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Society for International Relations
Ljubljana, Slovenia
January 16, 2008

Confronting the Challenge of Nuclear Proliferation

Ladies and gentlemen, it is a pleasure for me to be here in Ljubljana at the Society for International Relations. The United States and Europe stand together to face what may prove to be the greatest challenge of our age, the challenge of nuclear proliferation. I am here in Ljubljana to consult with your government on how the United States and the European Union can best address this common challenge. Strong cooperation is crucial to our collective success.

Today I'd like to talk to you about two important issues. First, I'd like to talk about Iran, today's most serious proliferation challenge. While purporting to be a Party in good standing to the Nuclear Nonproliferation Treaty, Iran pursued nuclear weapons. After years of patient international diplomacy, Iran still refuses the transparency necessary to give the world confidence about the exclusively peaceful nature of its nuclear program.

Second, I'd like to talk about the importance of developing reliable access to nuclear fuel. The fuel cycle not only provides the necessary fuel for nuclear energy, but also carries serious proliferation risks. Reliable access to nuclear fuel reduces the need for states to pursue dual-use technologies that could lead to nuclear weapons proliferation, and will be important to facilitate the growing use of clean nuclear power around the world.

On both of these issues, Europe is—and will continue to be—an important partner. Only through a strong and unified effort can we tackle these challenges.

The Need for an Iranian Confession

Last month, the United States made public a summary of the recently completed National Intelligence Estimate—or NIE—on Iran's nuclear program.

The most-discussed part of this report is the first half sentence: The high confidence judgment that Iran halted its nuclear weapons program in late 2003. Many have focused on the judgment that Iran has not been working on weapons-related activities over the last four years. However, this ignores another important finding: that we are now more confident than ever that Iran did, indeed, have a covert nuclear weapons program until fall 2003—a clear violation of Iran's NPT obligations. Iran pursued this nuclear weapon

in secret, hiding its illegal actions from the world. To this day, Iran's leadership denies this nuclear weapons program despite increasing evidence that it existed, under government direction, until four years ago.

Consequently, the revelations presented in the NIE make it even more imperative that Iran come clean on its past and present nuclear activities, including nuclear weapons-related work. In November, IAEA Director General Mohamed ElBaradei called on Iran to provide the IAEA with a full "confession" of its past nuclear activities and full transparency into the present. We support this call.

It is imperative that Iran make a confession that details the existence and scope of its nuclear weapons program. And it is imperative that the IAEA be given the access it needs to verify that the weapons program was halted and has not been restarted. Only through a confession of past nuclear weapons-related activities can Iran begin to build confidence in the peaceful nature of its current nuclear activities.

Other states have realized that their nuclear weapons programs did not benefit their security. They found that abandoning these programs was a way to reduce international isolation and contribute positively to international peace and security. Each of these states went from a model of limited transparency to serious confidence-building measures. These states increased their cooperation and many walked back the sensitive portions of the nuclear fuel cycle. Their responsible actions have led to their reintegration into the community of responsible nations.

Let me give three examples.

In 1993, South Africa disclosed that it had constructed several nuclear weapons but three years earlier had abandoned its program and subsequently dismantled these weapons. South Africa dismantled or disabled relevant facilities and gave the IAEA complete access to former nuclear weapons facilities. It permitted verification that its nuclear weapons effort had ended and gave the world confidence that its current nuclear efforts are peaceful in nature. It ratified the Additional Protocol.

In 2003, Libya terminated its nuclear weapons program and allowed IAEA inspections and the removal of documents, centrifuge components, UF₆, and dual-use machine tools that were part of that effort. It signed and implemented the Additional Protocol.

In 1992, Romania opened its facilities to IAEA safeguards and inspections. Equipment associated with the nuclear weapons program was destroyed over the next two years. It submitted a new declaration to the IAEA that covered its previously hidden nuclear weapons efforts and signed the Additional Protocol in 1999.

These states provide potential models for a true Iranian confession and meaningful cooperation with the IAEA. These states made strategic decisions to reveal their nuclear weapons efforts and restore international confidence in the peaceful nature of their nuclear programs. Each of these states confessed their nuclear weapons activities to the

IAEA and the world. They walked back these efforts and destroyed, disabled, or gave up the equipment that was necessary for their nuclear weapons program, but was not necessary for their remaining peaceful nuclear efforts. They allowed IAEA inspections and signed and implemented the Additional Protocol.

Iran, too, needs to confess its nuclear weapons program and make an honest and complete declaration of its nuclear activities, past and present.

