, February 26, 2004. <http://www.economist.com/displayStory.cfm?Story_id=2467617>, (accessed February 26, 2004).
- 16 The Islamic Revolutionary Guard Corp (IRCG) is the powerful ideological counterbalance to the regular army and a central security pillar of the regime.
- 17 "Iran: Where Next on the Nuclear Standoff," International Crisis Group, Middle East Briefing, November 24, 2004: 7. *Bonyads* are religious foundations accountable only to the clerical elite, which wield enormous financial and substantial political influence.
- 18 See, for instance, Kenneth Pollack, *The Persian Puzzle* (New York: Random House, 2004), 369-373.
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