Unfortunately, Iran has not yet taken advantage of the opportunity presented by its Work Plan with the IAEA to make such a confession. It has not provided the IAEA with cooperation and access that would begin to restore international confidence in the exclusively peaceful nature of its nuclear activities. Furthermore, the Director General has warned that the IAEA's knowledge of Iran's nuclear program is "diminishing." These are clear signals that Iran has not made a strategic decision to turn away from its nuclear weapons ambitions once and for all.

In fact, the NIE notes that Iran's leadership continues to keep open the option to pursue nuclear weapons, and that Iran's enrichment program—which it continues in violation of its international obligations—is part of keeping open that option. Iran's leadership has retained the industrial capacity and knowledge necessary to restart its nuclear weapons program at any time. The only deterrent to this is international scrutiny and international pressure.

Slipping "Deadlines"

High-level Iranian officials told the IAEA Director General last week in Tehran that Iran would resolve remaining outstanding issues over the next four weeks. The United States strongly supports the IAEA's efforts to convince Iran that it must finally disclose all of its past and current nuclear activities, including those linked to nuclear weapons efforts. Answers to these questions are long overdue. The US and Europe should work together to ensure that the IAEA's four-week deadline is a real one.

However, we cannot sit back and wait for resolution of these issues or completion of the work plan to move forward with additional sanctions. Dr. ElBaradei had established earlier deadlines: November, then the end of the year. Iran's failure to complete the IAEA Work Plan by these slipping deadlines is just the latest example in a long history of Iran's troubled relationship with the IAEA. Even more disturbing, on Monday, only one day after the Director General's return from Tehran, Iranian Foreign Minister Motaki tried to move the deadline for cooperation yet again. He ignored the mid-February, four-week deadline announced by the Director General and said that Iran would resolve questions about its nuclear program "in March." This is not encouraging. Such statements reinforce our suspicion that Iran is again trying to use the guise of cooperation through a drawn-out Work Plan only as a means to distract the international community and delay additional sanctions.

This would not be the first time Iran feigned cooperation to block sanctions. In a speech delivered in late 2004, former Iranian nuclear negotiator Ruhani suggested that one of the aims of Iran's cooperation with the EU-3 from 2003 through 2005 was delaying or preventing Iran's referral to the UN Security Council.

Iran's level of cooperation needs to change. Efforts to drag out resolution of outstanding issues and "just-in-time" cooperation do not instill confidence in Iran's intentions.

We must use collective and individual measures to keep pressure on Iran to fully disclose its nuclear activities, provide active transparency, and to comply with its international obligations, and to do so in a timely manner.

The Continued Role of the Security Council

The good news is that Iran has responded to pressure in the past. The NIE concludes that Iran's decision to halt its nuclear weapons work in 2003 was the result of concerted and sustained international pressure.

Thus, the Security Council plays an important role. It is the world's main vehicle for convincing Iran's leaders to give up their nuclear weapons ambitions once and for all. The international community must not let up its diplomatic pressure until it is confident that the nuclear weapons program will not be restarted if international attention wanes.

Producing fissile material is the most time-consuming factor in building nuclear weapons. Thus, Iran's continued pursuit of enrichment in the face of a Security Council requirement to suspend, and in the face of increasing information about one of the original—and long held—purposes of the program, is deeply troubling and remains a serious threat to international peace and security. The unanimous UN Security Council resolutions are an indication of the seriousness with which the international community views this threat.

Yet, the IAEA Director General reported in November that Iran is continuing pursuit of an enrichment capability and has 3000 centrifuges operating at Natanz. If Iran's pursuit of a nuclear capability continues without any regard for the legitimate concerns of the international community, the U.S. will continue to work with other concerned nations—including those of Europe—to put in place stronger measures to persuade Iran that it must choose a new path and meet all its nuclear nonproliferation obligations. Adopting a third sanctions resolution in the Security Council is a necessary, but not sufficient, step in communicating this message.

Indeed, we look to Slovenia's EU Presidency to continue the EU's pattern of strong leadership in support of the UN Security Council process and other international efforts to increase the pressure on Iran to come to the negotiating table and resolve outstanding concerns about its program. The strength and unanimity of the international community is vital to bringing about a diplomatic solution to the challenge of the Iranian nuclear issue.

The Strategic Decision for Iran's Leaders

The NIE judges that Tehran's decisions are guided by a cost-benefit approach that suggests that some combination of intensified international scrutiny and pressures, along with opportunities for Iran to achieve its security and prestige goals in other ways, could extend Tehran's decision to halt its nuclear weapons program. This is good news, since this is the dual-track strategy being followed by the United States, Europe, Russia, and China. We are looking to prompt a strategic rethinking in Tehran.

Once Iran complies with its UNSC obligation to suspend enrichment, the United States is ready to engage in negotiations with Iran alongside its P5+1 partners with the aim of achieving a long-term agreement to resolve the Iranian nuclear issue. These countries all favor a diplomatic resolution of the issue and continue to keep their June 2006 offer of significant benefits for Iran on the table in exchange for suspension.

In exchange for Iranian cooperation, the six-country proposal offers Tehran much of what it claims it wants from its nuclear program—advanced technologies, economic benefits that would help better integrate Iran into the world economy, a nuclear energy program that would reserve some of Iran's oil and gas for sale on the world market, and guaranteed fuel supply to ensure that those reactors continue to run and to produce energy for Iran's growing population.

We are asking Iran to negotiate in good faith, to show the world that it is interested in negotiations and a resolution of international concerns over its nuclear program rather than in delaying long enough to perfect the technology that is a key component of any effort to produce nuclear weapons. We are asking Iran to abide by its international commitments and international obligations.

Despite our continued disappointments, we hope that Iran's leaders will make a strategic choice to cooperate fully with the international community. We urge Iran to heed the Director General's call to implement the Additional Protocol and to suspend all of its proliferation-sensitive nuclear activities. We urge Iran's government to move away from its path toward further isolation, to take advantage of the opportunity to resolve all outstanding issues with the IAEA, to build confidence in Iran's nuclear program through suspension, and to enter into negotiations toward a political settlement.

Opportunities for Nuclear Energy and Reliable Access to Nuclear Fuel

I have been speaking about the potential proliferation of nuclear weapons. Let me speak for a moment about the proliferation of peaceful uses of nuclear technology and how this can be done in a way that strengthens the nonproliferation regime.

As more and more countries plan their energy futures, they are taking a close look at nuclear energy. The United States is encouraging them to do so. President Bush said in July that the U.S. is determined to play an active role in making the advantages of the peaceful use of nuclear energy available to a wide range of interested States... provided the common goal of prevention of proliferation of nuclear weapons is achieved.

Of course, nuclear power reactors need fuel, most of which is processed in uranium enrichment facilities. One of the major problems with uranium enrichment technology, however, is that it can be used for both peaceful and military purposes: low enriched uranium is fuel used to generate electricity in a reactor and highly enriched uranium is the material for a bomb. This is precisely the problem we currently have with Iran. Besides being proliferation-sensitive, this technology is extremely expensive and difficult to develop and operate.

Many of the countries which now rely on nuclear power reactors to generate electricity have opted not to develop the facilities to enrich uranium; instead, they rely on the commercial market for uranium and enrichment services. This market functions well as Slovenia knows since it is one of those countries. I understand that the Krško Nuclear Power Plant supplies one quarter of Slovenia's electricity using fuel purchased on the commercial market.

One way to expand nuclear energy in a way that strengthens, rather than undermines, the nuclear nonproliferation regime is through an internationally recognized mechanism to assure the supply of low enriched uranium for nuclear reactor fuel. IAEA Director General Mohamed ElBaradei has said that "by providing reliable access to... fuel at competitive market prices, we remove the incentive for countries to develop indigenous fuel cycle capabilities... and [address] concerns about dissemination of sensitive fuel cycle technologies."

In the first instance, countries considering nuclear energy can acquire nuclear fuel on the established international market, which functions well and has proven to be reliable. The United States is working with partners and the IAEA to develop a back-up safety net mechanism. In June of last year, Dr. ElBaradei produced a report which described a variety of specific proposals from many different countries, each seeking to provide interested countries the option of turning to an internationally approved mechanism in the unlikely event of a disruption in their supply of nuclear fuel. This mechanism would provide a "viable alternative" to the development of difficult, expensive, and proliferation-sensitive enrichment technologies.

The Director General and participating states have made clear that none of these proposals would disrupt the currently well-functioning markets. Furthermore, participating in this mechanism would be a voluntary decision on the part of sovereign governments. No country would be denied its right to develop peaceful nuclear energy programs. Instead, they would be given the option to develop nuclear energy in an efficient and economical manner that might otherwise be prohibitively expensive and

potentially unreliable. The mechanism would ensure that fuel will be available to them as needed to meet their growing energy demands.

US Secretary of Energy Bodman told the 2007 IAEA General Conference that he hoped the leading edge of such a mechanism would be implemented by the time of the September 2008 General Conference. We are working closely with Slovenia, as the EU President, to achieve this goal.

U.S.-Europe Cooperation

In conclusion, I am pleased to report a high level of cooperation between the U.S. and the European Union in confronting the challenge of Iran and promoting multilateral assurances of reliable access to nuclear fuel. This close cooperation stems from a common interest in reducing the risks of nuclear proliferation while allowing countries to make peaceful use of nuclear technology. Our common interest and close cooperation give us hope of collective success.